NEW MILLENNIUM IRON CORP.

THIRD QUARTER REPORT 2014

November 10, 2014

Message to Shareholders

New Millennium Iron Corp. is pleased to report its unaudited financial and operational results for the three and nine month periods ended September 30, 2014.

Yours truly,

Robert Patzelt, Q.C.
President and CEO

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE COMPANY'S FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*The following discussion and analysis of the financial results of New Millennium Iron Corp. (**"NML",** the **"Company", or the "Corporation"**) for the interim three and nine month periods ended September 30, 2014 should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements and related notes for the period ended September 30, 2014, and the audited consolidated financial statements and MD&A for the years ended December 31, 2013 and 2012.*

*These condensed interim financial statements, including comparatives, have been prepared using accounting policies in compliance with International Financial Reporting Standards ("**IFRS**").*

*All dollar figures are in Canadian dollars ("**C$**"), unless otherwise stated.*

FORWARD LOOKING STATEMENTS

This MD&A contains certain forward looking statements and forward looking information (collectively referred to herein as "forward looking statements") within the meaning of applicable Canadian securities laws. All statements other than statements of present or historical fact are forward looking statements. Forward looking information is often, but not always, identified by the use of words such as "could", "should", "can", "anticipate", "expect", "believe", "will", "may", "projected", "sustain", "continues", "strategy", "potential", "projects", "grow", "take advantage", "estimate", "well positioned" or similar words suggesting future outcomes. In particular, this MD&A may contain forward looking statements relating to future opportunities, business strategies, mineral exploration, development and production plans and competitive advantages.

The forward looking statements regarding the Corporation are based on certain key expectations and assumptions of the Corporation concerning anticipated financial performance, business prospects, strategies, regulatory developments, exchange rates, tax laws, the sufficiency of budgeted capital expenditures in carrying out planned activities, the availability and cost of labour and services and the ability to obtain financing on acceptable terms, the actual results of exploration and development projects being equivalent to or better than estimated results in technical reports or prior activities, and future costs and expenses being based on historical costs and expenses, adjusted for inflation, all of which are subject to change based on market conditions and potential timing delays. Although management of the Corporation consider these assumptions to be reasonable based on information currently available to them, they may prove to be incorrect.

By their very nature, forward looking statements involve inherent risks and uncertainties (both general and specific) and risks that forward looking statements will not be achieved. Undue reliance should not be placed on forward looking statements, as a number of important factors could cause the actual results to differ materially from the beliefs, plans, objectives, expectations and anticipations, estimates and intentions expressed in the forward looking statements, including among other things: inability of the Corporation to continue meet the listing requirements of stock exchanges and other regulatory requirements, general economic and market factors, including business competition, changes in government regulations or in tax laws; general political and social uncertainties; commodity prices; the actual results of exploration, development or operational activities; changes in project parameters as plans continue to be refined; accidents and other risks inherent in the mining industry; lack of insurance; delay or failure to receive board or regulatory approvals; changes in legislation, including environmental legislation, affecting the Corporation; timing and availability of external financing on acceptable terms; conclusions of, or estimates contained in, feasibility studies, pre-feasibility studies or other economic evaluations; and lack of qualified, skilled labour or loss of key individuals; as well as those factors detailed from time to time in the Corporation's interim and annual financial statements and management's discussion and analysis of those statements, along with the Corporation's annual information form, all of which are filed and available for review on SEDAR at www.sedar.com. Readers are cautioned that the foregoing list is not exhaustive.

The forward looking statements contained herein are expressly qualified in their entirety by this cautionary statement. The forward looking statements included in this MD&A are made as of the date of this MD&A and the Corporation does not undertake and is not obligated to publicly update such forward looking *statements to reflect new information, subsequent events or otherwise unless so required by applicable securities laws.*

With respect to the disclosure of historical resources in this MD&A that are not currently in compliance with National Instrument 43-101, a qualified person has not done sufficient work to classify the historical estimate as current mineral resources or mineral reserves, the Corporation is not treating the historical estimate as current mineral resources or mineral reserves and the historical estimate should not be relied upon.

OVERALL PERFORMANCE

Overview of Business

The Corporation controls the emerging Millennium Iron Range, located in the Province of Newfoundland and Labrador and in the Province of Québec, which holds one of the world's largest undeveloped magnetic iron ore deposits. In the same area, the Corporation and Tata Steel Limited ("Tata Steel"), one of the largest steel producers in the world, have advanced a Direct Shipping Ore ("DSO") Project to the production stage, from which trial shipments have begun. Tata Steel owns approximately 26.2% of New Millennium and is the Corporation's largest shareholder and strategic partner.

Tata Steel exercised its exclusive option to participate in the DSO Project and has a commitment to take the resulting production. The DSO Project is owned and operated by Tata Steel Minerals Canada Limited ("TSMC"), which in turn is 80% owned by Tata Steel and 20% owned by NML. The DSO Project contains 98.9 million tonnes of Measured and Indicated Mineral Resources at an average grade of 59.3% Fe, 6.7 million tonnes of Inferred Resources at an average grade of 56.7% Fe and about 25.0 - 30.0 million tonnes of historical resources that are not currently in compliance with NI 43-101. A qualified person has not done sufficient work to classify the historical estimate as current mineral resources or mineral reserves, and as such the Corporation is not treating the historical estimate as current mineral resources or mineral reserves and the historical estimate should not be relied upon.

The Millennium Iron Range ("MIR") currently hosts two advanced projects: LabMag contains 3.5 billion tonnes of Proven and Probable Mineral Reserves at an average grade of 29.6% Fe plus 1.0 billion tonnes of Measured and Indicated Mineral Resources at an average grade of 29.5% Fe and 1.2 billion tonnes of Inferred Resources at an average grade of 29.3% Fe; KéMag contains 2.1 billion tonnes of Proven and Probable Mineral Reserves at an average grade of 31.3% Fe, 0.3 billion tonnes of Measured and Indicated Mineral Resources at an average grade of 31.3 % Fe and 1.0 billion tonnes of Inferred Resources at an average grade of 31.2% Fe. Tata Steel also exercised its exclusive right to negotiate and settle a proposed transaction in respect of the LabMag Project and the KéMag Project.

The Millennium Iron Range now hosts other taconite deposits.

The first is the Lac Ritchie property located at the north end of the Range. The initial 2011 drilling of 40 holes in this property revealed Indicated Mineral Resources of 3.330 billion tonnes at an average grade of 30.3% Fe, and Inferred Resources of 1.437 billion tonnes at an average grade of 30.9% Fe.

Two other taconite deposits are located south of the LabMag deposit in the Millennium Iron Range. The initial 2012 drilling of 23 holes in the Sheps Lake property and of 50 holes in the Perault Lake property revealed Indicated Mineral Resources of 3.580 billion tonnes at an average grade of 31.22% Fe, and Inferred Resources of 795 million tonnes at an average grade of 30.56% Fe.

The Howells Lake - Howells River North deposits are located between the LabMag and KéMag deposits, and evidence mineral continuity in the Range. The 2011 and 2012 drilling of 11 holes in the Howells River North property and of 45 holes in the Howells Lake property, revealed Indicated Mineral Resources of 7.631 billion tonnes at an average grade of 30.39% Fe, and Inferred Resources of 3.310 billion tonnes at an average grade of 29.83% Fe.

The Corporation's mission is to add shareholder value through the responsible and expeditious development of the Millennium Iron Range and other mineral projects to create a new large source of raw materials for the world's iron and steel industries.

For further information, please visit www.NMLiron.com, www.tatasteel.com, www.tatasteelcanada.com, and www.tatasteeleurope.com.

Dean Journeaux, Eng., and Thiagarajan Balakrishnan, P. Geo., are the Qualified Persons as defined in National Instrument 43-101 who have reviewed and verified the scientific and technical mining disclosure contained in this MD&A.

RESULTS OF OPERATIONS

TSMC'S DSO PROJECT

The DSO Project is owned and operated by TSMC, which was established in 2010 and in which Tata Steel has an 80% interest and NML 20%.

Originally designed to produce 4.2 million tonnes per year of high grade sinter feed and pellet feed from a processing plant housed under a weather proof structural dome, the Project underwent a scoping change and will now supply not only those premium products on a year round basis as planned, but has also begun the seasonal production of sinter fines by way of a mining, crushing and dry screening operation.

The processing plant for higher grade products is expected to be commissioned during early 2015. The targeted level for the combined product streams is 6 million tonnes per year, which TSMC aims to reach in 2016, and additional production options are being studied.

TSMC accelerated construction of the ore processing facilities following the 2013/14 winter period and considerable progress has been made over the course of the year. The crushing and screening operation is well established, while the processing plant for the production of higher grade fines is now 80% complete. TSMC has assembled a highly qualified operational readiness team to begin the plant's commissioning process.

An important achievement with respect to DSO Project logistics has been completion and commissioning of the Genesee & Wyoming's KéRail spur line that services the DSO Project by providing the initial connection to the Tshiuetin Rail Transportation Inc. and Quebec North Shore and Labrador Railway lines, and eventually the Port of Sept-Îles. Incorporation of KéRail into the overall DSO Project is expected to bring logistical efficiencies and cost benefits.

Shipping of the crushed and screened DSO began in 2013 with trial cargoes to Tata Steel Europe and to China, and is expected to resume during 2014. In this regard, TSMC's products will be loaded onto ocean-going vessels at Iron Ore Company of Canada's shipping terminal at Sept-Îles. TSMC plans to utilize the Port of Sept-Îles' new deep water dock when possible in order to carry out these activities in the future (see **Other** below).

Regular DSO Project updates with illustrations are available on NML's website.

TSMC is currently reviewing the cost of completion for the DSO Project. The development plan of the Howse joint venture (see **TSMC's Howse Joint Venture** below) is also being evaluated.

NML will record revenue when a dividend is received from TSMC. Sales revenue and related corporate expenses are recorded at the TSMC level.

TSMC'S HOWSE JOINT VENTURE

On September 18, 2013, it was announced that TSMC had signed a number of inter-related definitive agreements with certain parties, including Labrador Iron Mines Holdings Limited ("LIM"), favourably impacting the DSO Project.

The agreements provide for the acquisition by TSMC of up to 70% of the Howse Deposit, the formation of a joint venture to develop the Howse Deposit, as well as access by rail of iron ore products from TSMC's DSO operation to LIM's Silver Yard facility, for further transport to the port in Sept-Îles. TSMC expects to enjoy the benefit of cost synergies from the rationalization of various aspects of the respective iron ore operations of TSMC and LIM.

With the earlier framework now formalized, TSMC is proceeding with the related activities that are expected to lead to improvements in operating efficiencies for the DSO Project. The acquisition of up to 70% of the Howse deposit will result in a net addition of resources located only about four kilometers from the year-round TSMC processing plant site in the Timmins area.

The Howse exploration program, which was carried out in two phases over 2013 and 2014, has now been completed. The program comprised 6273 meters of drilling in 57 boreholes, including 6 condemnation holes. In parallel, a hydrogeological drilling program and a preliminary geotechnical assessment report were also completed. The work undertaken to date will enable confirmation of the historical Howse resource and also provide information for mine planning to bring the deposit into production.

TACONITE PROJECT

The Taconite Project involves development of either or a combination of the LabMag and/or KéMag deposits, each of which could support a large-scale iron ore pelletizing complex with capacity comparable to that of existing Labrador Trough producers, and a range of product qualities capable of servicing iron making through either the blast furnace or direct reduction route. Tata Steel is a partner in the $50 million Taconite Project Feasibility Study through a binding heads-of-agreement signed in March 2011.

Building on NML's and Tata's technical expertise, the Taconite Project will have state-of-the-art production assets and aim for a favourable position on the global cost curve for pellet producers. Natural advantages include a low stripping ratio and magnetite ore, which reduces energy costs in the pelletizing process. The Taconite Project would use large-scale, proven and technologically advanced equipment. When coupled with the full range of vessel sizes to be handled by the new multi-user dock under construction at Sept-Îles, Québec, in which both NML and TSMC are participants, the Taconite Project should be a highly competitive new source of supply for iron and steel makers worldwide.

The techno-economic results were announced with the filing of the Technical Report on the Feasibility Study for both the LabMag and KeMag projects on March 27, 2014, and present a compelling case for a profitable, successful, long-term operation. The shared conclusion of NML and Tata Steel is that the results demonstrate Project viability and together NML and Tata Steel are proceeding with addressing key parameters on a timely basis in order to complete remaining aspects of the Feasibility Study required to enable an investment decision by Tata Steel. These include working with governments on the selection of an appropriate Project scenario; completion of environmental assessment work, reviewing refined process models that would permit a ramp-up of production; improve operating expenditures and reduce initial capital costs; and update financial modeling to make the Project investor and lender ready.

Met-Chem Canada Ltd., Montreal, Québec, a qualified person, was engaged to compile a National Instrument 43-101 Technical Report on the Feasibility Study, and prepared reports for each of the LabMag and KéMag Project scenarios. These reports were filed on SEDAR in May 2014, and there were no material differences between the reports and the Study results announced in March.

EXPLORATION OF OTHER PROPERTIES

Beyond the DSO and Taconite projects, NML has further development potential through its other land holdings in the MIR, and exploration drilling and analysis has been carried out by NML to evaluate several taconite anomalies with new partnerships in mind. This work confirms NML's prominent certified NI 43-101 resource holdings through not only LabMag and KéMag, but also other important MIR deposits presented in the table below.

NML – Millennium Iron Range Taconite Properties

Property	Resources Category, Million Tonnes		
	Proven & Probable	Measured & Indicated	Inferred
KéMag	2,141	307	1,014
LabMag	3,545	1,045	1,151
Lac Ritchie		3,330	1,437
Howells Lake-Howells River North		7,631	3,310
Sheps Lake		1,967	289
Perault Lake		1,612	507
Total	5,686	15,892	7,708

Note: NML owns 100% of the properties mentioned above except for LabMag, Howells River North and Shep's Lake, which are 80% owned through the Corporation's interest in LabMag Limited Partnership.

Also of significance is that the taconite formation occurring in this area of the MIR is a stratigraphic continuation of the LabMag deposit that connects to the KéMag deposit.

OTHER

Construction of New Multi-User Dock at Sept-Îles

As previously reported, NML and TSMC are investors in the new, multi-user iron ore loading dock at Pointe-Noire, Québec, in the Bay of Sept-Îles, along with the Canadian Government, the Port of Sept-Îles and other mining companies. TSMC plans to use the dock for DSO Project shipments and the facility would also be expected to service shipments from the Taconite Project.

The Sept-Îles Port Authority recently announced that civil work on the dock itself has been completed and that delivery of the two shiploaders, which were manufactured in China, is expected in January 2015. Installation of the shiploaders will be carried out during the early months of 2015 and the dock is expected to be in service during the beginning of the 2015 summer period.

FINANCIAL CONDITION

The following discussion of the Corporation's financial performance is based on the unaudited Condensed Interim Consolidated Financial Statements as of September 30, 2014 ("**financial statements**") set forth herein. As discussed in Note 2 to the financial statements, they are prepared in accordance with International Accounting Standard 34, Interim Financial Reporting.

These financial statements should be read in conjunction with the Company's December 31, 2013 audited consolidated financial statements ("**FYE 2013**").

Management is required to make estimates and assumptions that effect the reported amounts of assets and liabilities at the date of the financial statements and revenue and expenses for the period then ended.

The unaudited Interim Consolidated Statement of Financial Position as of September 30, 2014 indicates cash and cash equivalents of $5,293,000, short-term investments of $20,266,000, sales taxes, other receivables and prepaid expenses of $2,063,000, and the current portion of tax credits and mining duties receivable of $7,764,000 resulting in total current assets of $35,386,000, a decrease of $2,731,000 from FYE 2013. The non-current assets are comprised of the long-term portion of tax credits and mining duties receivable of $805,000, mineral exploration and evaluation assets of $63,519,000, other assets of $38,503,000, deposits on contracts of $176,000, property and equipment of $507,000 and long-term investments of $36,587,000. The total assets of $175,483,000 decreased by $1,404,000 from FYE 2013.

The Company's current liabilities at September 30, 2014 are its trade and other payables of $1,987,000, and advances from Tata Steel of $2,225,000 for a total of $4,212,000, an increase of $1,386,000 from

FYE 2013. Non-current liabilities consist of an amount due to Naskapi/LabMag Trust of $285,000 for total liabilities of $4,497,000 which is an increase of $1,386,000 from FYE 2013. Equity attributable to shareholders of the parent company is $170,748,000, a decrease of $2,789,000 from FYE 2013, and is comprised of share capital of $177,585,000, contributed surplus of $21,748,000, and the deficit of $28,585,000. The non-controlling interest of $238,000 remains unchanged from FYE 2013, for total equity of $170,986,000.

During the quarter the Company's cash and cash equivalents and short term investments were used to pay for its trade and other payables. Since NML did not have any capital injection during the period, the portion of the payments relating to the current and prior periods' operating loss results in a decline in the Corporation's total current assets and total assets from FYE 2013 to September 30, 2014.

For the three months ended September 30, 2014, the Company realized a net loss of $1,472,000, or $0.01 per share, compared to a net loss of $1,856,000, or $0.01 per share for the comparative period in 2013. This loss represents operating expenses of $1,659,000, (2013 - $2,060,000), net of service fee revenue of $Nil (2013 – $62,000) and investment income of $186,000 (2013 - $142,000). The decrease in this period's operating expenses is mainly due to a decrease in stock-based compensation expense from $922,000 in the prior period to $540,000 in this period.

The Company's net loss for the nine months ended September 30, 2014, is $5,025,000, or $0.03 per share, compared to a net loss of $6,112,000, or $0.03 per share, for the comparative period in 2013. This loss represents general and administrative expenses of $5,703,000 (2013- $6,881,000), net of service fee revenue of $23,000 (2013 - $203,000) and investment and other income of $655,000 (2013 - $565,000). The decrease in the period's operating expenses is mainly due a decrease in stock based compensation to $1,849,000 from $3,294,000 in 2013, which was partially offset by an increase in professional fees to $1,477,000 from $764,000 in 2013.

The Company expects to continue incurring losses until it begins receiving dividends from TSMC. These losses are expected to be funded by the current cash, investments and then if necessary, through equity financing or investments by strategic partners.

As at September 30, 2014, the deferred income tax assets, which arose as a result of applying the capital and non-capital losses carried forward to taxable income, have not been recognized in the accounts due to uncertainty regarding their utilization.

All costs associated with mineral properties, totalling $63,518,000 as outlined in Note 9 to the September 30, 2014 financial statements, have been classified as mineral exploration and evaluation assets. The expenditures are divided between the properties as follows: LabMag Property $28,407,000, KéMag Property $16,991,000, Howells Lake-Howells River North Properties $5,059,000, Perault Lake Property $5,079,000, Lac Ritchie Property $2,498,000, Sheps Lake Property $1,206,000 and Other Properties $4,278,000. The cost centers for these capitalized expenditures are: mineral licenses $2,993,000, resource evaluation $40,299,000, drilling $35,570,000, environmental $18,835,000, and depreciation of property and equipment $172,000. These expenditures are partially offset by tax credits and mining duties of $14,079,000 and the Tata Steel payments of $20,272,000. The non-controlling interest of $238,000 relates to LabMag Limited Partnership whose properties include the LabMag Property, Sheps Lake Property and Howells River North Property. The carrying value of the mineral exploration and evaluation assets are reviewed by the Company on a quarterly basis by reference to the project economics, including the timing of the exploration and evaluation work, the work programs and exploration results achieved by the Company. At September 30, 2014, the Company believes that the carrying values of the properties are less than their net recoverable amounts and as such there has been no impairment of value on any of these properties.

Summary of Quarterly Results

The following table sets out selected unaudited quarterly financial information of the Company for the eight quarters ended September 30, 2014. This information is derived from unaudited quarterly financial statements prepared by management. The Company's condensed interim consolidated financial statements are prepared in accordance with IFRS and expressed in Canadian dollars.

	Sept-14	Jun-14	Mar-14	Dec-13	Sept-13	Jun-13	Mar-13	Dec-12
Investment Income	186,000	186,000	282,000	120,000	142,000	228,000	194,000	229,000
Net Loss	(1,472,000)	(1,817,000)	(1,735,000)	(1,609,000)	(1,856,000)	(2,244,000)	(2,002,000)	(2,187,000)
Loss Per Share(1)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)

The effect of the exercise of stock options and warrants would be anti-dilutive for the purposes of calculating the fully diluted earnings per share for all periods.

Third Quarter Results

The most significant items comparing the results of operations in the third quarter of 2014 versus the same period in 2013 is a decrease in general and administrative expenses to $1,659,000 in Q3 2014 from $2,060,000 in Q3 2013.

The most significant item affecting general and administrative expenses is a decrease in stock-based compensation to $540,000 compared with $922,000 in Q3 2013. The increase in investment income from $142,000 in Q3 2013 to $186,000 in Q3 2014 is due to the loan receivable from TSMC which bears interest at the rate of LIBOR + 6.5% per annum. The service fee revenue has ceased as TSMC is utilizing their own team instead of NML resources.

As a result, the Company's net loss for the third quarter ended September 30, 2014 totalled approximately $1,472,000 (loss of $0.01 per share) compared to a net loss of approximately $1,856,000 (loss of $0.01 per share) for the comparative period in 2013.

Use of Accounting Statements and Judgments

The information is provided in Note 3 of the 2013 annual financial statements.

Standards Issued but Not Yet Effective

The information is provided in Note 4 of the accompanying September 30, 2014 unaudited interim financial statements.

Financial Instruments

All financial instruments are recognized when the Company becomes a party to the contractual provisions of the financial instrument and are initially measured at fair value plus transaction costs, except for financial assets and financial liabilities carried at fair value through profit or loss, which are measured initially at fair value. Financial assets are derecognized when the contractual right to the cash flows from the financial assets expire, or when the financial asset and all substantial risks and rewards are transferred.

An extended description of the Company's financial instruments and their fair values is provided in Note 18 of the 2013 annual financial statements.

Financial Risk Management, Objectives and Policies

In the normal course of operations, the Company is exposed to various financial risks. The Company does not enter into financial instrument agreements including derivative financial instruments for speculative purposes. Please refer to Note 13 in the accompanying September 30, 2014 unaudited interim financial statements for an extended description of the Company's main financial risk management, objectives and policies.

Capital Management Policies and Procedures

The information is provided in Note 16 of the accompanying financial statements.

Liquidity and Capital Resources

Working Capital

Working capital at September 30, 2014 of $31,175,000 represents a decrease of $4,116,000 from the FYE 2013 total of $35,291,000. This decrease in working capital is due to the usage of cash and cash equivalents and short-term investments for the Company's investment in the exploration and evaluation of its mineral assets as well as funding its operational loss for the period. The decrease in working capital is due to the payment of the expenditures in mineral exploration and evaluation assets and of operating expenses.

The Company's working capital has been mainly invested in cash and guaranteed investment certificates with relatively short maturities all either issued by or guaranteed by Canadian Federal and Provincial governments or their crown corporations. These investments have been classified as short-term investments. The Company intends to use a portion of its cash and cash equivalents and short term investments in order to fund its portion of the Taconite Feasibility Study, to fulfill assessment work required to maintain claims and pay future corporate operating expenses.

Capital Expenditures

There was $2,000 of acquisitions of property and equipment during the first nine months of 2014 compared to $336,000 in the corresponding period in 2013.

Capital Resources

At September 30, 2014, NML has paid up capital of $177,585,000 (December 31, 2013 - $176,947,000) representing 181,054,000 (December 31, 2013 – 180,009,000) common shares and contributed surplus of $21,748,000 (December 31, 2013 - $20,150,000) and a deficit of $28,585,000 (December 31, 2013 - $23,560,000) resulting in total equity attributable to shareholders of the Company of $170,748,000 (December 31, 2013 - $173,537,000). In addition there is a non-controlling interest of $238,000 (December 31, 2013 – $238,000) resulting in total equity of $170,986,000 (December 31, 2013 - $173,775,000).

Commitments and Contingency

Please refer to Note 17 of the accompanying September 30, 2014 unaudited interim financial statements for a summary of the Company's commitments and contingency.

Transactions with Related Parties

Please refer to Note 15 of the accompanying September 30, 2014 unaudited interim financial statements for a summary of the Company's transactions with related parties and the related period end balances.

Controls and Procedures Over Financial Reporting

In compliance with the Canadian Securities Administrators' National Instrument 52-109, the Company has filed certificates signed by the Chief Executive Officer ("**CEO**") and the Chief Financial Officer ("**CFO**") that, among other things, report on the design and effectiveness of disclosure controls and procedures, and the design and effectiveness of internal control over financial reporting.

Disclosure Control and Procedures

The CEO and the CFO have designed disclosure controls and procedures, or have caused them to be designed under their supervision, in order to provide reasonable assurance that:

- material information relating to the Company has been made known to them; and
- information required to be disclosed in the Company's filings is recorded, processed, summarized and reported within the time periods specified in securities legislation.

An evaluation was carried out, under the supervision of the CEO and the CFO, of the design and effectiveness of the disclosure controls and procedures. Based on this evaluation, the CEO and the CFO concluded that the disclosure controls and procedures are effective at September 30, 2014.

Internal Control over Financial Reporting

The CEO and the CFO have also designed internal control over financial reporting, or have caused them to be designed under their supervision, in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for financial reporting purposes in accordance with IFRS.

An evaluation was carried out, under the supervision of the CEO and the CFO, of most critical aspects of our internal control over financial reporting. Based on this evaluation, the CEO and the CFO concluded that the internal controls over financial reporting are effective at September 30, 2014, using the criteria set forth by the Committee of Sponsoring Organizations (COSO) of the Treadway Commission on Internal Control – Integrated Framework. The remaining aspects of our internal control over financial reporting will be evaluated during the coming quarters.

Changes to Internal Control over Financial Reporting

No changes were made to our internal control over financial reporting during the quarter ended September 30, 2014, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

DISCLOSURE OF OUTSTANDING SHARE DATA

The following information relates to share data of the Company as at September 30, 2014.

1. Share capital

(a) Authorized:

Unlimited number of common voting shares.
Unlimited number of preferred shares, without nominal or par value, issuable in series.

(b) Issued as of September 30, 2014: The Corporation has 181,054,146 common shares issued ($177,584,512).

(c) Issued as of November 10, 2014: The Corporation has 181,054,146 common shares issued ($177,584,512).

2. Options

The Corporation has adopted an incentive stock option plan whereby options may be granted from time to time to directors, officers, employees and consultants to the Corporation with shares reserved for issuance as options not to exceed 10% of the issued and outstanding common shares.

As of November 10, 2014, there were 16,508,000 common shares reserved for issuance pursuant to the exercise of stock options (September 30, 2014 – 17,247,500) as follows:

Number of Outstanding Options	Exercise Price	Expiry Date
2,932,500	$0.90	June 30, 2015
36,000	$0.87	August 31, 2015
42,000	$3.52	February 8, 2016
2,890,000	$3.36	April 1, 2016
175,000	$3.16	April 29, 2016
52,000	$2.48	May 16, 2016
32,000	$2.48	July 18, 2016
135,000	$1.65	November 1, 2016
110,000	$1.16	November 28, 2016
350,000	$1.43	December 6, 2016
160,000	$1.23	December 20, 2016
37,000	$1.72	January 11, 2017
70,000	$2.02	January 24, 2017
65,000	$2.08	April 5, 2017
100,000	$1.93	April 11, 2017
56,000	$2.03	April 16, 2017
3,315,000	$1.35	July 27, 2017
50,000	$1.30	September 10, 2017
80,000	$1.45	September 18, 2017
200,000	$1.57	October 4, 2017
20,000	$1.04	December 10, 2017
52,000	$1.62	January 8, 2018
2,493,500	$0.89	April 24, 2018
535,000	$0.42	March 31, 2019
2,241,500	$0.44	May 21, 2019
228,500	$0.39	June 16,2019
50,000	$0.31	September 2, 2019

MARKET REVIEW

According to the World Steel Association's statistics, world crude steel production in its 65 reporting countries was 1.204 million metric tons for the first nine months of 2014, which represented an increase of 2.1% over the first nine months of 2013.

China's crude steel production was up by 2.3% compared to the comparative period in 2013. The EU 28 showed an increase of 2.9% while Asia overall and North America reported growth of 2.5% and 2.3%, respectively. Production in the Middle East was up by 7.6%.

The overall reporting countries' crude steel capacity utilization rate at September 2014 was 76.1%, which was 2.6% lower than at September 2013 and 1.9% higher than at August 2014.

Iron ore pricing as measured by the 62% Fe Fines CFR China reference continued its downward spiral during the Third Quarter, losing almost US$10.00 per tonne in September alone to finish the month at $77.50 per tonne, its lowest level in five years and representing a more than 40% drop over the course of 2014.

China represents approximately 60% of global iron ore demand and market dynamics there have shown few signs of improvement. The rate of steel production growth, and particularly that of blast furnace iron which drives iron ore consumption, remains lower than in recent years as conditions in end-user markets for steel, such as manufacturing and property are lackluster. Meanwhile, expansion of iron ore fines production by the major Australian producers in particular continues to grow and place downward pressure on global fines prices. New Millennium's Taconite Project is oriented to the production of high-quality pellets, which is a different segment of the iron ore market and experiencing increasing demand.

BUSINESS RISKS

In the normal course of operations, the Company is exposed to various business risks. These risks are described in the 2013 Annual Management's Discussion and Analysis as well as the Company's 2013 Annual Information Form dated March 24, 2014, that has been filed on SEDAR at www.sedar.com.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com

New Millennium Iron Corp.
Unaudited Condensed Interim
Consolidated Financial Statements
September 30, 2014

Financial Statements

New Millennium Iron Corp.

Condensed Interim Consolidated Statement of Financial Position

(Unaudited)
(Expressed in Canadian Dollars)

	September 30, 2014	December 31, 2013
	$	$
ASSETS		
Current assets		
Cash and cash equivalents (Note 5)	5,293,275	964,965
Short-term investments (Note 6)	20,265,526	29,373,664
Sales taxes, other receivables and prepaid expenses	2,063,389	1,792,192
Tax credits and mining duties receivable	7,764,109	5,986,478
	35,386,299	38,117,299
Non-current assets		
Tax credits and mining duties receivable	804,939	2,002,495
Deposits on contracts	176,435	263,773
Other assets (Note 7)	38,502,545	38,502,545
Long-term investments (Note 8)	36,587,442	36,242,605
Mineral exploration and evaluation assets (Note 9)	63,518,534	61,138,078
Property and equipment	507,213	620,132
Total assets	175,483,407	176,886,927
EQUITY AND LIABILITIES		
LIABILITIES		
Current liabilities		
Trade and other payables (Note 15)	1,986,619	2,125,106
Advance from Tata Steel (Note 9 and 15)	2,225,028	700,975
	4,211,647	2,826,081
Non-current liabilities		
Due to NNK Trust	285,324	285,324
Total liabilities	4,496,971	3,111,405
EQUITY		
Share capital (Note 10)	177,584,512	176,947,062
Contributed surplus	21,748,392	20,150,223
Deficit	(28,584,819)	(23,560,114)
Equity attributable to shareholders of the parent Company	170,748,085	173,537,171
Non-controlling interest	238,351	238,351
Total equity	170,986,436	173,775,522
Total liabilities and equity	175,483,407	176,886,927

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

Approved and authorized for issue by the Board of Directors on November 10, 2014 and signed on their behalf by:

/S/ Robert Patzelt
Director

/S/ Pierre Seccareccia
Director

New Millennium Iron Corp.
Condensed Interim Consolidated Statement of Comprehensive Income

(Unaudited)
Three and nine months ended September 30, 2014 and 2013
(Expressed in Canadian Dollars)

	3 months ended September 30		9 months ended September 30	
	2014	2013	2014	2013
	$	$	$	$
Service fee revenue	–	62,027	23,148	203,487
Expenses				
General and administrative (Note 11)	1,658,797	2,059,908	5,703,101	6,880,863
Loss before other items	(1,658,797)	(1,997,881)	(5,679,953)	(6,677,376)
Other items				
Other income	–	–	–	2,050
Investment income	186,396	141,806	655,248	563,395
	186,396	141,806	655,248	565,445
Net loss and comprehensive loss	(1,472,401)	(1,856,075)	(5,024,705)	(6,111,931)
Attributable to:				
Non-controlling interest	–	–	–	–
Shareholders of the parent Company	(1,472,401)	(1,856,075)	(5,024,705)	(6,111,931)
Net loss and comprehensive loss	(1,472,401)	(1,856,075)	(5,024,705)	(6,111,931)
Loss per share - basic and diluted	(0.01)	(0.01)	(0.03)	(0.03)
Weighted average number of shares outstanding	181,054,146	180,015,994	180,677,443	180,060,153

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

New Millennium Iron Corp.
Condensed Interim Consolidated Statement of Changes in Equity

(Unaudited)
Nine months ended September 30, 2014 and 2013
(Expressed in Canadian Dollars)

	Share Capital						
	Number of Shares Issued and Fully Paid	Amount $	Contributed Surplus $	Deficit $	**Total Attributable to Shareholders of the Parent Company $**	Non Controlling Interest $	**Total Equity $**
Balance at January 1, 2013	**179,221,646**	**175,877,147**	**16,531,035**	**(15,839,117)**	**176,569,065**	**238,351**	**176,807,416**
Net loss	-	-	-	(6,111,931)	**(6,111,931)**	**-**	**(6,111,931)**
Share-based remuneration							
- employees and directors	-	-	2,920,560	-	**2,920,560**	**-**	**2,920,560**
- consultants	-	-	373,443	-	**373,443**	**-**	**373,443**
Share capital repurchased and cancelled	(220,000)	(216,260)	46,480		**(169,780)**		**(169,780)**
Exercise of stock options	1,007,500	1,286,175	(490,200)	-	**795,975**	**-**	**795,975**
Balance at September 30, 2013	**180,009,146**	**176,947,062**	**19,381,318**	**(21,951,048)**	**174,377,332**	**238,351**	**174,615,683**
Balance at January 1, 2014	**180,009,146**	**176,947,062**	**20,150,223**	**(23,560,114)**	**173,537,171**	**238,351**	**173,775,522**
Net loss	-	-	-	(5,024,705)	**(5,024,705)**	**-**	**(5,024,705)**
Share-based remuneration							
- employees and directors	-	-	1,485,877	-	**1,485,877**	**-**	**1,485,877**
- consultants	-	-	363,092	-	**363,092**	**-**	**363,092**
Exercise of stock options	1,045,000	637,450	(250,800)	-	**386,650**	**-**	**386,650**
Balance at September 30, 2014	**181,054,146**	**177,584,512**	**21,748,392**	**(28,584,819)**	**170,748,085**	**238,351**	**170,986,436**

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

New Millennium Iron Corp.
Condensed Interim Consolidated Statement of Cash Flows
(Unaudited)
Nine months ended September 30, 2014 and 2013
(Expressed in Canadian Dollars)

	2014	2013
	$	$
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss and comprehensive loss	(5,024,705)	(6,111,931)
Adjustments for:		
Share-based remuneration		
- Employees and directors	1,485,877	2,920,560
- Consultants	363,092	373,443
Depreciation of property and equipment	45,333	172,470
(Gain) loss on disposal of property and equipment	(3,905)	11,651
Interest income	(655,248)	(563,395)
	(3,789,556)	(3,197,202)
Net changes in working capital items (Note 14)	45,501	829,679
Cash flows used by operating activities	(3,744,055)	(2,367,523)
CASH FLOW FROM INVESTING ACTIVITIES		
Net redemption (purchases) of short term treasury bills and term deposits	(12,148,182)	7,928,237
Redemption of bonds and term deposits with an original maturities over one year	21,390,326	23,886,666
Interest received	176,405	825,179
Deposits on contracts	-	(134,858)
Acquisition of property and equipment	(1,660)	(335,993)
Proceeds on disposition of property and equipment	7,500	6,500
Increase in other assets	-	(19,248,822)
Increase (decrease) in advance from Tata Steel	1,524,053	(3,022,233)
Increase in long-term investments	-	(4,700,000)
Tax credits and mining duties received	-	3,970,693
Additions to mineral exploration and evaluation assets	(4,447,399)	(11,935,955)
Allocation of Tata Steel payment to mineral exploration and evaluation assets	1,184,672	4,023,682
Cash flows provided by investing activities	7,685,715	1,263,096
CASH FLOW FROM FINANCING ACTIVITIES		
Issuance of common shares	386,650	795,975
Purchase of treasury shares	-	(169,780)
Cash flows provided by financing activities	386,650	626,195
Net increase (decrease) in cash and cash equivalents	4,328,310	(478,232)
Cash and cash equivalents, beginning of period	964,965	8,514,976
Cash and cash equivalents, end of period	5,293,275	8,036,744

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

1 - GOVERNING STATUTES AND NATURE OF OPERATIONS

The current principal activities of New Millennium Iron Corp. (“the Parent Company”) and its subsidiaries (“the Company” or “NML”) are the exploration and evaluation of mineral properties. The Parent Company was incorporated pursuant to the provisions of the Alberta Business Corporations Act on August 8, 2003.

The address of the Company’s executive office is 2nd floor, 1303 Greene Avenue, Westmount, Quebec, H3Z 2A7 and its head office, registered and records office is 1000, 250-2nd Street SW, Calgary, Alberta, T2P OC1.

2 - SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These unaudited condensed interim consolidated financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards (“IFRS”) and in accordance with International Accounting Standard (“IAS”) 34, *Interim Financial Reporting*. The unaudited condensed interim consolidated financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2013, as they follow the same accounting policies and methods of application, except for the following new accounting pronouncements which have been adopted on January 1, 2014:

IAS 32 Financial instruments: presentation

Financial assets and financial liabilities may be offset, with the net amount presented in the statement of financial position, only when there is a legally enforceable right to set off and when there is either an intention to settle on a net basis or to realize the asset and settle the liability simultaneously. The amendments to IAS 32, issued in December 2011, clarify the meaning of the offsetting criterion "currently has a legally enforceable right to set off" and the principle behind net settlement, including identifying when some gross settlement systems may be considered equivalent to net settlement. The amendments only affect disclosure and are effective for annual periods beginning on or after January 1, 2014. The application of the amendments did not result in any other impact in the unaudited interim consolidated financial statements.

IAS 36 *Impairment of assets*

The amendments to IAS 36, issued in May 2013, require:

- Disclosure of the recoverable amount of impaired assets; and
- Additional disclosures about the measurement of the recoverable amount when the recoverable amount is based on fair value less costs of disposal, including the discount rate when a present value technique is used to measure the recoverable amount.

The amendments only affect disclosure and are effective for annual periods beginning on or after January 1, 2014. The application of the amendments did not result in any other impact in the unaudited interim consolidated financial statements.

2 - SIGNIFICANT ACCOUNTING POLICIES (continued)

IAS 39 *Financial Instruments: Recognition and measurement*

The amendments to IAS 39, issued in June 2013, clarify that novation of a hedging derivative to a clearing counterparty as a consequence of laws or regulations or the introduction of laws or regulations, does not terminate hedge accounting. The amendments are effective for annual periods beginning on or after January 1, 2014. The application of the amendments did not result in any other impact in the unaudited interim consolidated financial statements.

IFRIC 21 *Levies*

IFRIC 21 Levies, issued in May 2013, provides guidance on the accounting for levies within the scope of IAS 37 Provisions, contingent liabilities and contingent assets. The main features of IFRIC 21 are as follows:

- The obligating event that gives rise to a liability to pay a levy is the activity that triggers the payment of the levy, as identified by the legislation; and
- The liability to pay a levy is recognized progressively if the obligating event occurs over a period of time.

The standard is effective for annual periods beginning on or after January 1, 2014. The adoption of this amendment did not result in any changes to the unaudited interim consolidated financial statements.

The following are new accounting pronouncements which have been updated on July 1, 2014:

IFRS 2 *Share-based payment*

The amendments to IFRS 2, issued in December 2013 clarify the definition of “vesting conditions”, and separately define a “performance condition” and a “service condition”. A performance condition requires the counterparty to complete a specified period of service and to meet a specified performance target during the service period. A service condition solely requires the counterparty to complete a specified period of service. The amendments are effective for share-based payment transactions for which the grant date is on or after July 1, 2014. The application of the amendment did not result in any other impact on the unaudited interim consolidated financial statements.

Basis of presentation

The condensed interim consolidated financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to realize its assets, and discharge its liabilities in the normal course of operations.

Basis of measurement

The condensed interim consolidated financial statements are prepared using the historical cost basis, except for certain financial instruments that are recognized at fair value. These condensed interim consolidated financial statements are presented in Canadian dollars ($), which is also the Company’s functional currency and the functional currency of each of its subsidiaries.

3 - USE OF ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the condensed interim consolidated financial statements requires management to undertake a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from these judgments and estimates. These estimates and judgments are based on management's best knowledge of the events or circumstances and actions the Company may take in the future. The estimates are reviewed on an ongoing basis. Information about the significant judgments, estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses are discussed in Note 3 of the Company's 2013 annual financial statements and are still applicable for the period ending September 30, 2014.

4 - STANDARDS ISSUED BUT NOT YET EFFECTIVE

A number of new standards, amendments to standards and interpretations have been issued but are not yet effective for the period ended September 30, 2014. Accordingly, they have not been applied in preparing these condensed interim consolidated financial statements. The Company is currently assessing the impact that these standards will have on the consolidated financial statements.

The standards issued but not yet effective that are expected to be relevant to the Company's consolidated financial statements are provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Company's unaudited interim consolidated financial statements.

IAS 16 *Property, plant and equipment and IAS 38 Intangible assets*
The amendments to IAS 16 and IAS 38, issued in December 2013, clarify how an entity calculates the gross carrying amount and accumulated depreciation when a revaluation is performed. The amendments are effective for annual periods beginning on or after July 1, 2014. The Company does not expect this amendment to have a material impact on its unaudited interim consolidated financial statements.

IAS 19 *Employee benefits*
The amendments to IAS 19, issued in November 2013, revise the requirements for contributions from employers or third parties that are linked to service and are set out in formal terms of a defined benefit plan. If the amount of the contributions is independent of the number of years of service, an entity is permitted to recognize such contributions as a reduction in the service cost in the period in which the related service is rendered. This is done instead of attributing the contributions to the periods of service. If the amount of the contributions is dependent on the number of years of service, an entity attributes those contributions to the periods of service. This is done by either using the plan's contribution formula or on a straight-line basis. The amendments are effective for annual periods beginning on or after July 1, 2014. The Company does not expect this amendment to have a material impact on its unaudited interim consolidated financial statements.

IAS 24 *Related party disclosures*
The amendments to IAS 24, issued in December 2013, clarify that a management entity, or any member of a group of which it is a part, that provides key management services to a reporting entity, or its parent, is a related party of the reporting entity. The amendments also require an entity to disclose amounts incurred for key management personnel services provided by a separate management entity. This replaces the more detailed disclosure by category required for

(Expressed in Canadian Dollars)

4 - STANDARDS ISSUED BUT NOT YET EFFECTIVE (continued)

other key management personnel compensation. The amendments will only affect disclosure and are effective for annual periods beginning on or after July 1, 2014.

IFRS 9 *Financial Instruments*

The International Accounting Standards Board ("IASB") recently released IFRS 9 'Financial Instruments' (2014), representing the completion of its project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. The new standard introduces extensive changes to IAS 39's guidance on the classification and measurement of financial assets and introduces new 'expected credit loss' model for the impairment of financial assets. IFRS 9 also provides new guidance on the application of hedge accounting. The Company has yet to assess the impact of IFRS 9 on these consolidated financial statements. The new standard is required to be applied for annual reporting periods beginning on or after 1 January 2018.

IFRS 15 *'Revenue from Contracts with Customers'*

IFRS 15 presents new requirements for the recognition of revenue, replacing IAS 18 'Revenue', IAS 11 "Construction Contracts', and several revenue-related Interpretations. The new standard establishes a control-based revenue recognition model and provides additional guidance in many areas not covered in detail under existing IFRSs, including how to account for arrangements with multiple performance obligations, variable pricing, customer refund rights, supplier repurchase options, and other common complexities. IFRS 15 is effective for reporting periods beginning on or after 1 January 2017. The Company has not yet assessed the impact of IFRS 15 on these consolidated financial statements.

Amendments to IFRS 11 Joint Arrangements

These amendments provide guidance on the accounting for acquisitions of interests in joint operations constituting a business. The amendments require all such transactions to be accounted for using the principles on business combinations accounting in IFRS 3 'Business Combinations' and other IFRSs except where those principles conflict with IFRS 11. Acquisitions of interests in joint ventures are not impacted by this new guidance. The Company's only investment made to date in a joint arrangement is characterised as a joint venture in which the Company has rights to a share of the arrangement's net assets rather than direct rights to underlying assets and obligations for underlying liabilities. Accordingly, if adopted today, these amendments would not have a material impact on the consolidated financial statements. The amendments are effective for reporting periods beginning on or after 1 January 2016.

5 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following components:

	September 30, 2014 $	December 31, 2013 $
Cash in bank	5,293,275	964,965

(Expressed in Canadian Dollars)

6 - SHORT-TERM INVESTMENTS

At September 30, 2014, investments include:

Security	Carrying Value $	Maturity	Interest Rate
Term Deposits (GIC's)	20,265,526	Between October 2014 and August 2015	Between 1.60% and 1.68%

At December 31, 2013, investments include:

Security	Carrying Value $	Maturity	Interest Rate
Term Deposits (GIC's)	27,359,475	Between March and October 2014	Between 1.30% and 1.68%
Treasury Bills	2,014,189	January 2014	0.92%
	29,373,664		

7 - OTHER ASSETS

On July 13, 2012, the Company entered into an agreement with the Sept Iles Port authority ("Port Authority") providing NML with access to a new multi user deep water dock facility. As part of the agreement, NML has a minimum annual shipping capacity of 15 million tons a year for 20 years, with options to renew for four more five year terms. Construction of the port is expected to be completed in early 2015. NML's buy-in for this agreement is calculated at $38,372,000, which has been paid and the total amount is reflected in these financial statements as other assets. As a result of these payments, NML will have access to the dock facility at favourable shipping rates (Note 17).

8 - LONG-TERM INVESTMENTS

	September 30, 2014 $	December 31, 2013 $
Long-term investment, TSMC	31,542,605	31,542,605
Loan receivable, TSMC	5,044,837	4,700,000
	36,587,442	36,242,605

Long-term Investment, TSMC: The investment in Tata Steel Minerals Canada Ltd. ("TSMC"), a private company, which resulted from an initial acquisition of 19 Class B shares of TSMC at a cost of $19 and an additional Class B share that was received as part of the sale of the DSO properties, valued at $31,542,586. As a result, the Company owns 20 Class B shares at a cost of $31,542,605, which represents its estimated initial fair value. The investment represents a 20% ownership in TSMC. In order to maintain this ownership level, NML will be required to contribute 20% of all funding requests to shareholders, in shareholder loans or share subscriptions as approved by the Board of Directors of TSMC, in respect of those amounts required to be contributed by TSMC shareholders to fund amounts in excess of TSMC's first $300 million of specified expenditures.

8 - LONG-TERM INVESTMENTS (continued)

At report date, there are no outstanding formal requests made to the Company by TSMC to be paid.

Loan receivable, TSMC: This loan is unsecured, interest is payable at the end of each quarter and is at the rate of LIBOR + 6.5% per annum. Any unpaid interest will be considered as part of the loan for the calculation of the interest. The capital and unpaid interest are due on or before July 31, 2020. The amount of $344,837 (2013 – $nil) of interest was recorded as earnings in the period.

New Millennium Iron Corp.
Notes to Condensed Interim Consolidated Financial Statements
(Unaudited)
September 30, 2014
(Expressed in Canadian Dollars)

9 - MINERAL EXPLORATION AND EVALUATION ASSETS

	LabMag Property $	KéMag Property $	Howells Lake Howells River North Properties $	Perault Lake Property $	Lac Ritchie Property $	Sheps Lake Property $	Other Properties $	Balance as at Sept. 30 2014 $	Balance as at Dec. 31 2013 $
Balance, at December 31, 2013	27,368,203	16,315,546	5,007,255	5,032,995	2,420,241	1,179,960	3,813,878	-	-
Mineral licenses	-	111	(1,465)	-	6,832	1,425	20,346	2,993,435	2,966,186
Drilling	46,788	(951)	2,843	7,432	11,017	1,872	148,310	35,569,508	35,352,197
Resource evaluation	1,286,995	1,057,532	48,920	36,819	100,834	24,867	561,009	40,299,369	37,182,393
Environmental	385,396	349,870	-	-	-	-	-	18,835,236	18,099,970
Depreciation	3,819	-	1,713	1,872	6,272	(2,229)	36,954	171,954	123,553
	1,722,998	1,406,451	53,476	46,123	118,123	24,510	746,273	94,876,067	90,758,113
Tax credits and mining duties	-	(230,784)	-	-	(46,922)	-	(302,369)	(14,079,432)	(13,499,357)
Tata Steel payment	(684,744)	(499,928)	-	-	-	-	-	(20,271,536)	(19,086,864)
	(684,744)	(730,712)	-	-	(46,922)	-	(302,369)	(34,350,968)	(32,586,221)
Balance, at September 30, 2014	**28,406,457**	**16,991,396**	**5,059,266**	**5,079,118**	**2,498,274**	**1,205,895**	**4,278,128**	**63,518,534**	**61,138,078**

(Expressed in Canadian Dollars)

9 - MINERAL EXPLORATION AND EVALUATION ASSETS (continued)

Overview

The Company holds interests in 3,394 claims distributed between properties in Newfoundland and Labrador ("NL") and Québec. Claims registered under New Millennium Iron Corp. are owned 100% by the Company. Claims registered under LabMag Limited Partnership ("LLP") are owned 80% by the Company through its 80% interest in LLP.

Province	Ownership	LabMag Property	KéMag Property	Howells Lake – Howells River North Properties	Perault Lake Property	Lac Ritchie Property	Sheps Lake Property	Other Properties	Total
NL	NML	-	-	143 [35.75 km2]	687 [171.75 km^2]	-	-	465 [116.25 km^2]	1,295 [323.75 km^2]
	LLP	256 [64 km^2]	-	354 [88.50 km2]	-	-	313 [78.25 km^2]	20 [5 km^2]	943 [235.75 km^2]
Québec	NML	-	171 [80.9 km^2]	-	-	263 [127.5 km^2]	-	722 [344.6 km^2]	1,156 [553 km^2]
Total		**256** [64 km^2]	**171** [80.9 km^2]	**497** [124.25 km2]	**687** [171.75 km^2]	**263** [127.5 km^2]	**313** [78.25 km^2]	**1,207** [465.85 km^2]	**3,394** [1,112.5 km^2]

Although the Company has taken steps to verify title to the mining properties in which it holds an interest, in accordance with industry practice for the current stages of exploration and development of such properties, these procedures do not guarantee the validity of the Company's titles. Property titles may be subject to unregistered prior agreements and restrictions arising from regulatory requirements.

LabMag Property:
The LabMag Iron Ore Project involves the exploration and evaluation of a taconite deposit at Howells River, NL. The property is situated in western Labrador, in Elross Township, about 30 km to the northwest of the town of Schefferville, Québec. Further to the Pre-Feasibility Study completed in 2006 on this Project the results of the techno-economic viability of the Taconite Project Feasibility Study ("the Study") announced in the first quarter of 2014, assumed a mining operation and concentrator, located at Howells River, with an annual production of 22 million tonnes of concentrate to be shipped by a ferroduct to a 17 million ton per year pellet plant located at Pointe Noir, Québec. The pellets produced and the remaining concentrate are assumed in the Study to use the new multi users dock at Pointe-Noire, near Sept-Îles for their shipment to the consumers. The Study is being work on under the arrangement summarised in the Taconite binding heads of agreement ("Binding HOA") presented below.

KéMag Property:
The KéMag Iron Ore Project involves the exploration and evaluation of a taconite deposit at Lac Harris, Québec. The property, situated in the Kativik Region in northern Québec, is centered about 50 km to the northwest of Schefferville. Further to the Pre-Feasibility Study completed in 2009 on this Project the results of the techno-economic viability of the Study announced in the first quarter of 2014, assumed a mining operation and concentrator, located at Harris Lake, with an annual production of 22 million tonnes of concentrate to be shipped by a ferroduct to a 17 million ton per year pellet plant located at Pointe-Noire, Québec. The pellets produced and the remaining concentrate are assumed in the Study to use the new multi users dock at Pointe-Noire, near Sept-Îles for their shipment to the consumers. The Study is being worked on under the arrangement summarised in the Binding HOA presented below.

9 - MINERAL EXPLORATION AND EVALUATION ASSETS (continued)

Howells Lake Property and Howells River North Property:
These two Properties are located approximately 47 km northwest of Schefferville in the Elross Township and management believes occur in the same continuous taconite formation. These two areas were drilled in detail in 2012. Based on the drilling results NML engaged SGS Canada Inc. to provide a NI 43-101 compliant mineral resource estimation. Details of resources are given as follows:

Howells Lake Property:
This Property is located immediately to the south of KéMag deposit in NL. This area was drilled in 2011 (2 holes, 200.0m) and in 2012 (10 holes, 1114.5m). The SGS NI 41-101 report estimates 1.129 billion tonnes of Indicated and 2.576 billion tonnes of Inferred Resources in this property.

Howells River North Property:
This Property is south of the Howells Lake Property and forms a continuation of the Howells Lake taconite deposit. This property is owned 80% through LLP by NML. This area was drilled in 2011 (2 holes, 200.0m) and in 2012 (10 holes, 1114.5m). The SGS NI 41-101 report estimates 1.129 billion tonnes of Indicated and 2.576 billion tonnes of Inferred Resources in this property.

Perault Lake Property:
The Perault Lake Property is located in NL, immediately south of the Sheps Lake Property, approximately 17 km southwest of Schefferville. NML in 2012 carried out Phase 1 program by drilling 48 holes for a total of 3,890.8 m. Based on the results of the drilling, SGS Canada Inc. was engaged by NML to conduct a NI 43-101 compliant mineral resource estimation resulting in 1.612 billion tonnes of Indicated and 0.507 billion tonnes of Inferred Resources.

Lac Ritchie Property:
The Lac Ritchie Property is located approximately 134 km northwest of Schefferville and approximately 70 km northwest of the KéMag deposit in Québec. NML conducted Phase 1 drilling in 2011 by drilling 40 holes for a total of 3,810 m, on a 1.0 km X 0.5 km grid. Based on the results of drilling, NML engaged SGS Canada Inc. to provide a NI 43-101 compliant Technical Report on the Mineral Resource Estimates for the property resulting in a mineral resource estimation of 3.330 billion tonnes of Indicated and 1.437 billion tonnes of Inferred Resources.

Sheps Lake Property:
The Sheps Lake Property is located in NL, south of the LabMag property and is approximately 20 km south-west of Schefferville. NML conducted Phase 1 drilling in 2012 with 23 holes for a total of 1,920.1 m. SGS Canada Inc. conducted a NI 43-101 compliant mineral resource estimation, using the drilling results, which showed 1.967 billion tonnes of Indicated and 0.289 billion tonnes of Inferred Resources.

Other Properties
The remaining claims and licences, 100% owned by NML, include holdings of potential magnetic taconite areas and dolomite as well as the site of the potential Emeril pellet plant. The other taconite areas in NL are the Wishart Creek taconite and the Knob Lake Ridge taconite.

In 2012, three exploration holes were drilled in the Wishart Creek area for a total of 306 m.

9 - MINERAL EXPLORATION AND EVALUATION ASSETS (continued)

The other taconite areas include the Irony Mountain taconite, owned 80% through LLP, and the 100% NML remaining claims including holdings of potential magnetic taconite in the Millennium Iron Range which comprises the Menihek Lake South and Menihek Lake North properties. During June 2013, four exploratory holes for a total of 379.5 m were drilled in these two properties.

Taconite Binding Heads of Agreement

On March 6, 2011, the Company signed the Binding HOA with Tata Steel Global Minerals Holdings PTE Ltd. (“Tata Steel”) in respect of the LabMag Project and the KéMag Project (collectively referred to as the “Taconite Projects”). Under the Binding HOA, Tata Steel shall participate in the development of the Company’s feasibility study of these projects. In exchange for an option to own a portion of the Taconite Projects, Tata Steel will pay the Company an amount equal to 64% of the costs to complete the feasibility study. If Tata Steel exercises its option then it will pay the Company 64% of the costs incurred prior to the feasibility study to advance the project(s).

The project(s) upon which Tata Steel exercises its option will be transferred to an entity in which Tata Steel will initially hold an 80% interest and the Company 20%, with this initial 20% interest bearing a “free carry” equity interest in that Tata Steel will be required to arrange funding in the entity for any capital expenditure requirements on behalf of the Company’s interest up to a maximum of $4.85 billion. Also, the Company has an option to acquire an additional 16% paid equity interest and a right of first refusal to acquire another 4% paid equity interest should Tata Steel exercise its right to invite third party investors into the project.

As at September 30, 2014, NML has received $27,810,000 (December 31, 2013 - $23,810,000) from Tata Steel on account of the option. At September 30, 2014, $20,271,536 has been recorded as a reduction of the expenditures capitalized for the mineral exploration and evaluation assets, $3,750,793 in 2011, $10,790,837 in 2012, $4,545,234 in 2013, and an additional $1,184,672 during the nine months ended September 30, 2014. An additional $5,313,436 has been recorded as a reduction of general and administrative expenses, $1,491,012 in 2011, $921,058 in 2012, $1,610,091 in 2013 and an additional $1,291,275 during the nine months ended September 30, 2014. The amount received in excess of these amounts at September 30, 2014 of $2,225,028 (December 31, 2013 - $700,975) is recorded as an advance from Tata Steel. These advances are non-interest bearing and are expected to be reduced through payments for the cost of the feasibility study and reimbursement of general and administrative expenses.

10 - EQUITY

SHARE CAPITAL

Authorized

Unlimited number of shares

Common shares, without nominal or par value

Preferred shares, issuable in series, without nominal or par value

(Expressed in Canadian Dollars)

10 - EQUITY (continued)

2013 NORMAL COURSE ISSUER BID (NCIB) PROGRAM

In January 2013, NML announced its plan to repurchase up to 5,000,000 of its outstanding common shares through a NCIB. The Company repurchased and cancelled to December 31, 2013, 220,000 common shares for $169,780.

The program expired on January 22, 2014, and was not renewed.

SHARE-BASED PAYMENTS

Stock options

The Company has adopted an incentive share-based compensation plan whereby options may be granted from time to time to directors, officers, employees and consultants of the Company with shares reserved for issuance as options not to exceed 10% of the issued and outstanding common shares. The exercise price of each option cannot be less than the exercise price permitted by the any stock exchange on which the Company's common shares are listed. The vesting period is determined by the Board of Directors and the maximum term of the options granted is five years. Some of the options only vest if certain performance criteria are met.

A summary of the Company's stock options are as follows:

	9 month period ended September 30, 2014		Year ended December 31, 2013	
	Number of outstanding options	Weighted average exercise price	Number of outstanding options	Weighted average exercise price
Balance, beginning of period	15,559,500	1.51	14,940,000	1.60
Granted	3,495,000	0.43	3,414,000	0.92
Exercised	(1,045,000)	0.37	(1,007,500)	0.79
Expired	(457,000)	0.46	(1,042,000)	1.68
Forfeited	(305,000)	1.66	(745,000)	1.27
Balance, end of period	17,247,500	1.39	15,559,500	1.51
Options exercisable, end of period	11,071,000	1.73	10,557,000	1.71

The share-based payments expense during the nine-month period ended September 30, 2014 was $1,848,969 (2013 - $3,294,003) and is included in general and administrative expenses. The weighted average fair value of options granted during the nine-month period ended September 30, 2014 was $0.27 per share (2013 - $0.64 per share). The fair value of each option was estimated on the date of grant using the Black-Scholes model. The forfeiture rate used of 2.53% was the same as in 2013. The following weighted-average assumptions were used:

	September 30, 2014 9 months	September 30, 2013 9 months
Exercise price at date of grant	$0.43	$0.93
Share price at date of grant	$0.43	$0.93
Risk-free interest rate	1.41%	1.22%
Expected life (years)	5	5
Estimated volatility of the market price of the common shares	78.02%	92.40%
Dividend yield	Nil	Nil

10 - EQUITY (continued)

The underlying expected volatility was determined by reference to historical data of the parent Company's common shares over five years. No special features inherent to the options granted were incorporated into measurement of fair value.

11 - INFORMATION INCLUDED IN INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	3 months ended September 30		9 months ended September 30	
	2014	2013	2014	2013
	$	$	$	$
Employee benefit expense				
Wages, salaries and other short-term benefits	591,734	451,130	1,967,856	1,563,328
Defined contributions	27,194	14,706	81,836	14,706
Stock-based payments	414,193	804,077	1,485,877	2,920,560
Employee benefit expense	1,033,121	1,269,913	3,898,661	4,498,594
Other elements of expenses				
Depreciation of property and equipment	22,781	43,112	45,333	172,470

12 - INCOME TAXES

Deferred income taxes arise from temporary differences between accounting values and tax base values of various net capital assets of the Company. In assessing the realizability of future income tax assets, management considers whether it is more likely than not that some portion or all of the future income tax assets will not be realized. As at September 30, 2014, the future tax benefits from the future income tax assets, which arose as a result of applying the losses and non-capital losses carried forward to taxable income, have not been recognized in these accounts due to uncertainty regarding their utilization.

13 - FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES

In the normal course of operations, the Company is exposed to and manages various financial risks in relation to financial instruments. The Company does not enter into financial instrument agreements including derivative financial instruments for speculative purposes.

The Company's main financial risks and policies are as follows:

Exchange risk

The Company's functional currency is the Canadian dollar and most expenditures are transacted in Canadian dollars. The Company funds foreign currency transactions by buying the foreign currency at the spot rate when required.

A $0.01 increase or decrease in the USD/CAD or the Euro/CAD exchange rates would not have a material impact on net loss or equity at September 30, 2014.

13 - FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES (continued)

The sensitivity analysis is based on the Company's foreign currency financial instruments held at each reporting date. Exposure to foreign exchange rates varies during the year depending on the volume of foreign transactions. Nonetheless, the analysis above is considered to be representative of the Company's exposure to exchange risk.

Interest rate risk

The short-term investments bear interest at fixed rates and the Company is therefore exposed to the risk of changes in fair value resulting from interest rate fluctuations. The risk is limited because these assets involve lower risk securities such as, GIC's with relatively short maturities all either issued by or backed by Canadian Federal and Provincial governments or their crown corporations.

The sensitivity analysis is based on the Company's financial assets which bear interest at fix or variable rate. A 0.1% increase or decrease in interest rates would not have a material impact on comprehensive loss or equity at September 30, 2014. The Company does not use derivative financial instruments to reduce its interest rate exposure.

Liquidity risk

Management maintains sufficient amounts of cash and cash equivalents to meet the Company's commitments. The Company establishes budgets and cash flow requirements monthly to ensure that it has the necessary funds to fulfill its obligations. The contractual maturities of trade and other payables are less than three months for all periods presented. The advance from Tata Steel and Due to NNK Trust do not have any contractual maturities.

Over the past three months, the Company has financed its exploration expense commitments and its working capital requirements through existing cash resources, equity financings and payments from Tata Steel on account of its option on the Taconite Projects.

Credit risk

The Company manages third party credit risk through an emphasis on quality in its investment portfolio. Cash and investments are held through two Canadian chartered banks and their subsidiaries and an independent investment dealer with high quality external credit ratings and the instruments have been issued or guaranteed by Canada, the provinces or their crown corporation and management believes the risk of loss to be remote.

This credit risk is minimized by reviews of the third parties' credit worthiness. The Company is also exposed to credit risk relating to its receivable and loan receivable from TSMC and other receivables. The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets after deducting applicable allowances for loss recognized at the reporting date, of which there are none at any of the periods presented.

(Expressed in Canadian Dollars)

14 - INFORMATION INCLUDED IN CONSOLIDATED CASH FLOWS

The changes in working capital items are detailed as follows:

	September 30, 2014 $	September 30, 2013 $
Sales taxes, other receivables and prepaid expenses	(271,198)	1,532,324
Trade and other payables	316,699	(702,645)
	45,501	829,679

The long-term investments increased by $344,837 due to the interest accrual (Note 8).

Included in trade and other payables is an amount of $1,215,735 (September 30, 2013 - $3,519,929) pertaining to additions to mineral exploration and evaluation assets. Included in the cash flows used by deposits on contracts is $87,338 (September 30, 2013 - $2,606,655) pertaining to mineral exploration and evaluation assets.

Cash and cash equivalents include the following components:

	September 30, 2014 $	September 30, 2013 $
Cash in bank	5,293,275	6,026,082
Short term investment	-	2,010,094
	5,293,275	8,036,744

15 - RELATED PARTY TRANSACTIONS

Balances and transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed in this note. Details of the transactions between the Company and other related parties and key management are disclosed below.

Transactions with other related parties

Trading transactions

The related parties with which the Company has had transactions are as follows:

Related Party	**Nature of relationship**	**Nature of transaction**
Davis LLP	Partnership in which a director is a partner	Legal services
Roll Harris & Associés	Partnership in which an executive officer is a partner	Consulting
Balance Consultants Inc.	Controlled by executive officer of the Company	Consulting
TSMC	Company controlled by Tata Steel	Service fee revenue, investment income and expenses
General Rick Hillier	Director	Consulting
1301738 Ontario Inc.	Company controlled by an executive officer	Consulting
Tata Steel	26.2% shareholder of NML	Advances and consulting fees
NNK Trust	20% Partner in LLP	Advances

(Expressed in Canadian Dollars)

15 - RELATED PARTY TRANSACTIONS (continued)

The Company incurred the following revenue, fees and expenses in the normal course of operations in connection with the above companies and individuals. Expenses have been measured at the exchange amount which is determined on a cost recovery basis.

	September 30, 2014	December 31, 2013
	$	$
Consolidated Statement of Financial Position		
Mineral exploration and evaluation assets	159,770	1,259,672

	9 months ended September 30, 2014	9 months ended September 30, 2013
Consolidated Net Loss and Comprehensive Loss	$	$
Service fee revenue	23,148	203,487
General and administrative expenses	692,543	701,358
Investment income	344,837	-

Amounts due to and from related parties, except for the loan receivable from TSMC (Note 8) are unsecured, non-interest bearing and due on demand.

Other receivable related to advances to TSMC and service fee revenue charged to TSMC at September 30, 2014 was $1,802,926 (December 31, 2013 – $1,399,996).

Accounts payable related to the above transactions at September 30, 2014 were $603,922 (December 31, 2013 – $557,963).

The advance from Tata Steel at September 30, 2014 was $2,225,028 (December 31, 2013 – $700,975).

These amounts have not been discounted as the time-value of money is not material.

16 - CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Company's capital management objectives are to ensure its ability to continue as a going concern and to maximize the return of its shareholders. The Company's definition of capital includes all components of equity. Capital for the reporting periods under review is summarized in Note 10 and in the interim consolidated statement of changes in equity. In order to meet its objectives, the Company monitors its capital structure and makes adjustments as required in light of changes in economic conditions and the risks characteristics of the underlying assets. These objectives will be achieved by identifying the right exploration projects, adding value to these projects and ultimately taking them through production and cash flow, either with partners or by the Company's own means.

In order to maintain or adjust the capital structure, the Company may issue new shares or flow-through shares. No changes were made in the objectives, policies and processes for managing capital during the period. The Company is not subject to any externally imposed capital requirements.

(Expressed in Canadian Dollars)

17 - COMMITMENTS AND CONTINGENCY

Commitments

The Company is committed through LLP to pay aggregate royalties of 2% of gross revenue from mineral interests subject to the LLP Limited Partnership agreement.

In relation to NML's agreement with the Port Authority described in Note 7, the Company has a take or pay obligation based on a discounted rate applied on 50% of the 15 million tons minimum annual shipping capacity and is payable even if NML does not use the facilities.

The Company has a 20% ownership interest in TSMC and in order to maintain this ownership level it will be required, under the agreement that governs the operation of TSMC, to contribute 20% of all funding requests to shareholders, in shareholder loans or share subscriptions as approved by the Board of Directors of TSMC, in respect of those amounts required to be contributed by TSMC shareholders to fund amounts in excess of TSMC's first $300 million of expenditures. At report date, there are no outstanding formal requests made to the Company by TSMC to be paid.

The Company has entered into an agreement with a First Nation in connection with certain exploration and development programs in their area in return for contributions towards education and environmental activities and the improvement of community facilities.

The Company has entered into long-term operating leases for premises and equipment and consulting agreements amounting to $1,393,500 expiring in June 2018.

No sublease payments or contingent rent payments were made or received. The Company's operating lease agreements do not contain any contingent rent clauses. No sublease income is expected as all assets held under lease agreements are used exclusively by the Company.

Minimum obligations due over the next five years and thereafter are as follows:

	Operating Leases $	Consulting Agreements $	Total $
Up to 1 year	459,000	226,000	685,000
1 to 5 years	611,000	97,500	708,500
Over 5 years	-	-	-
	1,070,000	323,500	1,393,500

Contingency

During the period, the provincial government completed its 2012 mining tax credits audit and proposed a preliminary assessment reducing the Company's mining tax credit claim by $4,166,000. The Company prepared the claim based on its interpretation of the regulations and is vigorously contesting the proposed assessment. If the final outcome of the claim is different from the amounts initially recorded, such difference will reduce the mining tax credit receivable and the related off set to mineral exploration and evaluation assets.