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NEWS RELEASE

TSX SYMBOL: BIM

Baffinland Initiates Early Stage Production Feasibility Study for Road Haulage

July 12, 2010 - Toronto, Ontario – Baffinland Iron Mines Corporation (TSX:BIM) (“Baffinland” or the “Company”) announces that it has commissioned AMEC Americas Limited, an independent and internationally recognized engineering firm, to complete a definitive feasibility study (“DFS”) for a road haulage option that would result in early stage iron ore production while the Company continues to pursue the development of the Steensby Inlet Port and Rail Project (“Rail Project”). The Company completed a Rail Project DFS in 2008 for an 18 million tonne per annum operation.

The Road Haulage DFS will examine mining, road haulage along the existing 99 km Milne Inlet tote road and shipping using market vessels during the approximate 90-day (August through October) open water season in Milne Inlet. Shipping targets between 2 and 4 million tonnes will be evaluated with an expected optimized production rate of approximately 3 million tonnes per annum. Initial studies completed by the Company have limited production occurring as early as 2013 with full production occurring during the open water season in 2014. Results of the Road Haulage DFS are expected before the end of 2010.

Current 2010 iron prices are approximately US\$150 per tonne for lump and US\$120 per tonne of fine iron ore. Analysts expect the current market conditions for iron ore to continue for the next five to seven years. Output is expected to be similar to that identified in the Rail Project DFS with 75% high quality lump iron ore and 25% premium quality fine iron ore (sinter feed). Baffinland’s lump and fine iron ores are expected to grade greater than 66% iron over the first 10 years of production.

The Company has also accelerated the completion of its Draft Environmental Impact Statement by the end of 2010, covering the road haulage option and the Rail Project, working towards the completion of the full environmental assessment process in 2012.

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 the Baffinland website at www.baffinland.com, e-mail 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.