



Labrador Iron Mines Holdings Limited

PRESS RELEASE

- **Half Year Financial Results reported**
- **Schefferville Iron Ore Project advances towards production**
- **Strong Cash Position - \$43.5 million**

Toronto, Canada, November 17, 2008 – Labrador Iron Mines Holdings Limited (TSX: LIR) announces that it has filed its unaudited Interim Consolidated Financial Statements and Management’s Discussion and Analysis for the half-year ended September 30, 2008, which may be inspected under the Company’s profile at www.sedar.com or on the Company’s website at www.labradorironmines.ca

At September 30, 2008, the Company had \$43.5 million in cash and current assets and is in a healthy financial condition to carry out its planned programs to move its Schefferville direct shipping iron ore project in western Labrador into production.

During the three and six month periods ended September 30, 2008 the Company invested \$5,223,635 and \$6,568,801 respectively, (including \$172,854 and 335,675 respectively in stock-based compensation on options granted to exploration and operating employees) on its mineral properties, the principal components of which were geology, engineering, environmental, permitting and community consultation. For details refer to Note 3 to the interim Consolidated Financial Statements.

For the three and six month periods ended September 30, 2008 the Company reported net losses of \$397,293 and \$597,226 respectively, the main components of which were, stock-based compensation expense of \$355,490 and \$586,563 and administration of \$187,389 and \$263,360, offset in part by interest income of \$330,092 and \$709,158. The stock compensation expense arose on the vesting of part of the stock options granted in prior periods.

Interest income of \$330,092 and \$709,158, for the three and six month periods, arose from the investment of cash in highly liquid GIC’s with a major Canadian financial institution.

Schefferville Iron Ore Project Advances Towards Production

Labrador Iron Mines is focused on the development of direct shipping iron ore in the Labrador Trough, in the Province of Newfoundland and Labrador, near Schefferville, Quebec (the “Schefferville Project”).

Following its IPO in December 2007, the Company commenced plans to complete a program of verification drilling and bulk sampling on certain of the properties and the calculation of a compliant mineral resource, leading to the undertaking of a detailed engineering study of mining the hematite deposits which comprises the Schefferville Project to produce “direct shipping” lump and sinter fine ore, for sale to European or Far Eastern steelmakers.

Environmental Studies and Permitting

Labrador Iron Mines had initiated environmental baseline studies in the region at the start of exploration in 2005/2006. Since that time, seasonal environmental studies, including work with elders of the various aboriginal nearby communities, has been conducted to document the existing environment and to include the collection of traditional knowledge in the Environmental Assessment. These programs were ramped up in 2008 to meet the scope of the proposed development and included detailed assessments of the aquatic and terrestrial ecology, hydrology and groundwater, geochemistry and socio-economic components.

In April, 2008, the Company submitted the Project Registration Application for the first phase of development of the Schefferville Project to the Department of Environment and Conservation in the Province of Newfoundland and Labrador and

to the Canadian Environmental Assessment Agency (CEAA). The Project Registration Documentation addresses production from the first phase of the Schefferville Project, being the James North, James South and Redmond properties. These properties have been the subject of prior activity carried out by the Iron Ore Company of Canada and are already partially developed.

On August 13, 2008 the Minister of Environment and Conservation requested an Environmental Impact Statement (EIS) as part of the Application process. On October 29, 2008 the Minister published the draft guidelines for the preparation of the EIS for public comment. The Minister is expected to publish the final guidelines, which will include public consultation meetings, in early December. The Company is now progressing with the work necessary to complete this EIS and expects to submit the EIS prior to year-end. When the EIS is submitted the Minister will have a period of 70 days to review the EIS, following which it should be submitted to the Cabinet for project approval. Upon release of project approval the Company will then submit the applications for the necessary operating permits. Assuming the operating permits are issued in the first or second quarter of the year, the Company plans to commence mining operations during the summer of 2009. If the permits are not issued in time to enable summer operations the start of initial production may be delayed to 2010.

Impact Benefit Agreement signed with Innu of Labrador

On July 24, 2008, the Company and Innu Nation of Labrador, signed an Impact Benefit Agreement (IBA) committing to an ongoing relationship between the Innu Nation and Labrador Iron Mines with respect to the development of the Company's direct shipping hematite iron ore project located in western Labrador. The IBA is a life of mine agreement that establishes the processes and sharing of benefits that will ensure an ongoing positive relationship between Labrador Iron Mines and the Innu Nation. In return for their consent and support of the project, the Innu Nation and their members will benefit through training, employment, business opportunities and financial participation in the project.

Labrador Iron Mines is also continuing its discussions and consultations with other First Nations and has signed MOU's with two nearby communities.

Definition Drilling

A reverse circulation and core drilling program commenced in July 2008 to provide data for a compliant resource estimate on the various deposits, including a reserve estimate on the Phase One Properties, and to assist with both short term mine planning and with longer term operational planning. This 4,500 meter program was completed in October 2008 and was supplemented by an exploration trenching program. Samples prepared in the Company's own laboratory have been sent to SGS-Lakefield for assay and when these are received they will be incorporated into the relevant resource estimates. In addition a detailed program of hydro-geological drilling comprising over 1,000 meters in 18 holes together with associated pump testing was completed.

Test Mining – Bulk Samples

A test mining program to excavate 6,500 tonnes of bulk ore samples from the Phase One deposits was carried out by RSM Mining from Labrador City. This material was crushed and screened to produce samples proximating to the lump ore and sinter ore. The test mining program was successfully carried out and did not encounter any particular problems in mining or processing. Test washing was not carried out at site. Some of this bulk sample material is being used in the metallurgical testing program and the remainder is available for market testing by potential iron ore buyers.

To support the transfer of the bulk sample iron ore to the Port of Iles the Company leased ten 90 tonnes gondola ore cars and also rented five ballast cars from Tshiuetin Rail Transportation Inc. ("TSH"). TSH currently operates a passenger and light freight service between Schefferville and the Port of Sept-Iles. The gondola cars will become part of the future leased transport fleet that will include additional ore cars as well as main line and shunting locomotives.

Detailed Engineering Study to be completed early in 2009

SNC-Lavalin, in conjunction with Geostat and with participation by the Labrador Innu Development Corporation, was awarded a contract for a Resource and Engineering Study, including detailed engineering design and specifications for major items of plant and infrastructure. In addition metallurgical test-work aimed at the design of the process circuit required to meet market specifications for the particular types of iron ore is being carried out by SGS-Lakefield. All of these activities are well advanced and it is anticipated that the final engineering report will be received early in 2009.

First Production Planned for 2009

The Company plans the commencement of commercial production of iron ore from the deposits located on the Schefferville Project at the earliest opportunity and, subject to receipt of permits, is working to bring Phase One of the Project into production in 2009. The development plan calls for relatively low production volumes in 2009 building up to three million tonnes per annum by 2012. Any significant delay in obtaining permits could delay the commencement of initial production in 2009.

Qualified Person

Terence N. McKillen, M.Sc., P. Geo., Vice President and a Director of the Company is the Company's Qualified Person under Canadian National Instrument 43-101 and has reviewed this press release.

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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