



Labrador Iron Mines Holdings Limited

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LIM Announces Increase in Previously Announced Financing to \$35 million

TORONTO, ONTARIO. March 5, 2010. Labrador Iron Mines Holdings Limited (TSX:LIM) (the “**Company**” or “**LIM**”) is pleased to announce that it has amended the terms of the previously announced bought deal with a syndicate of underwriters led by Canaccord Financial Ltd. and including Jennings Capital Inc. and Haywood Securities Inc. (collectively, the “**Underwriters**”), to increase the size of the offering by an additional 1,766,000 common shares from the treasury of the Company (the “**Treasury Common Shares**”) subject to receipt by the Company of all necessary regulatory approvals. Under the amended terms of the offering the Underwriters have agreed to purchase an aggregate of 5,406,000 Treasury Common Shares for proceeds of C\$30,003,300 and total proceeds of C\$35,057,300, including C\$5,054,000 in proceeds pursuant to the sale of flow-through shares (the “**Underwritten Offering**”).

In addition, the Underwriters have revised the option (the “**Over-Allotment Option**”, and together with the Underwritten Offering, the “**Offering**”) by Anglesey Mining plc (“**Anglesey**”), to purchase from Anglesey up to 810,900 previously issued common shares (the “**Secondary Common Shares**”) of the Company for the purpose of covering the Underwriters’ over-allocation position at the Common Share Price of C\$5.55 per common share for gross proceeds of up to C\$4,500,495, being up to 15% of the amount raised pursuant to the sale of Treasury Common Shares, on the same terms and conditions as set out herein, exercisable at any time, in whole or in part, up to 30 days after the date of the closing of the Underwritten Offering.

The Company intends to use the net proceeds from the Underwritten Offering for exploration and development of the Company’s mineral projects, and for general corporate and working capital purposes.

Anglesey currently holds 18,600,000 common shares of the Company. The net proceeds from the sale of the Secondary Common Shares, if the Over-Allotment Option is exercised, will be used by Anglesey for general corporate costs and working capital purposes.

The Offering is being made pursuant to a short form prospectus to be filed in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador. The Offered Securities will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements.

The Underwritten Offering is expected to close on or about March 25, 2010.

LIM has 37,203,951 common shares currently outstanding, prior to the Underwritten Offering.