



Labrador Iron Mines Holdings Limited

PRESS RELEASE

LIM Third Quarter Financial Results Reports Change in Accounting Treatment of Stock Based Compensation

For Immediate Release

Toronto, Ontario. February 15, 2010. **Labrador Iron Mines Holdings Limited** (TSX: LIM) announces that it has filed its Unaudited Interim Financial Statements and related Management's Discussion and Analysis (MD&A) for the three and nine months ended December 31, 2009.

For the quarter ended December 31, 2009, the Company reported net income of \$2,356,601 compared to a net loss of \$682,489 during the same period in the prior year. For the nine month period ended December 31, 2009 the Company reported net income of \$1,539,604 compared to a net loss of \$1,279,715, for the nine months ended December 31, 2008. The higher income in both the three and the nine months was primarily attributable to future income tax recoveries of \$3,153,656 and \$3,575,759 respectively. At December 31, 2009, LIM held cash and cash equivalents of \$20.7 million.

Restated Stock Based Compensation Expense

LIM also reports that in its quarterly financial statements for the interim period ended December 31, 2009, it has restated stock-based compensation expense amounting to \$3,275,000, relating to certain stock options granted as part of the Initial Public Offering of the Company in 2007, which was originally classified as an issuance cost related to the Initial Public Offering and recorded to share capital and warrants in the year ended March 31, 2008.

The Company has subsequently determined, considering the guidance in the CICA Handbook Emerging Issues Committee EIC-94, *Accounting for Corporate Transaction Costs*, that this expense would have been more appropriately classified as an operating expense for the year-ended March 31, 2008.

This change in accounting treatment has resulted in an increase in share capital of \$2,915,000 and an increase in warrants of \$360,000 at March 31, 2008 and 2009; an increase in contributed surplus of \$360,000 at December 31, 2009; and an increase in deficit of \$3,275,000 at March 31, 2008, March 31, 2009 and December 31, 2009. This change also resulted in an additional loss of \$3,275,000 for the year ended March 31, 2008, being a restated loss of \$1,282,039 compared to income of \$1,992,961 previously reported.

Total shareholders' equity remains unchanged as a result of this restatement.

Internal Control Over Financial Reporting

In its Management's Discussion and Analysis for the interim period ended December 31, 2009, the Company also clarified its disclosure of the conclusions of the certifying officers' evaluation of the effectiveness of the Company's internal control over financial reporting, confirming that at the financial year ended March 31, 2009 the Company's internal control over financial reporting was effective to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP.

The Financial Statements and MD&A may be viewed on SEDAR or the Company's website at www.labradorironmines.ca.

Labrador Iron Mines Holdings Limited (LIM)

LIM's Schefferville area project involves the development of 20 direct shipping iron ore deposits in western Labrador and north eastern Quebec near Schefferville. The Company's properties are part of the historic Schefferville area iron ore district where mining of adjacent deposits was previously carried out by the Iron Ore Company of Canada from 1954 to 1982. Labrador Iron Mines plans mining in varying stages, the first of which comprises the James and Redmond deposits which are located in close proximity to existing infrastructure. Subject to timely receipt of all permits and licences, the Company plans to commence iron ore 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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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.