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**NEWS RELEASE**

**TSX SYMBOL: BIM**

## **BAFFINLAND REPORTS ADDITIONAL IMPRESSIVE ASSAY RESULTS FROM ITS MARY RIVER IRON ORE DEPOSITS**

**January 21, 2008 – TORONTO, ONTARIO – Baffinland Iron Mines Corporation (TSX: BIM)** (“Baffinland” or the “Company”) today released assay results for the final fourteen holes from the Company’s 2007 advanced exploration program on its wholly-owned Mary River iron ore deposits, Baffin Island, Nunavut Territory, Canada.

“I continue to be amazed at the exceptionally high grades of iron ore drilled at Mary River. The average grade of the 1,347 metres of large diameter core intervals being released today is 66.8% iron as compared to the maximum possible theoretical grade for hematite of 69.94% iron or magnetite of 72.36% iron. The grades, over impressive widths, of these natural iron ores are truly spectacular when one considers that they continually exceed the grades of both processed concentrates and many of the pellets that are currently being sold,” stated Gordon McCreary, Baffinland’s President and CEO.

### **Deposit No. 1**

Eleven of the holes were drilled to both provide better geomechanical and assay information of the upper levels of Deposit No. 1 and to better define the distribution of deleterious elements. Hole MR1-07-139, located on section with hole MR1-04-34 drilled in 2004, on the south limb of the deposit intersected 101.6 metres of 67.0% iron. The hole was drilled at a shallow angle -12 degrees before being lost, in mineralization, due to drilling difficulties.

Six holes were drilled from two locations in the axis of the fold. On the lower fan, two holes were drilled. Hole MR1-07-123 intersected a total of 135.4 metres of 64.4% iron in two zones, while MR1-07-127 intersected 155.4 metres of 67.5% iron in four zones. These holes were drilled at 50 to 60 degrees primarily for geomechanical purposes. In the upper fan, four holes were drilled. Hole MR1-07-130 intersected 134.3 metres grading 67.7% iron, while hole MR1-07-138 cut 20.3 metres of 68.3% iron. Both holes were drilled at flat angles (-12 degrees) before ending prematurely due to drilling difficulties. Hole MR1-07-138 was lost in mineralization. A third hole, MR1-07-134, was drilled at -50 degrees and cut an impressive 155.2 metres of 68.2% iron before it too failed to reach its planned target depth. The final hole drilled from the location was MR1-08-128 that intersected 116 metres grading 68.6% iron. It was also lost in mineralization.

Some 200 metres northerly from the fold axis, hole MR1-07-121 cut 155.0 metres of 66.3% iron in two zones. In the same area, a geomechanical hole MR1-07-129 was drilled to the northeast to encounter the hanging wall of the deposit and encountered 25.8 metres of 66.4% iron. Hole MR1-07-136 cut 67.4 metres grading 67.4% iron before being abandoned also due to drilling difficulties. A further 100 metres north, hole MR1-07-133 cut 145.6 metres of 66.8% iron in four zones.

### **Deposit No. 3**

Three holes were drilled at Deposit No. 3 on widely spaced sections, approximately 450 metres apart. The first hole, MR3-07-137 cut 84.4 metres grading 65.7% iron in two zones. It was drilled on section with previously announced hole MR3-07-114 that intercepted similar mineralization.

Two holes were drilled on section, located more than 1,400 metres from hole MR3-07-137. Hole MR3-07-131 intersected 23.3 metres grading 62.5% iron and MR3-07-135 cut 30 metres grading 61.2% iron. Mineralization were broken up and possibly contaminated by intrusive activity. Both holes revealed a new magnetite-rich horizon that is separate and distinct from the specular hematite horizon that has been traced continuously by drilling for more than two kilometres.

Mineralization at Deposit No. 3 remains more complex than previously interpreted and appears to boudinage, bifurcate and, in part, is disrupted by an intrusive event. A magnetic survey is planned to better define drill targets in 2008.

## Conclusions

“Although additional drilling is required, mineralization within the upper parts of Deposit No. 1 appears to have much lower deleterious elements than previously indicated. I expect that when drilling of the upper levels is complete, we will see a significant decrease in the sulphur content within our proposed sale products over the first ten to fifteen years of production.” stated Michael Zurowski, Executive Vice President of Baffinland.

SGS Lakefield Research Limited performs assay and analytical work under a strict protocol designed for testing lump iron ores. All mineralized drill core from the 2007 drilling will be sent from Lakefield to Studien Gesellschaft für Eisenerz-Aufbereitung (SGA) in Germany, where they are composited for detailed metallurgical testing to ISO standards for iron ore. Current work is in progress on the 2006 drill core and surface material. This work includes additional lump tests, sinter testwork, quality control analyses and additional physical testwork to further define handling characteristics of the high quality Mary River iron ores. Cross-sections and plan maps are being updated and will be posted on the Baffinland website [www.baffinland.com](http://www.baffinland.com) to assist in the interpretation of the data.

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Baffinland is a Canadian publicly-traded junior mining company that is focused on its wholly-owned Mary River iron ore deposits located on Baffin Island, Nunavut Territory, Canada. Baffinland's shares trade on the Toronto Stock Exchange under the trading symbol BIM.

## FOR FURTHER INFORMATION:

Please visit Baffinland's website at [www.baffinland.com](http://www.baffinland.com), email [info@baffinland.com](mailto:info@baffinland.com) or contact:

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*This press release contains certain information that may constitute forward-looking information within the meaning of securities laws. Forward-looking information may relate to management's future outlook and anticipated events or results, and may include statements or information regarding the future plans or prospects of the Company. Forward-looking information is based on certain factors and assumptions regarding, among other things, expected mineral resources, iron ore prices, the timing and amount of future exploration expenditures, the estimation of additional capital requirements, the availability of necessary financing and materials, the receipt of necessary regulatory approvals, the feasibility of constructing and operating a direct-shipping iron ore mine at the Company's Mary River project and assumptions with respect to environmental risks, title disputes or claims, weather conditions and other similar matters. While the Company considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect. Forward looking-information is subject to certain factors, including risks and uncertainties that could cause actual results to differ materially from what is currently expected. These factors include risks inherent in the exploration for and development of mineral deposits, risks relating to changes in iron ore prices and changes in the worldwide demand for and supply of iron ore, uncertainties inherent in the estimation of mineral reserves and resources, risks relating to the remoteness of the Mary River Property including access and supply risks, reliance on key personnel, construction and operational risks inherent in the conduct of mining activities, regulatory risks, including risks relating to the acquisition of necessary licenses and permits, financing, capitalization and liquidity risks, including the risk that the financing required to fund all currently planned exploration and related activities may not be available on satisfactory terms, or at all, environmental risks and insurance risks. You should not place undue importance on forward-looking information and should not rely upon this information as of any other date. While the Company may elect to, the Company is under no obligation and does not undertake to update this information at any particular time, except as required by law.*

Summary of Drill Hole Assays

Drill Hole	TD (m)	From (m)	To (m)	Interval (m)	SiO2 %	Al2O3 %	Fe %	P %	S %
MR1-07-121	244.0	43.0	193.0	150.0	1.8	1.4	66.4	0.015	0.01
		205.0	210.0	5.0	7.4	1.4	63.9	0.045	0.38
MR1-07-123	236.5	26.5	113.7	87.2	7.8	1.4	61.8	0.064	0.02
		188.3	236.5	48.2	0.8	0.8	68.3	0.010	0.01
MR1-07-127	265.0	20.3	44.3	24.0	1.9	1.4	66.7	0.050	< 0.01
		48.3	128.3	80.0	3.1	0.8	66.9	0.040	< 0.01
		156.3	161.8	5.5	2.8	0.9	68.2	0.003	0.21
		220.2	265.0	44.8	0.6	0.6	69.0	0.019	0.02
MR1-07-128	206.0	90.0	206.0	116.0	0.5	0.7	68.6	0.045	0.01
MR1-07-129	249.5	14.0	25.8	11.8	0.6	0.8	67.7	0.003	0.02
		30.5	37.7	7.2	2.3	1.7	64.7	0.003	0.01
		41.7	48.5	6.8	1.1	1.0	66.0	0.004	0.03
MR1-07-130	168.0	16.0	150.3	134.3	0.7	1.1	67.7	0.018	0.01
MR3-07-131	316.0	14.6	26.6	12.0	1.7	0.8	60.9	0.102	0.46
		32.6	43.9	11.3	6.3	0.9	64.2	0.087	< 0.01
MR1-07-133	199.0	7.0	17.0	10.0	1.2	1.1	68.1	0.011	< 0.01
		25.0	30.7	5.7	3.2	2.5	63.3	0.020	0.03
		59.3	96.4	37.1	1.3	1.0	68.2	0.003	0.15
		99.7	192.5	92.8	1.1	0.8	66.2	0.016	0.05
MR1-07-134	193.0	29.7	184.7	155.0	0.6	0.8	68.2	0.017	0.02
MR3-07-135	205.0	109.6	121.6	12.0	11.3	1.0	57.4	0.110	0.36
		121.6	139.6	18.0	5.7	1.8	63.7	0.127	0.08
MR1-07-136	108.2	40.1	107.5	67.4	0.7	0.7	68.8	0.010	0.01
MR3-07-137	162.0	52.9	63.4	10.5	2.7	1.7	65.1	0.043	< 0.01
		72.0	145.9	73.9	1.7	1.0	65.8	0.031	< 0.01
MR1-07-138	39.5	19.1	39.5	20.3	0.9	0.6	68.7	0.012	< 0.01
MR1-07-139	123.0	8.7	16.0	7.3	11.0	0.9	61.3	0.036	< 0.01
		29.7	123.0	93.3	0.7	0.4	67.4	0.004	0.06