



TSX: CLM

65 Queen Street West, Suite 815, Toronto, Ontario M5H 2M5
Email: INFO@CONSOLIDATEDTHOMPSON.COM
URL: www.consolidatedthompson.com
Tel: 416-930-8558

FOR IMMEDIATE RELEASE
SEPTEMBER 29, 2008

**CONSOLIDATED THOMPSON COMPLETES FEASIBILITY STUDY ON
EXPANDED SCENARIO TO 8.0 MILLION TONNES OF IRON ORE
CONCENTRATE PER YEAR ON BLOOM LAKE PROJECT**

September 29, 2008: Toronto, Ontario – **Consolidated Thompson Iron Mines Limited** (TSX:CLM) (“CLM” or the “Company”) is pleased to announce that it has received the Feasibility Study (the “Study”) on the expansion of the Bloom Lake Iron Ore project to a rate of production of 8.0 million tonnes of concentrate per year (“MTPY”) commencing in September 2009. The Study was completed by Breton Banville & Associates (“BBA”), an international engineering firm based in Montreal with expertise in mining and mineral processing. The principal authors of the report are Mr. Andre Allaire, Eng., M.Eng., Ph.D. and Mr. Patrice Live, Eng. They are both qualified persons as defined in National Instrument 43-101 and are independent of the Company. A technical report relating to the Study will be filed shortly and accessible under the profile of the Company on SEDAR.

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 ongoing on mine development, mill construction and at the tailing storage facility. Haul road preparation, mining of waste while 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. CLM expects to start construction of the 31 km rail spur that will link Bloom Lake to the rail at Wabush shortly after receiving permits from the government of Newfoundland targeted for October 2008.

Summary of Study’s Key Findings:

- **Bloom Lake projected to produce 8.0 million tonnes of 66.5% concentrate per year beginning in September 2009.**
- **8.0 MTPY represents a 14% increase over the previous 7.0 MTPY plan.**
- **Capital Cost (including working capital): Cdn\$486.4 million.**
- **Pre-tax IRR: 58.9% using US\$1.069 per iron unit equivalent to revenue price of US\$71.09/tonne of concentrate.**
- **Total life of mine operating cost: US\$24.76/tonne concentrate.**
- **NPV (at 10% Discount rate) of US\$2.348 billion (pre-tax).**
- **Total life of mine undiscounted pre-tax Cash Flow of US\$6.813 billion.**
- **Forecasted yearly pre-tax Cash Flow exceeding US\$360 million.**
- **Payback of 2.6 years.**

Bloom Lake Development Scenarios		Production rate (tonnes concentrate/year)	
		7 MTPY	8 MTPY
Pre-tax Internal Rate of Return (IRR)	%	44.5	58.9
Revenue	US\$/t conc.	42.09	71.09
Operating costs	US \$/t conc.	19.76	24.76
Capital costs including working capital	Cdn\$ millions	410	486
Mine Life	Years	34	30
Total cash flow undiscounted	US\$ millions	2,754	6,813
Net present value @ 8% discount rate	US\$ millions	1,102	2,838
Net present value @ 10% discount rate	US\$ millions	899	2,348
Net present value @ 15% discount rate	US\$ millions	556	1,520
Yearly cash flow	US\$ millions	>150	>360
Payback period	Years	2.4	2.6
US\$/Cdn\$ exchange rate		1.17	1.1

(Cash flow and NPV figures are pre-tax)

Brian Tobin, the Vice Chairman of the Board, stated, “By expanding to 8.0 MTPY and continuing to improve the project economics, Bloom Lake is well positioned to become the next major independent supplier of iron ore while demand continues to exceed supply and prices continue to rise.”

Richard Quesnel, President & CEO, stated, “**The results of the Study indicate stronger Net Present Values and improved project economics while still meeting the timelines we have set for the original project.** By expanding to 8.0 MTPY, continuing to apply the latest technology married with high iron and weight recoveries and developing a more efficient mine plan, Consolidated Thompson has the potential to become a highly productive and low cost independent supplier of high quality iron concentrate in 2009.”

HIGHLIGHTS

The Study on the expansion is based on **an output scenario of 8.0 million tonnes of iron concentrate per year**. The level of accuracy of the Study is considered to be +/- 15%.

The economics were based on a 20-year mine life.

The Study was based upon the following major assumptions and parameters:

Revenues:

A commodity price of US\$1.069/iron unit equivalent to revenue prices of US\$71.09/tonne of concentrate produced (US\$1.069/iron unit x 66.5 units/tonne of concentrate containing 66.5% Total iron). The pricing used represents a moving average selling price of iron ore concentrate (FOB Sept-Iles) over the last three years (2006-2008). **Current prices are quoted at US\$1.34/dry metric tonne-iron unit equivalent to revenue prices of US\$89.11/tonne of concentrate sold.** CLM has signed an off-take agreement with Worldlink Resources Limited, a China-based integrated trading company, for 7.0 MTPY for the next 7 years.

Operating Costs:

- Average mining cost: US\$1.56/tonne mined.
- Average crushing and processing cost: US\$4.26/tonne concentrate.
- Rail transport and Port Handling: US\$11.88/tonne concentrate.
- General and Administration: US\$1.60/tonne concentrate.

Total Life of Mine Operating Cost of US\$24.76/tonne concentrate

Capital Expenditures:

- Crusher/Concentrator costs: Cdn\$203 million
- Indirect costs (Camp, lodging, transport, environmental, value engineering, etc.): Cdn\$87 million
- EPCM and Working Capital costs: Cdn\$60 million
- Facilities/Stockpile & Reclaim costs: Cdn\$55 million
- General/Contingency costs: Cdn\$55 million
- Mine/Tailings/Environment: Cdn\$27 million

Total capital expenditures for Bloom Lake amount to Cdn\$486 million.

It is expected that the mobile mining equipment and rolling stock will be lease financed and the 31 km rail spur and port facilities will be financed, built and operated by a third party. The Study includes the cost to finance and operate these assets and facilities in the operating costs. Discussions are currently on-going with respect to all of these requirements; however, some portion of Capital may be provided by CLM for Infrastructure Investment at the Rail and Port with third party operator.

Mineral Reserves:

As part of the Feasibility Study completed in April 2006, BBA has used Geostat Systems International Inc. to verify Watts, Griffis and McOuat Limited, Consulting Geologists and Engineers (“WGM”) Mineral Resource estimate and used the WGM resource estimate to determine and classify the Mineral Reserves in accordance with NI 43-101.

Mining Reserves By Ore Class
(Cut-off grade = 15% Fe)

Classification	Tonnes	Total Fe	Magnetite Fe	CaO	MgO	Magnetite
	(million)	(%)	(%)	(%)	(%)	(%)
Proven	463.4	30.1	7.6	2.2	2.1	10.5
Probable	116.2	29.7	7.7	2.3	2.1	10.7
Total Ore	579.6	30.0	7.6	2.3	2.1	10.5
Total Waste (Waste+Inferred)	563.8					
Stripping ratio	0.97					

Mine reserves were established using the following parameters:

- Mining recovery: 100%.
- Processing weight recovery: 41.0%.
- Overall pit wall slope angle: 48° (including allowance for ramp).
- Dilution: Built in Watts, Griffis, McOuat block model.
- Cut-off grade: 15% Fe.
- Mineral reserves were defined and categorized in accordance with CIM Definitions.

An optimized pit design generated total in-pit proven and provable reserves of 579.6 million tonnes at 30.0% Total Fe and a stripping ratio of 0.97 tonne (inferred + waste)/tonne ore.

Andre Allaire, Eng., M.Eng., Ph.D. and Mr. Patrice Live, Eng., both of whom are qualified persons under NI 43-101 and are independent of the Company, have reviewed the scientific and technical information in this press release.

The Bloom Lake Iron Ore Property, is located in Normanville Township, Duplessis County, Province of Quebec, on the south end of the Labrador Trough, approximately 400 km north of Sept-Iles. The Bloom Lake deposit is situated approximately 10 km north of the Mount-Wright iron ore mining operation of Arcelor Mittal Mines Canada.

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

For further information contact:

Richard Quesnel, President and CEO

Tel: (514) 396-6345

or

Brad Boland, Chief Financial Officer

Tel: (416) 861-2969

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. 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.