



120 Adelaide Street West, Suite 1016  
Toronto, Ontario M5H 1T1  
Tel: (416) 364-8820  
Fax: (416) 364-0193  
E-mail: [info@baffinland.com](mailto:info@baffinland.com)  
Website: [www.baffinland.com](http://www.baffinland.com)

**NEWS RELEASE**

**TSX SYMBOL: BIM**

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

TORONTO, ONTARIO - **August 19, 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 1.8 million tonnes per year of iron ore to Riva Fire S.p.A. (“Riva”). This represents the fifth 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. To date, market penetration via letters of intent is at 50% of our expected sales into Europe.

Under the Letter of Intent, Riva would purchase up to eight hundred thousand tonnes of lump and one million tonnes of fine iron ore per year, each over a fifteen-year period, once Mary River is brought into production. 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 Riva.

Approximately 120,000 to 150,000 tonnes, comprising two lump and one fine iron ore cargos, will be shipped to two companies in the third quarter of 2008. The comprehensive metallurgical testwork completed by Baffinland has developed a high level of confidence in the high quality of its potential iron ore sale products. The test results of the bulk sample program will form an important final geological and metallurgical test prior to the finalization of contractual sales and purchase agreements with steel producers.

“Riva is the largest steel producer in Italy and fifth steel company to sign a letter of intent with Baffinland. It is pleasing that the steel companies continue with the technical support of the project and the continued confirmation of the high quality of Baffinland’s expected sale products. Baffinland intends to pursue additional letters of intent with other European steel companies as we continue to establish our future customer base,” stated Michael Zurowski, Baffinland’s Executive Vice President.

“Baffinland is pleased with the strong support of Riva, and the breadth of the European steel industry. Our wholly-owned Mary River Project has been introduced to several potential customers and even though the bulk sample will be tested by two leading steel companies, the technical information generated will be available for evaluation by all potential customers. It will be important to advance this interest and these letters of intent into sales contracts to enable Baffinland to develop this world-class 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.

\* \* \* \* \*

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:

Gordon A. McCreary  
President and Chief Executive Officer  
Tel: 416-814-3163

Michael T. Zurowski  
Executive Vice President  
Tel: 416-814-3161

*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 place 16 million tonnes within the European market on an annual basis and to ship 120,000 to 150,000 tonnes of lump and fine ore in the third quarter of 2008, including the scheduled timing thereof and other related statements, including statements about the Company's planned bulk sample program 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 plans to place 16 million tonnes within the European market on an annual basis and to ship 120,000 to 150,000 tonnes of lump and fine ores in the third quarter of 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 Riva, 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.*