



**TSX:CLM**

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**FOR IMMEDIATE RELEASE**  
**OCTOBER 5, 2008**

**CONSOLIDATED THOMPSON PROVIDES UPDATE ON THE BLOOM LAKE  
IRON ORE PROJECT AND ANNOUNCES A CONFERENCE CALL –  
MONDAY, OCTOBER 6 AT 11 A.M. EST**

**October 5, 2008:** Toronto, Ontario – **Consolidated Thompson Iron Mines Limited (TSX:CLM)** (“CLM”, or the “Company”) provides the following update on its Bloom Lake iron ore project:

- **Mine site development is progressing according to budget and is on schedule to meet the end of September 2009 production target.**
- **With a current cash position of approximately C\$260 million and based on the current construction schedule, the Company has sufficient funds through April 2009. Additional financing requirements are expected to be approximately C\$100 million. Debt financing discussions are at an advanced stage with indicative terms sheets expected by mid-October. The Company has engaged Auramet Trading LLC to help manage this process.**
- **Final permitting on the 31 km rail spur is expected this month and advanced discussion are being held concerning the financing, construction and operation of the line.**
- **The Company recently announced updated capital, operating and production estimates for the Bloom Lake project, with some of the highlights including:**
  - increased production from 7 to 8 MTPY, an increase of 14% which at current iron ore prices will provide additional revenue of approximately US\$80 million annually;
  - revised mine and mill capital expenditures of C\$486 million; and
  - expected cash operating costs of US\$24.18/tonne concentrate over the mine’s first 5 years.

**Richard Quesnel, President & CEO,** stated, “We are now within one year of the targeted production date and substantial progress on the site has been made. With the robustness of the project’s economics and approximately C\$260 million in cash remaining, we feel the Company has both the time and ability to secure the remaining financing requirements, despite the recent market turmoil.”

## **Bloom Lake Development**

The development of Bloom Lake is advancing as scheduled with the commencement of production targeted for the end of September 2009. A construction camp has been completed and work is continuing on mine development, mill construction and at the tailing storage facility. Haul road preparation, mining of waste (which is providing aggregate for construction), excavation for the primary crusher and pouring of concrete foundations for mill buildings are near completion, while erection of structural steel for the concentrator has commenced. Pictures documenting the progress at the future mine site can be found at the Company's website at [www.consolidatedthompson.com](http://www.consolidatedthompson.com).

## **Project Debt Facility**

The Company has engaged Auramet Trading LLC ("Auramet") to help secure the remaining project financing requirements. On this front, the Company has signed confidentiality agreements and provided detailed information on the Bloom Lake project to over a dozen banks and financial institutions that have expressed an interest in being part of a project debt facility. CLM has requested that interested groups provide indicative term sheets by mid-October. Terms sheets would be subject to confirmatory due diligence with a closing date expected by the end of 2008, or early 2009. The Company currently has no debt.

Auramet is a New Jersey based trading and advisory services firm with a focus on the metals and mining industries. Auramet has a strong track record in helping resource industry companies arrange project finance loan with financial institutions. **Mark Edelstein, CFO** of Auramet stated, "Our firm has been working with CLM over the last few months to arrange a project financing facility and we believe the development of the Bloom Lake iron ore deposit is an extremely robust and attractive project from a project financing perspective."

**Consolidated Thompson Iron Mines Limited is an exploration and development company. The Company believes that the updated positive Feasibility Study, based on the current understanding of the quality and size of the Bloom Lake deposit, reflects the potential to expand and advance the project and exploit other opportunities in the iron ore industry. The Company has approximately 119.0 million shares outstanding and trades on the TSX under the symbol CLM. Further information can be accessed at the Company's website at [www.consolidatedthompson.com](http://www.consolidatedthompson.com)**

**Richard Quesnel, P. Eng., a qualified person under National Instrument 43-101, reviewed the scientific and technical information found in this press release relating to Consolidated Thompson and its properties.**

### **Conference Call**

A conference call will be held on Monday, October 6, 2008 at 11 a.m. (EST) with a question and answer session to follow. Please use the following information to access the call:

**Dial in: +1.416.340.2216**

**Toll Free: +1.866.898.9626 (Canada Only)**

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Except for statements of historical fact relating to the Company, certain information contained herein constitutes “forward-looking information” under Canadian securities legislation. Forward-looking information includes, but is not limited to, statements with respect to the conclusions, parameters and assumptions underlying the Feasibility Study, the development potential and timetable of Bloom Lake project; mineral reserve and resource estimates and the ability to realize such estimates; capital and operating expenditures; iron ore prices; permitting time lines and permitting; government regulation of mining operations; and environmental risks. Generally, forward-looking information can be identified by the use of forward-looking terminology such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved”. Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made. Estimates regarding the anticipated timing, amount and cost of mining at the Bloom Lake Project are based on assumptions underlying mineral reserve and mineral resource estimates and the realization of such estimates as are set out in the Feasibility Study. Capital and operating cost estimates are based on extensive research of the Corporation, purchase orders placed by the Corporation to date, recent estimates of construction and mining costs and other factors that are set out in the Feasibility Study. Production estimates are based on mine plans and production schedules, which have been developed by the Corporation’s personnel and independent consultants. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Consolidated Thompson to be materially different from those expressed or implied by such forward-looking information, including but not limited to risks described in the annual information form of the Company posted under the profile of the Company on SEDAR at [www.sedar.com](http://www.sedar.com). Although management of Consolidated Thompson has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. Consolidated Thompson does not undertake to update any forward-looking information, except in accordance with applicable securities laws.