



120 Adelaide Street West, Suite 1016
Toronto, Ontario M5H 1T1
Tel: (416) 364-8820
Fax: (416) 364-0193
E-mail: info@baffinland.com
Website: www.baffinland.com

Not for distribution to U.S. newswire services or for dissemination in the United States.

NEWS RELEASE

TSX SYMBOL: BIM

BAFFINLAND CONFIRMS FURTHER DETAILS OF PRIVATE PLACEMENT OFFERINGS

November 26, 2008 - TORONTO, ONTARIO – Baffinland Iron Mines Corporation (“Baffinland” or the “Company”) confirms that the private placement offering of flow-through common shares of Baffinland (each, a “Flow-Through Share”) announced on November 24, 2008 will be an offering of 64,806,000 Flow-Through Shares at a price of \$0.21 per share for gross proceeds of approximately \$13,609,260 million (the “Flow-Through Private Placement”). The Flow-Through Shares will be offered for sale on a best efforts basis by a syndicate led by CIBC World Markets Inc. (“CIBC World Markets”). CIBC World Markets and the syndicate of agents have the option (the “Agents’ Option”) to increase the size of the Flow-Through Private Placement to offer an additional 30,434,000 Flow-Through Shares for additional gross proceeds of approximately \$6,391,140 at any time prior to 24 hours before the closing of the Flow-Through Private Placement.

On November 24, 2008 Baffinland also announced that it had entered into an agreement with Resource Capital Fund IV L.P. (“Resource LP”), pursuant to which Resource LP will be entitled to subscribe for an aggregate of 14,665,541 common shares of Baffinland (each, a “Common Share”) and 11,650,248 subscription receipts (each, a “Subscription Receipt”) at a subscription price of \$0.19 per share or Subscription Receipt, as applicable, for gross proceeds to the Company of \$5 million (the “RCF Private Placement”). Resource LP has also been granted the option to purchase an additional 21,052,632 Subscription Receipts exercisable at any time prior to 48 hours before the closing of the RCF Private Placement.

Each Subscription Receipt will entitle Resource LP to acquire one Common Share for no additional consideration at any time prior to June 1, 2009 on notice being given that the Company and its shareholders have approved certain amendments to its shareholder rights plan (the “Rights Plan”) and any other escrow release conditions described below have been met. The proceeds from the issue of the Subscription Receipts pursuant to the RCF Private Placement will be held in escrow and will not be released, and the Subscription Receipts will not be exercisable, until all escrow release conditions have been met. The Subscription Receipts will be automatically exercised as soon as all conditions have been met such that the issuance of the Common Shares on such exercise will be an Exempt Acquisition within the meaning of the Rights Plan, as it may be amended. In the event that shareholder approval has not been obtained

by March 31, 2009, or any other escrow release conditions have not been met by June 1, 2009 any amounts held in escrow in respect of the Subscription Receipts will be returned to Resource LP along with any interest at an annual rate of 8% earned thereon from the date of closing the RCF Private Placement.

The Flow-Through Private Placement and the RCF Private Placement (collectively, the “Private Placements”) are subject to the approval of the Toronto Stock Exchange (the “TSX”) and all other necessary regulatory approvals. As indicated in the press release dated November 24, 2008, Baffinland is proceeding with the Private Placements in reliance on an exemption from the requirement to obtain shareholder approval in respect of a private placement for greater than 25% of the outstanding Common Shares, the issuance of greater than 10% of the Common Shares to insiders of the Company and a potential change in control of the Company. The Private Placements are expected to close on or about December 11, 2008, and in any event no sooner than ten days from dissemination of this press release, and are subject to certain conditions, including, but not limited to, the Company entering into subscription agreements with subscribers. As a consequence of relying upon the financial hardship exemption, the TSX has informed the Company that it will, in the ordinary course, commence a continued listing review. The Company’s board of directors, and its independent directors, acting in good faith, have determined that Baffinland faces serious financial difficulty and that the Flow-Through Private Placement and the RCF Private Placement have been designed to improve the financial position of Baffinland.

Resource LP and Resource Capital Fund III LP (collectively, the “Resource Funds”) are joint actors and are both current securityholders of Baffinland. Russell Cranswick is currently a director of the Company and a partner of Resource Capital Funds, which has an interest in the Resource Funds. The RCF Private Placement has been negotiated on an arm’s length basis between Baffinland, CIBC World Markets and Resource LP. On closing of the Private Placements, assuming the Flow-Through Private Placement is fully subscribed and the issuance of Common Shares to Resource LP pursuant to the terms of the Subscription Receipts, excluding the exercise of the option of Resource LP and the Agents’ Option, Baffinland will issue a total of 91,121,789 Common Shares, representing 61.6% of the Company’s current issued and outstanding Common Shares, and the Resource Funds will beneficially own or control approximately 19.6% of the outstanding Common Shares (19.3% on a fully diluted basis). If Resource LP exercises its full option to subscribe for additional Subscription Receipts and the Agents’ Option is exercised, Baffinland will issue a total of 142,608,421 Common Shares, representing 96.4% of the Company’s current issued and outstanding Common Shares, and the Resource Funds will beneficially own or control approximately 26.1% of the outstanding Common Shares (22.9% on a fully diluted basis).

Matachewan Consolidated Mines, Limited (“Matachewan”) currently intends to purchase 238,000 Flow-Through Shares, representing less than 1% of the current number of issued and outstanding Common Shares. Richard McCloskey, the Chairman of the Board of Baffinland, is an officer, director and has indirect control of Matachewan. Grant Edey, a director of Baffinland, currently intends to purchase 190,400 Flow-Through Shares, representing less than 1% of the current number of issued and outstanding Common Shares. On closing of the Flow-Through Private Placement, Richard McCloskey will beneficially own 8,141,150 Common Shares and Grant Edey will beneficially own 205,400 Common Shares. Assuming the Flow-Through Private Placement is fully subscribed and the issuance of Common Shares to Resource LP

pursuant to the terms of the Subscription Receipts, excluding the exercise of the option of Resource LP and the Agents' Option, Richard McCloskey and Grant Edey will beneficially own or control approximately 3.4% and less than 1% of the outstanding Common Shares, respectively.

* * * * *

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:

Gordon A. McCreary
President and Chief Executive Officer
(416) 814-3163

Michael Zurowski
Executive Vice President
(416) 814-3161

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 proposed private placements, the intended use of the proceeds thereof and the intent of Baffinland to call of meeting of shareholders to approve amendments to the Rights Plan 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.