



For Immediate Release

LABRADOR IRON MINES and NEW MILLENNIUM rationalize Mineral Property ownership

TORONTO, ONTARIO. October 22, 2009. Labrador Iron Mines Holdings Limited (TSX: LIM) announces that it has entered into an agreement with New Millennium Capital Corp. (“NML”) to exchange certain of their respective mineral licences in Labrador. The exchange eliminates the fragmentation of the ownership of certain mining rights in the Schefferville area and will enable both parties to separately mine and optimise their respective direct shipping ore (DSO) deposits in as efficient a manner as possible.

The Agreement represents the exchange by each party of equal quantities of approximately 13 million tons of iron ore. These exchanges are based on historic estimates of gross quantities of iron ore (non NI 43-101 compliant) contained in the various DSO deposits.

Under the Agreement, NML has agreed to transfer to LIM ten mineral licenses in Labrador and six adjacent claim blocks in Quebec, which claims adjoin or form part of LIM’s Phase One James, Houston, Redmond and Knob Lake deposits, and a small portion of LIM’s Phase Three Howse deposit.

LIM has agreed to transfer to NML two mineral licenses in Labrador comprising part of LIM’s Phase Three Kivivic 2 and Kivivic 1 deposits, which claims adjoin NML’s Area 4 Kivivic and Goodwood deposits.

Under the Agreement the parties have agreed to work collaboratively to facilitate their respective extraction, processing and transportation activities by enabling each party to apply for all required surface rights. The parties have also agreed to finalize the layout or detailed technical descriptions of the surface rights that each requires to access the DSO deposits on their respective mineral claims, including any necessary roads, rail lines, processing and storage areas.

John F. Kearney, Chairman of Labrador Iron Mines said *“We are pleased to have entered into this mutually beneficial exchange agreement with New Millennium. The agreement rationalizes the ownership of various DSO deposits in the Schefferville area and will enable both Companies to independently develop the DSO deposits in their respective areas of intended operations as efficiently as possible.”*

The exchange now gives LIM sole ownership of all DSO deposits in its Phase One (Area 1) area, and in proximity to LIM’s planned processing facilities at Silver Yard, parts of which deposits had been previously held by NML.

In exchange LIM has transferred to NML an equivalent tonnage of iron ore from LIM’s Phase Three area, in proximity to NML’s Kivivic and Goodwood Area 4 deposits where NML plans to concentrate its mining activities, and which LIM had only planned to develop in Phase Three towards the latter part of its overall project life.

About Labrador Iron Mines Holdings Limited

Labrador Iron Mines Holdings Limited (LIM) is developing direct shipping iron ore deposits on properties in the Labrador Trough of 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 by mid-2010.

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

Donna Yoshimatsu
Vice-President, Investor Relations
Tel: (647) 728-4119
E-mail: Yoshimatsu.d@labradorironmines.ca

Cautionary Statements:

Some of the statements contained herein may be forward-looking statements which involve known and unknown risks and uncertainties. Without limitation, statements regarding potential mineralization and resources, exploration results, and future plans and objectives of the Company are forward looking statements that involve various degrees of risk. The following are important factors that could cause the Company's actual results to differ materially from those expressed or implied by such forward looking statements: changes in the world wide price of mineral commodities, general market conditions, the uncertainty of future profitability and access to additional capital, risks inherent in mineral exploration and risks associated with development, construction and mining operations, delays in obtaining or failures to obtain required governmental, environmental or other project approvals. Caution should be exercised on placing undue reliance on forward looking information.

The resources referred to in this press release are historical and have not been confirmed in accordance with the standards in National Instrument 43-101. The terms "iron ore" and "ore" in this press release are used in a descriptive sense and should not be construed as representing current economic viability.