



Labrador Iron Mines Holdings Limited

NEWS RELEASE

Grant of Stock Options

TORONTO, ONTARIO. September 15, 2009. Labrador Iron Mines Holdings Limited (TSX: LIM) reports that at the Annual Meeting held today in Toronto, shareholders approved the cancellation of 3,350,000 outstanding stock options, exercisable at \$4.00 and \$4.85 per share, to be replaced with 1,675,000 stock options all having an exercise price of \$2.00 per share, and all with an expiry date of August 31, 2012, and vesting as to one-eighth thereof quarterly over a period of two years.

The resolution was approved by 98% of the votes cast by disinterested shareholders (that is excluding the votes attaching to shares held directly or indirectly by participants, their associates or affiliates).

The Board of Directors also approved the grant of an additional 280,000 options to new employees at an exercise price of \$2.00 per share, all with an expiry date of August 31, 2012, and all vesting as to one-eighth thereof quarterly over a period of two years.

The total number of options now outstanding under the Company's Incentive Stock Option Plan is 1,955,000, all exercisable at \$2.00 per share and all with an expiry date of August 31, 2012.

LIM has currently 37,148,457 shares outstanding.

About Labrador Iron Mines Holdings Limited

Labrador Iron Mines was established to develop direct shipping iron ore deposits on properties in which it holds interests in the Labrador Trough, Canada's main iron ore producing region, in the province of Newfoundland and Labrador near Schefferville, Quebec.

The Company's properties are part of the historic Schefferville area iron ore district from which over 150 million tons of direct shipping iron ore was previously mined by the Iron Ore Company of Canada from 1954 to 1982.

Labrador Iron Mines is working to reactivate direct shipping iron ore operations in the region with plans to commence production in the summer of 2010.

For further information, please view the Company's website at www.labradorironmines.ca or contact:

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