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For Immediate Release

TSX: FER

**CENTURY IRON MINES CORPORATION CONFIRMS NEW TACONITE IRON DISCOVERY WITH
LARGE TONNAGE POTENTIAL**

January 17, 2012, Toronto - Century Iron Mines Corporation (TSX:FER) ("Century Iron" or the "Company") is announced today a large taconite iron discovery on its 100% owned Rainy Lake property, part of the Sunny Lake Project, located approximately 85 km north of Schefferville, Quebec. The Sunny Lake Project consists of two properties: Rainy Lake and Lac Le Fer. The second group of assay results from its exploration program at the Sunny Lake Project in 2011. The 2011 drilling program comprised 6,300 metres of diamond drilling at the Rainy Lake Property. The Iron values were determined by X-ray fluorescence (XRF) major element analysis at an ISO 17025 accredited laboratory.

Highlights

Drill hole RL-11-0401 intersected 318.2 metres of taconite iron mineralization from 5.4 m depth grading 29.5% Total Iron (FeT), drill hole RL-11-0004 intersected 272.4 metres of taconite iron mineralization from 13.0 m depth grading 30.4% FeT, and drill hole RL-11-0402 intersected 264.8 metres of taconite iron mineralization from 10.4 m depth grading 31.0% FeT.

The new discovery zone, now named the Full Moon Prospect (or "Full Moon"), has been tested by 31 diamond drill holes over a strike length of 6.5 km, and a horizontal width of up to 2.8 km. The iron formation dips to the east at a shallow 5° to 10° angle. The vertical thickness of the new zone increases to the east from 50 metres to 340 meters remains open along strike.

Magnetite and hematite are the main iron minerals present. All iron formation stratigraphic units are moderately to strongly magnetic. Preliminary metallurgical tests are in progress, and drilling at the Sunny Lake Project will resume this spring.

Sandy Chim, President and CEO of Century Iron commented: "We are excited about this new discovery of the Full Moon at the Sunny Lake Project, which has tremendous tonnage potential for a taconite iron deposit. So far, from over 6,000 meters of drilling which gives us a good understanding of the initial 5

sections covering some 7 kilometers of strike. The grades and the geometry are looking very good. The usual Sokoman Iron Formation known in the Labrador Trough iron ore camp has a thickness of 80 to 120 meters. However, Full Moon demonstrates so far two to three times of this normal thickness making its potential value higher.

This discovery crystalizes our strategy of positioning ourselves toward becoming a large iron ore producer for the insatiable China market with the commitment of capital, technical expertise and market by our strategic partners, WISCO and Minmetals. These results validate the Company's current direction of its exploration programs along this strategy.

Taconite has been mined in North America for a number of decades. Its constancy of ore characteristics on a very large scale has been an important source of iron supply for the US steel market for many years. The finer grain size of taconite requires less energy cost of grinding, compared with other coarser grain iron ores, for making iron ore pellets which have been a growing segment of the global seaborne iron ore market with a 25% to 40% premium over the price of concentrates.

With the proximity to Schefferville and the existing operating infrastructure, Full Moon Project has the potential to be one of the first taconite projects in operation. "

The results of the 2011 drilling program at the Full Moon Prospect are summarized in table 1 and the attached map.

TABLE 1

Hole Number*	From (m)	To (m)	Core Length (m)	Fe%
RL 11-2601**	27.0	231.0	204.0	28.4
RL 11-2602**	1.3	137.0	135.7	29.7
RL 11-2603**	2.5	99.0	96.5	29.5
RL 11-2604**	1.8	128.1	126.3	31.1
RL 11-2201**	164.4	273.0	108.6	29.8
RL 11-2202	69.7	233.5	163.8	30.6
RL 11-2203	5.7	123.0	117.3	29.6
RL 11-2204	12.1	112.0	99.9	30.4
RL 11-2205	1.5	82.5	81.0	31.0
RL 11-1401	15.0	152.7	137.7	30.1
RL 11-1402	10.4	221.2	210.8	29.4
RL 11-1403	6.9	159.0	152.1	30.4
RL 11-1404	6.4	71.7	65.3	30.2
RL 11-1406	5.2	56.2	51.0	32.0
RL 11-1407	6.0	154.6	148.6	29.5
RL 11-1408	4.8	85.0	80.2	30.6
RL 11-0801	67.2	304.0	236.8	30.1
RL 11-0401	5.4	323.6	318.2	29.5
RL 11-0402	4.5	269.3	264.8	31.0

RL 11-0403	8.0	138.2	130.2	29.0
RL 11-0404	15.0	267.0	252.0	30.3
RL 11-0406	24.0	193.7	169.7	28.3
RL 11-0407	7.2	79.6	72.4	29.7
RL 11-0408	6.7	33.3	26.6	28.4
RL 11-0001**	75.5	318.0	242.5	27.9
RL 11-0002**	30.9	372.0	341.1	28.4
RL 11-0003**	24.2	248.0	223.8	30.2
RL 11-0004	13.0	285.4	272.4	30.4
RL 11-0005	19.3	253.3	234.0	29.1
RL 11-0006	13.7	165.7	152.0	31.1
RL 11-0007	81.8	196.8	115.0	29.0

Note: *Hole Number RL 11-2201: RL – Rainy Lake, 11 – year 2011; 22 – Section L22; 01- First hole on section L22
**Previously released
True thickness is estimated at 90% to 95% core length.

The Sunny Lake Project

The Sunny Lake Project comprises of approximately 530 mining claims covering 25,692 hectares in the Labrador Trough region of Northeastern Quebec. The objective of the 2011 drilling program was to test the potential of taconite mineralization on a target previously outlined by mapping and an airborne magnetic data. At Sunny Lake in 2012, Century Iron will be following up the large tonnage potential discovery of the Full Moon Prospect by commencing a definition diamond drilling program, to be followed by a resources calculation.

The Qualified Persons on the project, as defined under National Instrument 43-101, are Claude Britt, P.Geo., and Etienne Forbes, P.Geo. They are responsible for the preparation of all technical information provided in this press release and has reviewed and approved the contents of this press release.

About the Company

Century Iron Mines Corporation (TSX:FER) is one of Canada's largest holder of iron ore land claims, with interests in several properties in the Provinces of Quebec and Newfoundland and Labrador. Century Iron has promising iron ore assets and is firmly entrenched in western Quebec and in the prolific iron ore-producing region of the Labrador Trough in eastern Quebec and western Labrador. The Company has two key strategic partners in WISCO International Resources Development & Investment Limited and Minmetals Exploration & Development (Luxembourg) Limited S.à.r.l., both state-owned Chinese companies with the financial and technical resources to assist the Company with funding and technical expertise for the exploration and development of its iron ore projects.

The Company has interests in the following mineral exploration projects located in Quebec and Newfoundland and Labrador:

- The Duncan Lake Project of which the Company currently has a 51% interest with an option to increase to a 65% interest under an option and joint venture agreement with Augyva Mining Resources Inc.;
- The Attikamagen Project of which the Company currently has an option to acquire up to a 60% interest under an option and joint venture agreement with Champion Minerals Inc. (TSX:CHM);
- The Sunny Lake Project (100% owned by Century Iron) and;
- The Astray, Grenville, Menihek and Schefferville projects recently acquired from Altius Minerals Corp. (TSX:ALS) (100% owned by Century Iron).

The Company's objective is to enhance shareholder value through the development of iron ore projects in Canada and to become a Canadian iron ore producer.

Century Iron's website is: www.centuryiron.com.

About WISCO Resources

WISCO Resources holds an approximate 25% interest in Century Iron and an off-take agreement for up to 60% of the production. WISCO Resources is one of the major subsidiaries of Wuhan Iron & Steel (Group) Corporation ("WISCO Group"), headquartered in Wuhan in the province of Hubei in the People's Republic of China. The WISCO Group is one of the "Big Three" Chinese state-owned integrated iron and steel company. In 2010, the WISCO Group had an annual output of 36 million tonnes of steel. The WISCO Group's portfolio of business activities includes mining, coking, sintering, iron making, steel making, rolling and associated utilities.

About Minmetals

Minmetals holds an approximate 5% interest in Century Iron and off-take agreement for up to 10% of the production. Minmetals is one of the major subsidiaries of China Minmetals Corporation ("China Minmetals"). China Minmetals is a state-owned diversified metals and mining company based in Beijing, in the People's Republic of China. China Minmetals is engaged in the production and trading of metals and minerals, including copper, aluminum, tungsten, tin, antimony, lead, zinc, iron and steel-related commodities. China Minmetals also engages in activities related to real estate development, finance, shipping and tendering.

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Forward Looking Information

This news release contains forward-looking statements and information that are based on the beliefs of management and reflect the Company's current expectations. When used in this press release, the words "estimate", "project", "belief", "anticipate", "intend", "expect", "plan", "predict", "may" or "should" and the negative of these words or such variations thereon or comparable terminology are intended to identify forward-looking statements and information. The forward-looking statements and information in this press release includes information relating to the expected completion of the current drilling phase at Sunny Lake and the Company's objective to enhance shareholder value through the development of iron ore projects in Canada and to become a major Canadian iron ore producer. Such statements and information reflect the current view of the Company with respect to risks and uncertainties that may cause actual results to differ materially from those contemplated in those forward-looking statements and information. By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the risk that the drilling program at Sunny Lake may be delayed or may not be completed and that the Company's Canadian iron ore projects may not succeed in enhancing shareholder value or allow the Company to become a major Canadian iron ore producer. The Company cautions that the foregoing list of material factors is not exhaustive. When relying on the Company's forward-looking statements and information to make decisions, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. The Company has assumed a certain progression, which may not be realized. It has also assumed that the material factors referred to above will not cause such forward-looking statements and information to differ materially from actual results or events. However, the list of these factors is not exhaustive and is subject to change and there can be no assurance that such assumptions will reflect the actual outcome of such items or factors.

THE FORWARD-LOOKING INFORMATION CONTAINED IN THIS NEWS RELEASE REPRESENTS THE EXPECTATIONS OF THE COMPANY AS OF THE DATE OF THIS NEWS RELEASE AND, ACCORDINGLY, IS SUBJECT TO CHANGE AFTER SUCH DATE. READERS 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, IT DOES NOT UNDERTAKE TO UPDATE THIS INFORMATION AT ANY PARTICULAR TIME EXCEPT AS REQUIRED IN ACCORDANCE WITH APPLICABLE LAWS.

