



Labrador Iron Mines Holdings Limited

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LIM completes C\$110 million equity financing

TORONTO, ONTARIO. April 26, 2011. Labrador Iron Mines Holdings Limited (TSX:LIM) (the “**Company**” or “**LIM**”) is pleased to announce that it has completed its previously announced public offering of C\$100,000,000 in common shares and C\$10,000,500 in flow-through shares of the Company, at a price of C\$12.50 per common share and C\$15.00 per flow-through share (collectively, the “**Offering**”).

The Offering was completed by a syndicate of underwriters led by Canaccord Genuity Corp. and included BMO Nesbitt Burns Inc., Jennings Capital Inc., Haywood Securities Inc. and Scotia Capital Inc. (collectively, the “**Underwriters**”).

The Offering was made pursuant to a short form prospectus filed in each of the provinces of Canada other than Quebec.

The Company intends to use the net proceeds from the Offering for upgrades to and expansion of the Silver Yards plant, for payments under the recently announced rail transportation agreements, for exploration and development of the Company’s mineral projects, and for general corporate and working capital purposes.

The Company issued 8,000,000 common shares and 666,700 flow-through shares pursuant to the Offering and now has 52,861,591 common shares outstanding after giving effect to the Offering.

The Company has also granted the Underwriters an over-allotment option to purchase up to 1,200,000 additional common shares, exercisable at any time up to 30 days after and including the closing of the Offering, at a price equal to the offering price of the Common Shares of C\$12.50 per share.

This press release does not constitute an offer of securities for sale in the United States. The securities being offered have not been, nor will be, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold within the United States absent U.S. registration or an applicable exemption from U.S. registration requirements.

Labrador Iron Mines Holdings Limited (LIM)

LIM’s Schefferville Area projects involve the development of twenty direct shipping iron ore deposits in western Labrador and north-eastern Quebec near Schefferville, Quebec. 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.

LIM contemplates developing its Schefferville Area projects in stages. The first phase of Stage 1 comprises the James Deposit where mining has already commenced. Approximately 500,000 tonnes of

material has now been moved from the James North and James South mines. About 100,000 tonnes of ore has been mined up to April 22, 2011 and a stockpile of over 50,000 tonnes of iron ore has been built up ahead of the crusher. Construction of the Silver Yards processing plant has been completed and it is expected that, following commissioning, the first ore will be fed to the plant in May.

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.