



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)

**PRESS RELEASE**

**TSX SYMBOL: BIM**

**BAFFINLAND ELIGIBLE FOR LOAN GUARANTEE  
BY THE FEDERAL REPUBLIC OF GERMANY**

TORONTO, ONTARIO – **March 19, 2009** – Baffinland Iron Mines Corporation (“Baffinland” or the “Company”) announced today that it has been advised by KfW IPEX-Bank GmbH (“KfW IPEX-Bank”) that its wholly-owned Mary River Iron Ore Project (“the Project”), Baffin Island, Nunavut Territory, Canada, is eligible in principle for untied loan guarantees from the Federal Republic of Germany.

The German Government supports projects which are of outstanding importance for the Federal Republic of Germany. These include in particular projects securing German imports of raw materials. An Interministerial Committee (“IMC”) decides whether a project is eligible for coverage. The IMC is composed of the Federal Ministry of Economics and Labour, the Federal Ministry of Finance, the Federal Foreign Office and the Federal Ministry for Economic Cooperation and Development. PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft (“PwC”) experts attend the meetings of the IMC in an advisory capacity.

KfW IPEX-Bank requested the German Government, through PwC, to confirm eligibility in principle for untied loan guarantee in the amount of US\$1.2 billion, for cover of commercial and political risks (scope of cover: 90%). At this early stage, this amount of loan coverage is indicative only and is based on certain assumptions such as the negotiation of off-take contracts with German steel mills of at least 10 years duration for 40% of the annual output of 18 million tonnes per year. PwC has confirmed the Project’s eligibility in principle and the preparedness of the German Government to analyze and evaluate the commercial risks.

A formal application for an untied loan guarantee will be required in due course as soon as all relevant information on the structure of the Project is available. The final decision about such coverage will be taken following evaluation of the Project by assessing feasibility and risks. The Project due diligence will include an evaluation of the legal, economic, technical and environmental risks. KfW IPEX-Bank would arrange such cover for the Project. To date Baffinland has hosted site visits to Mary River by 26 representatives of global commercial banks, capital leasing organizations and government controlled import export banks.

Gordon McCreary, President and CEO of Baffinland Iron Mines Corporation stated “In recognizing the importance of our project for the Federal Republic of Germany, we have further validation of the uniqueness of the Mary River deposits. We at Baffinland have long believed that our Mary River deposits are outstanding high quality iron ore deposits that will be developed, a view now shared by many informed people. To achieve our development objective, we will ultimately require coordinated participation of a large global banking syndicate. Key next steps for Baffinland include strategic partnering of the project and this confirmation of the importance of our project to the Federal Republic of Germany should assist our efforts in this regard.”

\* \* \* \* \*

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.

FOR FURTHER INFORMATION CONTACT:

GORDON A. MCCREARY  
President and CEO  
416-814-3163

*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 eligibility in principle for untied loan guarantees/cover and other related statements, statements about the potential for future due diligence assessment of the Project and potential outcomes of such due diligence, and statements about strategic partnering, 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 is eligible for untied loan guarantees/cover and statements about the potential for future due diligence assessment of the Project and potential outcomes of such due diligence, 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. The granting of untied loan guarantees is subject to various assumptions including the acceptance of a formal application and completion of satisfactory due diligence, among other things. There can be no assurance that untied loan guarantees/cover will be granted. In stating that the Company will continue to seek a strategic partner(s), the Company has assumed that there will be some improvements in the global economy and the financial position of potential strategic partners. There can be no assurance that such a strategic partnership can be completed.*

*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.*