



Labrador Iron Mines Holdings Limited

PRESS RELEASE

LABRADOR IRON MINES HOLDINGS LIMITED ANNOUNCES NORMAL COURSE ISSUER BID

Toronto, Canada, September 30, 2008 – Labrador Iron Mines Holdings Limited (TSX: LIR) announces that it intends to conduct, subject to regulatory approval, a normal course issuer bid (the "Bid") pursuant to which the Company may purchase up to a maximum of 684,140 common shares in the capital of the Company (the "Shares"), representing approximately 10.0% of the public float of the Company of 37,193,951 as at September 29, 2008.

The Company is of the view that the recent market prices of the Shares do not properly reflect the underlying value of the Company's assets. No insiders of the Company intend to participate in the Bid.

The Company intends to commence the Bid on or about October 2, 2008 and terminate the Bid on or about October 1, 2009. Pursuant to TSX policies, daily purchases will be limited to 10,563 shares, other than block purchase exceptions, being 25% of the average daily trading volume of 42,253 shares on the TSX over the past six months, subject to certain prescribed exceptions. Purchases pursuant to the Bid will be made from time to time through the facilities of the Toronto Stock Exchange. Shares purchased will be paid for with cash available from the Company's working capital, which at June 30, 2008, was approximately \$46.4 million. All Shares purchased pursuant to the Bid will be cancelled and returned to treasury.

About Labrador Iron Mines Holdings Limited

Labrador Iron Mines Holdings Limited was established to explore and develop "direct shipping" iron ore deposits on properties in which it holds interests located in the Labrador Trough, in the province of Newfoundland and Labrador, near Schefferville, Quebec. The Company was listed on the TSX in December 2007, following a successful IPO in which it raised over \$52 million.

The Company's properties in Labrador are part of the historic Schefferville 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 targeting to commence production of both lump and sinter fine iron ore in 2009.

The common shares and warrants of Labrador Iron Mines Holdings Limited are listed on the Toronto Stock Exchange under the symbols "LIR" and "LIR.WT", respectively.

Forward-Looking 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, risks inherent in mineral exploration, risks associated with development, construction and mining operations, the uncertainty of future profitability and the uncertainty of access to additional capital.

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