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NEWS RELEASE

TSX SYMBOL: BIM

**BAFFINLAND ANNOUNCES
CLOSING OF FINANCINGS FOR GROSS PROCEEDS OF \$44 MILLION**

TORONTO, ONTARIO – **December 10, 2009** – Baffinland Iron Mines Corporation (“Baffinland” or the “Company”) announced today that it has closed its public offering (the “Public Offering”) on a bought deal basis of 20,834,000 units of securities of the Company (each, a “Conventional Unit”) at a price of \$0.48 per Conventional Unit for gross proceeds of approximately \$10 million. Each Conventional Unit consists of one common share of the Company (each, a “Common Share”) and one half of one Common Share purchase warrant. Each whole Common Share purchase warrant (a “Warrant”) entitles the holder thereof to acquire one Common Share at a price of \$0.70 per Common Share for a period of three years from the closing of the Public Offering. The Company currently expects that the Warrants will begin trading on the Toronto Stock Exchange on December 11, 2009. The Public Offering syndicate was led by GMP Securities L.P. and included CIBC World Markets Inc., Raymond James Ltd., Desjardins Securities Inc., Jennings Capital Inc. and National Bank Financial Inc. (the “Underwriters”). The Underwriters also exercised in full the over-allotment option to purchase an additional 3,125,100 Common Shares and 1,562,550 Warrants for additional gross proceeds of approximately \$1.5 million.

The Company also announced today that it has closed its private placement (the “Flow-Through Private Placement”) on a bought deal basis with the Underwriters, led by GMP Securities L.P., of 36,400,000 units of securities of the Company (the “Flow-Through Units”) at a price of \$0.55 per Flow-Through Unit for gross proceeds of approximately \$20 million. Each Flow-Through Unit consists of one Common Share to be issued as a “flow-through” common share (each, a “Flow-Through Share”) and one half of one Warrant. The Underwriters also exercised in full the option to purchase an additional 5,460,000 Flow-Through Units, for additional gross proceeds of approximately \$3 million.

The Company intends to use the net proceeds of the Public Offering and the Flow-Through Private Placement to increase and upgrade its mineral resources on its Mary River property and to modestly advance development activities on Deposit No. 1, for general corporate purposes, including working capital, and repayment of amounts drawn on the Company’s debt facility (as described below). The Company will, however, ensure that the entire gross proceeds from the Flow-Through Private Placement will be spent on Canadian exploration expenses.

In addition, the Company announced that Resource Capital Fund IV L.P. (“RCF”) and Resource Capital Fund III L.P. (collectively, the “Resource Funds”) exercised in full their pre-existing participation rights (the “Participation Rights”) to participate in respect of the Public Offering and the Flow-Through Private Placement, pursuant to which RCF purchased an aggregate of 19,926,569 Conventional Units at a price of \$0.48 per Conventional Unit for aggregate gross proceeds of approximately \$9.6 million.

The Company will use the gross proceeds from the Resource Funds’ exercise of their Participation Rights, and certain of the proceeds from the Public Offering, to repay in full all amounts outstanding under the Environmental Guarantee Support Facility entered into between the Company and RCF in August 2009 (the “Facility”). The Company intends to formally terminate the Facility as soon as practicable.

Gordon McCreary, President and CEO of Baffinland stated, “We appreciate the support of the Resource Funds in establishing the Facility earlier this year and we are very pleased to be in a position to retire it so quickly. The larger size of the flow-through financing will allow Baffinland to mount an expanded exploration program in 2010 focused on the expansion of resources at Baffinland’s wholly-owned Mary River Project. The focus of these efforts will be the first drilling of Deposit No. 4 and the newly discovered Deposit No. 5 where there is significant potential to add to the already substantial reserves and resources delineated on Deposit Nos. 1, 2 and 3. Through drilling, metallurgical test-work and bulk sample programs, Baffinland has demonstrated that the Mary River deposits are of the highest quality and, by adding resources at Deposit Nos. 4 and 5, we also expect to definitively show the resource potential of this emerging iron ore district.”

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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, email 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. Particularly, but without limitation, information about the intended use of the proceeds of the Public Offering and the Flow-Through Private Placement, the termination of the Facility and the potential resource potential of the Mary River deposits is forward-looking information. Forward-looking information is based on certain factors and assumptions regarding, among other things, the estimation of mineral reserves and resources, the realization of mineral reserve and resource estimates, iron ore prices, the timing and amount of future exploration expenditures, the estimation of initial and sustaining capital requirements, the estimation of labour and operating costs, the availability of necessary financing and materials, including financing to conduct other activities necessary to continue to develop the Company’s Mary River project in the short and long-term, the progress of construction and development activities, the receipt of necessary regulatory approvals, and assumptions with respect to environmental risks, title disputes or claims, weather conditions, climate change 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 and development of mineral deposits, risks relating to changes in iron ore prices and 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 Company’s Mary River project including access and supply risks, reliance on key personnel, construction and operational risks inherent in the conduct of mining activities, including the risk of increases in capital and operating costs and the risk of delays or increased costs that might be encountered during the construction and development process, the risk of fluctuations in the Canadian/U.S. dollar exchange rate, regulatory risks, including risks relating to the acquisition of the necessary licenses and permits, financing, capitalization and liquidity risks, including the risk that the financing necessary to fund the exploration and development activities at the Mary River Property may not be available on satisfactory terms, or at all, environmental risks, including risks relating to climate change and the potential impact of global warming on project timelines and on construction and operating costs, and insurance risks. See the Company’s public filings available at www.sedar.com. 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.

The securities offered have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or any applicable exemption from the registration requirements. This press release does not constitute an offer to sell or the solicitation of an offer to buy nor will there be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful.