



TSX: CLM

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FOR IMMEDIATE RELEASE

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CONSOLIDATED THOMPSON PROVIDES UPDATE ON DEBT FINANCING DISCUSSIONS

October 16, 2008: Toronto, Ontario – **Consolidated Thompson Iron Mines Limited** (TSX:CLM) (“CLM” or the “Company”) is pleased to announce that it has received term sheets from interested banks and financial institutions for a debt facility. To date, CLM has received term sheets for facilities in an aggregate amount in excess of US\$100 million. CLM expects to receive additional term sheets shortly. The Company anticipates finalizing the banking syndicate and consortium by the end of October 2008 and proceeding with formal due diligence and documentation immediately thereafter.

As previously announced (see CLM press release of October 5, 2008), the Company has a current cash position of approximately \$260 million, which represents sufficient funds to continue the development of the Bloom Lake Project in Northern Quebec until April 2009. CLM expects to complete the debt facility by the end of 2008 or early 2009, and is targeting the commencement of production at Bloom Lake by the end of September 2009.

About Consolidated Thompson

Consolidated Thompson Iron Mines Limited is an exploration and development company. 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

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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 timing and ability to complete the debt facility, receipt of additional

term sheets, conclusions, parameters and assumptions underlying the Feasibility Study, the development potential and timetable of Bloom Lake project; 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 and ability to complete the debt facility are based on management’s knowledge and experience and the advice of financial advisors. Estimates regarding the 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.