

**PRESS RELEASE**

**TSX SYMBOL: BIM**

**BAFFINLAND FORMS EXPLORATION JOINT VENTURE  
WITH NUNAVUT TUNNGAVIK INC.**

TORONTO, ONTARIO – **September 09, 2008** – Baffinland Iron Mines Corporation (“Baffinland” or the “Company”) announced today that it has signed a joint venture agreement (the “JV Agreement”) with the Nunavut Tunngavik Inc. (“NTI”) for the exploration and development of minerals within approximately 16,695 hectares of Inuit Owned Lands parcel PI-17 (the “Exploration Area”). The Exploration Area surrounds but excludes Baffinland’s existing Mining Leases, ML 2484 and 2485, which are wholly-owned by Baffinland.

Under the terms of the JV Agreement, Baffinland has the right to earn 100% interest in the Exploration Area if it enters into a production lease and prepares a Definitive Feasibility Study. Up to that point, Baffinland would design and fund all exploration work programs. Upon the completion of a Definitive Feasibility Study and entering into a production lease, the NTI has the option of forming a joint venture and hold a 28% participating interest in the production lease area. If the NTI decides not to participate, it would be reduced to a 13% net profits interest royalty. In addition, the NTI maintains a 12% net profits interest royalty (“NTI Basic Royalty”) that assumes a minimum 25% net profits interest from production. The NTI Basic Royalty is payable whether the NTI participates or is reduced to a net profits interest royalty, which is not subject to any minimum net profit.

In addition, Baffinland is required to make annual fee payments to the NTI that start at \$1.00 per hectare and would increase to \$4.00 per hectare after 16 years. Annual work payments similarly start at \$4.00 per hectare and increase to \$40.00 per hectare after 16 years. Baffinland may, at its future discretion, reduce the size of the Exploration Area.

“We are pleased to expand our land position and explore the potential of this exciting iron ore district. Baffinland has focused its work on the known deposits that outcrop on its existing leases and has always realized the incredible promise for greatly increasing the direct-shipping iron ore resource potential beyond that currently explored.” stated Michael Zurowski, Baffinland’s Executive Vice President.

“There is more than 60 kilometres of a highly prospective rich iron formation that we have proven to host high grade direct-shipping iron ore and the joint venture that immediately surrounds Baffinland’s Deposits No. 1, No. 2 and No. 3 is an excellent next step in realizing this truly world class iron ore district. In addition, we look forward to exploring Deposit No. 4 on Baffinland’s wholly-owned Mining Lease ML 2483, located 27 kilometres northwest of Deposit No 1. The exploration potential of our existing leases and the land covered by our Joint venture with the NTI underscores our belief in the multi-generational production potential of our Mary River Project.” stated Gordon McCreary, President and CEO of Baffinland.

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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.

Nunavut Tunngavik Inc. (NTI) is the incorporated organization that represents Inuit under the Nunavut Lands Claim Agreement. NTI’s mission is to foster Inuit economic, social and cultural well-being through the implementation of the

Nunavut Land Claims Agreement. NTI is responsible for the management of all Inuit-Owned Lands in Nunavut and acts as the advocate of Inuit interests in Nunavut.

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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 made about the Company's right to earn 100% interest in the Exploration Area, the entering into of a production lease, the completion of a Definitive Feasibility Study and the Company funding all exploration programs 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 and initial capital costs, 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 Baffinland'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 has a right to earn 100% interest in the Exploration Area, the Company may enter into a production lease and complete a Definitive Feasibility Study, the Company has assumed, among other things, that it will have the necessary resources, regulatory approvals and other authorizations and financing in order to carry out such exploration and development activities.*

*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 Mary River property including access and supply risks, reliance on key personnel, construction and operational risks inherent in the conduct of mining activities, including the risk of changes in capital and operation costs, 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, it is under no obligation and does not undertake to update this information at any particular time.*