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**NEWS RELEASE**

**TSX SYMBOL: BIM**

## **BAFFINLAND ANNOUNCES LETTER OF INTENT WITH ROGESA FOR THE SALE OF ADDITIONAL FUTURE IRON ORE PRODUCTION**

TORONTO, ONTARIO - **January 31, 2008**– Baffinland Iron Mines Corporation (TSX: BIM) (“Baffinland” or the “Company”) today announced the signing of a letter of intent (the “Letter of Intent”) for the future sale of up to one million tonnes per year of iron ore to ROGESA Roheisengesellschaft Saar mbH (“ROGESA”), a pig iron producing company that is a subsidiary of AG der Dillinger Huettenerwerke (50%) and Saarstahl AG (50%). This represents the fourth letter of intent signed with an end-user steel company.

Baffinland’s Mary River Project is focussed on the European market for the sales of its lump and fine iron ore. The Company has currently targeted 16 million tonnes to be placed within the European market on an annual basis. This level of European market penetration would represent some 90% of Baffinland’s intended initial output of 18 million tonnes per annum.

Under the Letter of Intent, ROGESA would purchase up to eight hundred thousand tonnes of lump and two hundred thousand tonnes of fine iron ore per year to meet additional needs, each over a long-term period, to start in 2014. The Letter of Intent is an expression of interest only, and any binding contract of purchase and sale will be subject to, among other things, a production decision by Baffinland, and the future negotiation and consummation of a final sales contract with ROGESA.

ROGESA is one of several companies that Baffinland is currently negotiating sales contracts with for the Company’s planned bulk sample program. Approximately 250,000 tonnes is proposed to be mined over the current winter and trucked to Milne Inlet before being transported to Europe as feed for production scale trials in various blast furnaces beginning in the third quarter of 2008. The results of this program will form an important final geological and metallurgical test prior to the establishment of contractual sales and purchase agreements with steel producers.

ROGESA is the fourth company to sign a letter of intent with Baffinland. In due course, we expect to execute additional letters of intent as Baffinland establishes its future customer base,” stated Michael Zurowski, Baffinland’s Executive Vice President.

“Baffinland is pleased with the continued strong support of ROGESA and indeed the entire breadth of the European steel industry. Baffinland has introduced the Mary River Project to several potential customers and each has expressed an interest in the planned bulk sample. It will be important to advance this interest and these letters of intent, into sales contracts to enable Baffinland to develop this truly important project,” stated Gordon McCreary, Baffinland’s President and Chief Executive Officer.

Analytical and metallurgical testwork continue at the Mary River Iron Ore Deposits. The work is being completed by SGS Lakefield in Canada and Studien Gesellschaft für Eisenerz-Aufbereitung in Germany. Mineral resources which are not mineral reserves do not have demonstrated economic viability. Due to the uncertainty that may attach to indicated mineral resources, there is no assurance that mineral resources will be upgraded to proven and probable ore reserves. Inferred mineral resources are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves.

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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. In some cases, forward-looking information can be identified by the use of terms such as "may", "will", "should", "expect", "believe", "plan", "scheduled", "intend", "estimate", "forecast", "predict", "potential", "continue", "anticipate" or other similar expressions concerning matters that are not historical facts. 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. Without limitation, statements about the Company's plans to complete a definitive feasibility study, including the scheduled timing thereof and other related statements, statements about the Company's planned bulk sample program and other related statements, and statements about the Company's plans to focus on the European market, are forward-looking information.*

*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. Without limitation, in stating that the Company has scheduled the completion of the Definitive Feasibility Study in February of 2008 and plans to undertake a bulk sample program in 2008, the Company has assumed, among other things, that iron ore prices will not change materially from the prices used in its current financial forecasts and that it will obtain the financing and regulatory approval and other authorizations required to enable the exploration, development and mining activities required in order to complete such activities.*

*Forward-looking information is subject to certain factors, including risks and uncertainties, which 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, risks relating to the negotiation and consummation of a final binding sales contract with Dillinger, risks relating to the physical and chemical specifications of the iron ore produced at the Mary River Project, construction and operational risks inherent in the conduct of mining activities, regulatory risks, including risks relating to the acquisition of the necessary licences 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.*