



LIM reviews Eventful Year at Annual Meeting of Shareholders

- **Schefferville Iron Ore Project Moving Forward**

For Immediate Release

Toronto, Ontario. September 15, 2010. **Labrador Iron Mines Holdings Limited** (TSX: LIM) reports that at the Company's Annual Meeting of Shareholders held at the TSX Broadcast Centre in Toronto on September 15, 2010 shareholders were told that several key developments have significantly advanced the Company's iron ore project towards the goal of production start-up in the spring of 2011.

"Throughout the past year, since our last Annual Meeting, the Company made steady progress in advancing the Schefferville Projects toward production with ongoing active programs, including drilling, metallurgical testing, environmental, permitting, engineering, purchasing and commencement of construction", remarked John Kearney, LIM's Chairman & Chief Executive.

In December 2009, LIM acquired control over an additional 50 million tons historic resource of direct shipping iron ore in the Province of Quebec, together with a large package of mineral claims in the Schefferville area. The acquisition will extend the life of the first stage deposits and will have a positive effect on the overall project development plan and mine life.

The NI 43-101 compliant resource estimates for the James, Redmond and Houston deposits, comprising the first stage of targeted production, now total over 25 million tonnes of indicated resource.

Metallurgical testing of James South lump ore and sinter fines by SGA research centre in Germany indicated the iron content of the lump ore at 66.98% and the fines at 67.23%, with other elements favourably low. SGA concluded that James South represents high quality lump ore and fines which will be well accepted in the European market.

The project description was first filed with the Government in May 2008 and the revised Environmental Impact Statement filed in August 2009. In November, 2009, the Minister of Environment and Conservation of the Province of Newfoundland and Labrador announced that the review of LIM's Environmental Impact Statement had been completed and accepted as satisfactory.

In February 2010, the Minister informed the Company that under the authority of Section 67(3) (a) of the *Environmental Protection Act*, the Government had released the Schefferville Area Iron Ore Mine (the first phase of the Schefferville Projects) from environmental assessment. The Environmental Assessment process was successfully completed in under 2 years.

All major permits now received

"The Company has now received from the Government of Newfoundland and Labrador all the remaining major permits that are required to advance the Project through construction and into mine operations commencing next spring" said Mr. Kearney.

"The Government of Newfoundland and Labrador has engaged in consultation with potentially affected First Nations with regard to the Company's various permits and this consultation process is continuing. The Company has agreed that, if required, any permits or approvals may be modified as a result of this consultation process" Mr. Kearney added.

The receipt of all permits took longer than anticipated, in part because of the consultation process, which resulted in a delay in the Company's originally planned construction and production timeline.

First Nations Negotiations

On September 9, 2010, LIM signed an Impact Benefits Agreement with the Naskapi Nation located at Kawawachikamach, Quebec with respect to the development and operation of the Company's Schefferville Iron Ore Project in Western Labrador.

In early September 2010, the Company reached an agreement with the Innu Matimekush-Lac John (Schefferville) to remove barriers that had restricted normal access from the town of Schefferville to adjacent mining properties and to commence IBA negotiations.

This agreement to remove the barriers was achieved following discussions and consultations between the Quebec Innu and the various Governments, including meetings in Schefferville attended by representatives of the Government of Newfoundland and Labrador and the Government of Quebec and representatives of the Federal Minister of Indian and Northern Affairs. Each of the Governments has made certain commitments to the Innu towards resolving a number of issues that will help facilitate the mining projects in the Schefferville area to move forward on an ongoing basis.

LIM will proceed with negotiations with the Innu Matimekush-Lac John towards concluding an Impact Benefits Agreement. LIM is also continuing negotiations towards an Impact Benefits Agreement with Innu Takuaikan Uashat Mak Mani-Utenam who have initiated legal action against the Government of Newfoundland and Labrador regarding the Crown's duty of consultation with respect to the permitting of LIM's Project.

"It should be emphasized that no formal IBA or other agreements have yet been signed between LIM and either Innu Uashat or Innu Matimekush and several outstanding issues remain to be resolved between the Company and the Innu" said Mr. Kearney. "The Company has committed to negotiate in good faith and to respect the rights of the Innu, however, there can be no assurance that the Company will be successful in reaching a final agreement with any First Nations group who may assert aboriginal rights or may have a claim which affects the Company's properties or may be potentially impacted by the Schefferville Project".

Project Construction Underway

The laying of the 4.5 km rail spur line was completed by early June and will now be used to move the main components of the processing plant and accommodation camp to the Silver Yards area where LIM is installing the beneficiation plant.

All major items of the beneficiation plant and other infrastructure have been procured and have been assembled at rail heads in Labrador City and Sept-Iles for onward transport to site. Some pre-assembly work has taken place at Labrador City.

A contract has been signed with a Labrador City based contractor for the mining and beneficiation activities. The mining contractor has been mobilized to site to commence site preparation activities.

Iron Ore Price Outlook

The Company is of the opinion that iron ore prices will remain strong for both calendar 2010 and calendar 2011, to meet expected demand led by China.

The Company plans to commence full scale production in April 2011, and is targeting production of 2 million tonnes of iron ore during that calendar year.

Qualified Person

Information of a scientific or technical nature contained in this release has been prepared by or under the supervision of Terence McKillen, P.Geo., Executive Vice President of the Corporation and a Qualified Person within the meaning of National Instrument 43-101 of the Canadian Securities Administrators.

Grant of Stock Options

The Board of Directors has approved the grant of additional 200,000 options to four non-executive directors and an additional 90,000 options to two new members of senior management at an exercise price of \$6.27 per share, all with an expiry date of September 14, 2015, and all vesting as to one-eighth thereof quarterly over a period of two years.

About 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, and for which construction and operating permits have now been issued.

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 iron ore and steel, 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 reach agreements with any potentially impacted aboriginal groups or to obtain required governmental, environmental or other project approvals. There can be no assurance that the Company will be successful in reaching any agreement with any First Nations groups who may assert aboriginal rights or may have a claim which affects the Company's properties or may be impacted by the Schefferville Area project. Caution should be exercised on placing undue reliance on forward looking information.