



Labrador Iron Mines Holdings Limited

PRESS RELEASE

LIM signs rail service agreement with Genesee & Wyoming

For Immediate Release

TORONTO, ONTARIO. April 28, 2011. Labrador Iron Mines Holdings Limited (TSX:LIM) (the “**Company**” or “**LIM**”) is pleased to announce that it has signed a rail services agreement with Western Labrador Rail Services (WLRSS), a wholly owned subsidiary of Genesee & Wyoming Inc. (GWI) for WLRSS to operate LIM's newly constructed six -kilometer railway which connects LIM’s Silver Yards processing facility in western Labrador to the main Schefferville to Emeril Junction rail line.

WLRSS will also provide, operate and maintain up to five SD 40-3 locomotives which will be used to haul LIM’s iron ore from Silver Yards, over the TSH privately owned railway, to Emeril Junction.

The iron ore will then travel over the Quebec North Shore & Labrador Railway (QNS&L) to port facilities in Sept-Iles on the St. Lawrence River for export to the seaborne iron ore market. Operations are expected to commence in May 2011.

WLRSS is part of GWI's Canada Region and provides rail service to mining companies operating in Labrador and the Quebec North Shore, including the operation of the Bloom Lake railway in western Labrador, which carries iron ore from Cliffs Resources, (Consolidated Thompson) Bloom Lake Mine.

About Genesee & Wyoming Inc. (NYSE: GWR)

GWI owns and operates short line and regional freight railroads in the United States, Canada, Australia and the Netherlands. GWI provides rail service at 16 ports in North America and Europe and perform contract coal loading and railcar switching for industrial customers. In addition, GWI operates the Tarcoola to Darwin rail line which links the Port of Darwin with the Australian interstate rail network in South Australia. Operations currently include 63 railroads organized in nine regions, with approximately 7,400 miles of owned and leased track and approximately 1,400 additional miles under track access arrangements.

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.