



Labrador Iron Mines Holdings Limited

PRESS RELEASE

LIM receives environmental and construction permits for railway Begins construction of 4.5 km spur line

For Immediate Release

Toronto, Ontario. May 4, 2010. **Labrador Iron Mines Holdings Limited** (TSX: LIM) is pleased to announce that it has begun construction on the new 4.5 km railway spur line in preparation for the commencement of operations at the Company's Schefferville area iron ore project this summer.

The Construction Permit has been issued by the Minister of Transport and Works of the Province of Newfoundland and Labrador under the Rail Service Act, for the re-establishment of the railway spur line between the LIM processing site at Silver Yard and the existing Tshieutin Rail line which runs to the port of Sept-Iles. This enables the Company to immediately proceed with the installation of track panelling that has been assembled offsite over the past several months.

The new rail spur line will be used to move to site the main components of the processing plant and the accommodation camp. The process and camp components have all been ordered and the majority have now been delivered. These will be installed when the mine construction and operating permits are received in the near future. It is expected that the rail work will be completed within the next 30 days.

This Permit follows the receipt of approval from the Department of Environment and Conservation of the Environmental Protection Plan ("EPP") for the spur line reconstruction.

Mining leases for the first stage James and Redmond deposits, surface use leases for the rail spur, Silver Yard beneficiation area, camp, and residue disposal, together with a number of other permits and licenses, have all now been issued by the Government of Newfoundland and Labrador. A number of other permits, including the mine operating permit, are expected to be issued in the near future.

Labrador Iron Mines Holdings Limited (LIM)

LIM's Schefferville area project involves 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. Labrador Iron Mines contemplates mining in four stages, the first phase of Stage 1 comprising the James and Redmond deposits, which are located in close proximity to existing infrastructure. The Company plans, subject to timely receipt of remaining permits, to commence iron ore production in mid-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.