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Fermont

6211-08-004

Envoyé : 31 août 2007 11:33

À : Boutin, Anne-Lyne (BAPE)

Objet : Press Release Consolidated Thompson

Importance : Haute

Consolidated Thompson Remains on Track to Develop Bloom Lake at 7.0 Million Tonnes/Year

Friday August 31, 8:49 am ET

The Company is Not Proceeding With the Purchase of a Majority Interest in Wabush Mines Joint Venture

TORONTO, ONTARIO--(Marketwire - Aug. 31, 2007) - Consolidated Thompson Iron Mines Ltd. (TSX VENTURE:[CLM](#) - [News](#); "Consolidated Thompson", "CLM" or the "Company") announces that it will not proceed with the previously announced purchase of a majority interest in the Wabush Mines Joint Venture. Dofasco Inc., a subsidiary of Mittal Steel Company N.V., has notified CLM that it will exercise its option to purchase the interests of Stelco and Cleveland Cliffs in the Wabush Mines Joint Venture. CLM is continuing its development of the Bloom Lake project at a rate of 7.0 million tonnes per year of high quality iron ore concentrate.

The Company plans to hold a teleconference on Wednesday, September 5, 2007 at 10 am EDT to update the shareholders on progress with the project and discuss the implications of the recently announced transaction between US Steel and Stelco and the Wabush acquisition by Mittal.

Bruce Humphrey, Chairman of CLM, stated: "The recently announced transaction between Stelco and US Steel and the decision by Dofasco/Mittal to exercise its right to acquire Wabush suggest that both consolidation in the iron ore and steel industry and the demand for iron ore continues be strong. Management believes that both of these trends will eventually benefit CLM and our Bloom Lake Deposit. We are making rapid progress at Bloom Lake with over \$100 million already committed and almost half the engineering completed. At full production of 7 million tonnes per year, it will be one of the lowest cost producers in the Quebec/Labrador camp. We will continue to explore consolidation opportunities in this Camp and look for potential synergies with both Iron Ore Company of Canada, Wabush and Quebec Cartier. This is an exciting time for Bloom Lake and the iron ore industry."

Richard Quesnel, President & CEO of CLM, stated: "During the last three months, the Company has advanced the Bloom Lake project on a dual track basis - with and without Wabush. With today's clarification regarding Dofasco's intent, we are proceeding with the Bloom Lake project on a stand alone basis. The expansion of output from 5.0 million to 7.0 million tonnes of iron ore concentrate per year accounts for most of the accretion in all of the upgrade scenarios that have been evaluated to date. As consolidation is occurring in the iron ore industry, we will continue to review opportunities while keeping the focus on developing Bloom Lake as a world class operation and adding value to our shareholders."

Consolidated Thompson is continuing to develop its Bloom Lake property as scheduled, with the following accomplishments achieved to date:

- Detailed engineering is 45% completed with 75,000 man-hours invested
- Procurement of critical equipment is in place with Cdn\$50 million committed
- Letters of intent to procure cement and structural steel worth Cdn\$60 million have been signed
- Definitive agreement is in place with Worldlink Resources Limited to sell 5.0 million tonnes of iron ore concentrate/year

- Discussions have been advanced with the common railway carrier regarding detailed haulage arrangements
- Discussions have been advanced with a third party to build and operate harbour and port facilities.
- The Company has strengthened its management team with the addition of a new Chief Financial Officer
- The Company has completed a private placement equity financing of CDN\$200 million and is in advanced discussions on debt financing for up to \$240 million. The Company expects to have these facilities in place by year end.

As permitting is progressing, pre-production work on the property is scheduled to start in early fall of 2007 and will include building road access, power lines and clearing timber. CLM continues to target the commencement of production at Bloom Lake in the first quarter of 2009.

About Consolidated Thompson:

Consolidated Thompson Iron Mines Ltd. is an exploration and development company. CLM holds the Bloom Lake Iron Ore Property which is located in the Normanville Township, Duplessis County, Province of Quebec, on the south end of the Labrador Trough (approximately 400 km north of Sept-Îles). The Bloom Lake deposit is situated approximately 10 km north of the Mount-Wright iron ore mining operation of Quebec Cartier Mining Company. More at www.consolidatedthompson.com

Cautionary Note Regarding Forward-Looking Information: This press release contains "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, statements with respect to the future financial and operating performance of the Company and its projects, the timing and amount of, and expenses related to, estimated future production, the availability of financing at acceptable prices, industry trends and their impact on the Company, the role of management, and government permitting and regulation of mining operations. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results to be materially different from those expressed or implied by such forward-looking information, including but not limited to: general business, economic, competitive, political and social uncertainties; changes in project parameters as plans continue to be refined; delays in obtaining governmental approvals or required financing or in the completion of development or construction activities, as well as those factors discussed in Company's annual information form for the year ended June 30, 2006. Although the Company 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. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

Neither the TSX Venture Exchange nor any other regulatory body has reviewed and therefore does not accept responsibility for the adequacy or accuracy of this release.

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