

Baffinland Announces Support Agreement With ArcelorMittal

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TORONTO, ONTARIO -- (Marketwire - Nov. 8, 2010) - [Baffinland Iron Mines Corporation](#) (TSX:BIM) ("Baffinland" or the "Company") announced today that it has entered into a support agreement with ArcelorMittal S.A. ("ArcelorMittal") pursuant to which ArcelorMittal has agreed to make an offer to acquire all of the outstanding common shares of the Company for C\$1.10 in cash per common share and all of the outstanding common share purchase warrants issued on January 31, 2007 (the "2007 Warrants") for C\$0.10 in cash per 2007 Warrant (the "ArcelorMittal Offer"). The equity value of the ArcelorMittal Offer is approximately C\$433 million on a fully-diluted basis.

The ArcelorMittal Offer represents a premium of approximately 37.5% to Nunavut Iron Ore Acquisition Inc.'s September 22, 2010 unsolicited offer of \$0.80 per common share, a premium of 15.8% to Baffinland's closing share price of C\$0.95 on the Toronto Stock Exchange (the "TSX") on November 5, 2010 and a premium of 86.4% to Baffinland's volume weighted average price of C\$0.59 on the TSX for the 20 trading days prior to the announcement of Nunavut's unsolicited offer.

"The ArcelorMittal Offer delivers a significant premium to Baffinland shareholders over the unsolicited offer that was made previously," said John Lydall, Chair of the Special Committee of the Board of Baffinland. "Following a thorough review of alternatives to maximize shareholder value, the Baffinland Board of Directors unanimously recommends that Baffinland shareholders tender their shares to the ArcelorMittal Offer."

CIBC World Markets Inc., Baffinland's financial advisor, has provided a verbal opinion to the Baffinland Board of Directors that the consideration offered under the ArcelorMittal Offer is fair, from a financial point of view, to Baffinland's shareholders.

The Board of Directors of Baffinland, after receiving the recommendation of the Special Committee, has unanimously determined that the ArcelorMittal Offer is in the best interests of Baffinland's shareholders and the holders of the 2007 Warrants and unanimously recommends that the Baffinland shareholders and the holders of the 2007 Warrants tender their common shares and 2007 Warrants to the ArcelorMittal Offer.

The directors and officers of Baffinland have entered into lock-up agreements with ArcelorMittal and have agreed to tender all of their common shares and 2007 Warrants to the ArcelorMittal Offer. Baffinland's largest shareholder, Resource Capital Funds, has also entered into a lock-up agreement with ArcelorMittal pursuant to which it has agreed to tender all of its common shares and warrants, representing approximately 23% of the outstanding common shares, to the ArcelorMittal Offer.

The Support Agreement provides that the Board of Directors of Baffinland may under certain circumstances terminate the Support Agreement in favour of an unsolicited superior proposal, subject to the payment of a termination payment of C\$11 million and subject to a right by ArcelorMittal to match such superior proposal.

Full details of the ArcelorMittal Offer will be included in a take-over bid circular that is expected to be mailed to Baffinland shareholders and the holders of the 2007 Warrants shortly. The ArcelorMittal Offer will be open for acceptance for a period of not less than 35 days and ArcelorMittal's obligation to acquire common shares and 2007 Warrants pursuant to the ArcelorMittal Offer will be subject to certain customary conditions, including there having been validly deposited and not withdrawn at the expiry time of the ArcelorMittal Offer that number of Baffinland common shares which, together with any common shares beneficially owned by ArcelorMittal, constitutes at least 66 2/3% of the outstanding common shares of Baffinland on a fully-diluted basis.

Baffinland's financial advisor is CIBC World Markets Inc. and its legal counsel is Stikeman Elliott LLP.

Conference Call and Webcast Information

A conference call hosted by Baffinland will be held on Tuesday, November 9, 2010 at 10:30 a.m. (Eastern

Time) to discuss the ArcelorMittal Offer. Details are as follows:
Toll-free North America: 1-866-551-1530
Passcode: 2227449#

The conference call will be webcast at:
<http://event.onlineseminarsolutions.com/r.htm?e=263526&s=1&k=6F2BDFA75E900AB5EB90848D3253D707>

About Baffinland

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 common 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.

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 Company's interpretation of assay results, its completed magnetic survey including related statements about the planned release of additional assay results and metallurgical testing results, statements about the continuation of the Company's exploration program including plans relating to additional mapping, more comprehensive sampling, drilling on any of the properties comprising the Company's Mary River Project and metallurgical testing and statements about the Company's potential resources 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.

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.

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