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NEWS RELEASE

TSX SYMBOL: BIM

ArcelorMittal and Nunavut Iron Ore Acquisition Inc. Waive Minimum Tender Condition, Take-up Common Shares and Warrants and Extend Time for Acceptance of their Joint Offer to February 4, 2011

TORONTO, ONTARIO (January 25, 2011) - Baffinland Iron Mines Corporation (TSX: BIM) (the "Company") announced today that it has received notice by way of press release that ArcelorMittal and Nunavut Iron Ore Acquisition Inc. (together the "Offerors") have waived the minimum tender condition under their joint offer (the "Offer") to purchase all of the outstanding Common Shares of the Company for \$1.50 in cash per share and all 2007 Warrants of the Company for \$0.10 in cash per warrant. The Offerors have taken-up 189,501,398 Common Shares and 2,701,406 2007 Warrants under the Offer, being all the Common Shares and 2007 Warrants tendered as at 11:59 p.m. (Toronto time) on 24 January 2011.

The 189,501,398 Common Shares taken-up represent approximately 50% of the outstanding Common Shares on an undiluted basis (or approximately 48% of the outstanding Common Shares on an in-the-money fully-diluted basis) and together with the 40,721,400 Common Shares held by Nunavut Iron and its affiliates, represent approximately 61% of the outstanding Common Shares on an undiluted basis (or approximately 59% of the outstanding Common Shares on an in-the-money, fully-diluted basis). The 2,701,406 2007 Warrants taken-up under the Offer represent approximately 45% of the outstanding 2007 Warrants.

The Offerors have extended the Offer and it will remain open for acceptance until 11:59 p.m. (Toronto time) on February 4, 2011 (the "Expiry Time") to allow Baffinland security holders who have not yet tendered their Common Shares and 2007 Warrants time to do so. The Board of Directors of the Company reaffirms its recommendation that Baffinland Shareholders and 2007 Warrant holders accept the Offer and tender their Common Shares and 2007 Warrants to the Offer prior to the Expiry Time.

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 Common Shares trade on the Toronto Stock Exchange under the trading symbol BIM.

FOR FURTHER INFORMATION:

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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. Without limitation, statements about the Company's interpretation of its completed magnetic survey, including related statements about the planned release of additional assay results and metallurgical testing results, statements about the continuation of the Company's exploration program including plans relating to additional mapping, more comprehensive sampling, drilling on any of the properties comprising the Company's Mary River Project and metallurgical testing and statements about the Company's potential resources 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.

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.