NEW MILLENNIUM IRON CORP.

SECOND QUARTER REPORT 2015

August 11, 2015

MESSAGE TO SHAREHOLDERS

New Millennium Iron Corp. ("**NML**" or the "**Company**") is pleased to report its unaudited financial and operational results for the six month period ended June 30, 2015.

The Company's principal activity in and subsequent to the Second Quarter was as follows:

<u>Direct Shipping Ore Project</u>

- Progress on construction and commissioning of the process plant and ancillary facilities.
- Ramping up of crushed and screened ore shipments.
- TSMC cash calls and impasse in discussions on the dilution of NML`s equity interest.

<u>Taconite Project</u>

- Continuation of refinements to the Feasibility Study.

<u>Corporate</u>

- Annual General and Special Meeting results.
- Commencement of Board composition and renewal process
- Plan for special information session for shareholders.

Yours very truly,

Robert Patzelt, Q.C.
President and Chief Executive Officer

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 six month period ended June 30, 2015 should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements and related notes for the period ended June 30, 2015, and the audited consolidated financial statements and MD&A for the years ended December 31, 2014 and 2013.*

*These condensed interim financial statements, including comparatives, have been prepared using accounting policies in compliance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**").*

*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 Company are based on certain key expectations and assumptions of the Company 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 Company 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 Company 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 Company; 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 Company's interim and annual financial statements and management's discussion and analysis of those statements, along with the Company'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 Company 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 Company 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 Company 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 Company 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, and from which trial shipments have begun. Tata Steel owns approximately 26.2% of New Millennium and is the Company's largest shareholder.

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 owned by Tata Steel and 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 Company 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 also hosts other taconite deposits.

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

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 dome, the Project underwent a scoping change and will now supply not only those premium processed products on a year round basis as planned, but has also established the seasonal production and shipment of sinter fines by way of a mining, crushing and dry screening operation.

Shipping of the crushed and screened DSO began in 2013 with trial cargoes to Tata Steel Europe and to China, and deliveries to these markets are now being made on a regular basis. Initially, the DSO Project's sales are being carried out under a confidential agreement between TSMC and Iron Ore Company of Canada ("IOC") that calls for IOC to provide material handling and marketing services for a fee.

The process plant for higher grade products is expected to be commissioned over the second half of 2015. The targeted level of production 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.

As previously reported, the cost of completion for the DSO Project has been under review by NML and TSMC in light of changes to the Project criteria from the original feasibility study, which established the $300 million capital cost threshold for NML's 20% free carry interest in TSMC. TSMC has now invested close to $1 billion in its DSO and Howse Properties (see **TSMC's Howse Joint Venture** below).

In news releases dated April 10, 2015 and June 12, 2015, NML announced that it had received equity cash calls totaling $83.9 million from TSMC to fund certain capital expenditures for the DSO and Howse projects, and that these cash calls could not be funded in view of the Company's limited internal cash resources and financing sources available. As a result, there will be a dilution of the Company's interest in TSMC from the current 20%. It was also announced on June 12 that extensive discussions between NML and Tata Steel to review and conclude the dilution process in accordance with the TSMC Joint Venture Agreement, had reached an impasse and that NML was exploring the next steps available to the parties.

TSMC's HOWSE JOINT VENTURE

On April 2, 2015, NML announced that TSMC had acquired the remaining 49% interest TSMC does not already own in the Howse Joint Venture, from Labrador Iron Mines Holdings Limited ("LIM"), for a total cash consideration of $5 million.

An exploration program was carried out on the Howse Deposit in two phases over 2013 and 2014, for purposes of a feasibility study on a development plan. The feasibility study is in progress.

TACONITE PROJECT

The Taconite Project involves development of either or both of the LabMag and 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.

The Taconite Project plans state-of-the-art production assets and aims 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, and large-scale, proven and technologically advanced equipment would be used.
The techno-economic results of the Feasibility Study were announced on March 27, 2014. 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 in order to complete remaining aspects of the Feasibility Study required to enable an investment decision. These include working with governments on

the selection of an appropriate Project scenario; environmental assessment work, reviewing process models that would permit a ramp-up of production; improving operating expenditures and reducing initial capital costs; and updating financial models.

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 2014.

EXPLORATION OF OTHER PROPERTIES

Beyond the DSO and Taconite projects, NML has further development potential through its other land holdings in the MIR. Exploration drilling and analysis work has confirmed 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. Accordingly, the Company's exploration program is largely complete.

NML – Millennium Iron Range Taconite Properties

Property	Resources Category, Million Tonnes		
	Proven & Probable	Measured & Indicated	Inferred
KéMag	2,384		1,007
LabMag	3,933	388	1,063
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	6,317	14,928	7,613

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

GENERAL CORPORATE AFFAIRS

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.

Civil work on the dock was completed in 2014 and the dock's shiploaders were delivered in early 2015.

Negotiations for access to the dock through land owned by third parties at Pointe-Noire are continuing. The process is being managed by the Sept-Ïles Port Authority and agencies of the Québec government. In this regard, Investissement Québec in July submitted a bid for the land and related assets that could service the dock and which are presently subject to Companies' Creditors Arrangement Act proceedings initiated by the third party owners.

Annual General and Special Meeting Results

NML's Annual General and Special Meeting of the shareholders (the "**Meeting**") was held on June 25, 2015, in Toronto. Nine shareholders holding a total of 90,448,893 common shares of the Company were represented at the Meeting in person or proxy, representing approximately 49.96% of the total votes attached to all issued and outstanding common shares of the Corporation as of the record date on May 7, 2015.

At the Meeting, all nine directors proposed for election at the Meeting were elected. Sandip Biswas, Dibyendu Bose and Chanakya Chaudhary were elected by a majority of the votes cast by the shareholders present or represented by proxy at the Meeting. Each of Mr. Biswas, Bose and Chaudhary will remain in office until the next annual meeting of the shareholders or until his successor is elected or appointed. Lee Nichols, Robert Patzelt, Dean Journeaux, John Schindler, Pierre Seccareccia and

General Rick Hillier were also elected as directors of the Company. However, a majority of the votes cast were withheld against each of those six individuals.

Under the terms of the Company's Majority Voting Policy, any director that has more votes withheld than are voted in favour of him or her must offer their resignation to the Board, to take effect upon acceptance by the Board. Accordingly, Messrs. Nichols, Patzelt, Journeaux, Schindler and Seccareccia and General Hillier offered their resignations effective upon acceptance or rejection by the Board. In accordance with the Majority Voting Policy, the Board will, on the recommendation of the Corporate Governance and Compensation Committee ("CGCC") or a special committee of independent directors appointed by the Board, within 90 days following the Meeting, determine whether to accept or reject any resignation offered (see **Board Composition and Renewal Process** below).

Pending a determination with respect to any such resignations, the Board is overseeing the management of the business affairs of the Company in the ordinary course. Management, including Robert Patzelt, President and Chief Executive Officer and Mark Freedman, Chief Financial Officer, remain focused on the Company's strategic plan.

Also at the Meeting, the shareholders approved resolutions re-appointing Raymond Chabot Grant Thornton LLP, Partnership of Chartered Professional Accountants, Montréal, Québec, as auditors of the Company and the confirmation and ratification of By-law No. 1B, which amends the by-laws to support the Direct Registration System for the Company's securities.

Motions to approve the unallocated options issuable pursuant to the Company's stock option plan and certain amendments to the Company's Articles were not approved.

Board Composition and Renewal Process

Further to the voting results at the Meeting, the Company has committed to a special process to address the composition of its Board of Directors.

In order for the Board to have a quorum and meet independence requirements, including under NML's Corporate Governance Guidelines and Board Mandate, and in order to reconstitute the CGCC, on July 8, 2015, the Board unanimously approved the appointment of all of NML's independent directors to the CGCC, being General Hillier and Messrs. Nichols, Schindler and Seccareccia. At the first meeting of the CGCC after its reconstitution, General Hillier was elected as Chair.

The CGCC under its mandate is considering the aforementioned resignations and successor arrangements and will make recommendations to the Board. Its mandate includes a review of the Board composition and structure, the continuation of its work regarding the recruitment and selection of potential directors, the determination of whether to accept any director's offer of resignation, and any transitional requirements resulting therefrom. Additional resources have been provided to the CGCC to facilitate its work, including the appointment of legal counsel and advisors with expertise in process facilitation, board governance and director recruitment.

The Board is expected to review and consider the recommendations of the CGCC and publicly disclose the Board's determinations and resulting actions on or before September 24, 2015.

Special Information Session for Shareholders

In conjunction with the Board renewal process and in order to respond further on key issues expressed at the Meeting, the Company will convene a special information session for shareholders to be attended by the Board, Management and representatives of Tata Steel. The place, date, form and other related general arrangements are still to be determined.

FINANCIAL CONDITION

The following discussion of the Company's financial performance is based on the unaudited Condensed Interim Consolidated Financial Statements as of June 30, 2015 ("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, as issued by the IASB.

These financial statements should be read in conjunction with the Company's December 31, 2014 audited consolidated financial statements ("FYE 2014").

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 June 30, 2015 indicates cash and cash equivalents of $2,676,000, short-term investments of $17,227,000, sales taxes, other receivables and prepaid expenses of $3,298,000, the current portion of tax credits and mining duties receivable of $1,778,000 and due from Tata Steel of $1,727,000, resulting in total current assets of $26,706,000, a decrease of $5,406,000 from FYE 2014. The non-current assets are comprised of mineral exploration and evaluation assets of $60,860,000, other assets of $38,503,000, long-term investments of $36,853,000, long-term portion of tax credits and mining duties receivable of $4,461,000, deposits on contracts of $161,000 and property and equipment of $438,000. The total assets are $167,982,000 which is a decrease of $1,043,000 from FYE 2014.

The Company's current liabilities at June 30, 2015 are its trade and other payables of $3,209,000, a decrease of $32,000 from FYE 2014. Non-current liabilities consist of mining duties payable of $824,000 and an amount due to Naskapi/LabMag Trust of $285,000 for total liabilities of $4,318,000 which is an increase of $792,000 from FYE 2014. Equity attributable to shareholders of the parent company is $163,425,000, a decrease of $1,835,000 from FYE 2014, and is comprised of share capital of $177,584,000, contributed surplus of $22,348,000, less the deficit of $36,507,000. The non- controlling interest of $238,000 remains unchanged from FYE 2014, for total equity of $163,663,000.

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 Company's total current assets and total assets from FYE 2014 to June 30, 2015.

For the three months ended June 30, 2015, the Company realized a net loss of $1,087,000, or $0.01 per share, compared to a net loss of $1,817,000, or $0.01 per share for the comparative period in 2014. This loss represents general and administrative expenses of $1,253,000 (2014 – $2,010,000) that is partially offset by investment income of $166,000 (2014 - $186,000). The decrease in this quarter's general and administrative expenses is mainly due to a decrease in share-based compensation expense from $664,000 in Q2 2014 to $106,000 in Q2 2015.

For the six months ended June 30, 2015, the Company realized a net loss of $2,242,000, or $0.01 per share, compared to a net loss of $3,552,000 or $0.02 per share for the comparative period in 2014. This loss represents general and administrative expenses of $2,584,000, (2014 - $4,044,000) that is partially offset by investment income of $342,000 (2014 – investment income of $469,000). The decrease in the period's operating expenses is mainly due to a decrease in share-based compensation expense from $1,309,000 in 2014 to $408,000 in 2015.

The Company expects to continue incurring losses that are expected to be funded by the current cash and investments and then if necessary, through equity financing or investments by strategic partners.

The Company received equity cash calls from TSMC totalling $83.9 million that it has determined not to fund. Management performed an impairment test of its long-term investment in TSMC with the result that the estimated recoverable amount exceeded the carrying amount of the investment and as such no impairment was recorded.

All costs associated with mineral properties, totalling $60,860,000 as outlined in Note 10 to the June 30, 2015 financial statements, have been classified as mineral exploration and evaluation assets. The expenditures are divided between the properties as follows: LabMag Property $28,992,000, KéMag Property $17,608,000, Howells Lake-Howells River North Properties $5,080,000, Perault Lake Property $5,084,000, Lac Ritchie Property $2,472,000, Sheps Lake Property $1,282,000 and Other Properties $342,000. The cost centers for these capitalized expenditures are: mineral licenses $2,630,000, drilling $32,271,000, resource evaluation $41,500,000, environmental $19,581,000, and amortization of property and equipment $109,000. These expenditures are partially offset by tax credits and mining duties of $12,906,000 and the Tata Steel payments on account of their Taconite Project option of $22,325,000. The non-controlling interest of $238,000 relates to LabMag Limited Partnership whose main property is the LabMag 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 June 30, 2015, 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.

As at June 30, 2015, the deferred tax assets, which arise as a result of applying the capital and non-capital losses carried forward to taxable income, and the Company's federal investment tax credits have not been recognized in the accounts due to the uncertainty regarding their utilization.

SUMMARY OF QUARTERLY RESULTS

The following table sets out selected unaudited quarterly financial information of the Company for the eight quarters ended June 30, 2015. This information is derived from unaudited quarterly financial statements prepared by management. The Company's financial statements are prepared in accordance with IFRS and expressed in Canadian dollars.

	Jun-15	**Mar-15**	**Dec-14**	**Sept-14**	**Jun-14**	**Mar-14**	**Dec-13**	**Sept-13**
Investment Income	166,000	175,000	191,000	186,000	186,000	282,000	120,000	142,000
Net Loss	(1,087,000)	(1,156,000)	(5,681,000)	(1,472,000)	(1,817,000)	(1,735,000)	(1,609,000)	(1,856,000)
Loss Per Share[(1)]	(0.01)	(0.01)	(0.03)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)

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

SECOND QUARTER RESULTS

The most significant items comparing the results of operations in the second quarter of 2015 versus the same period in 2014 is a decrease in general and administrative expenses to $1,253,000 in Q2 2015 from $2,010,000 in Q2 2014.

The most significant items affecting general and administrative expenses are a decrease in share-based compensation to $106,000 in Q2 2015 for which the corresponding expense in Q2 2014 was $664,000.

As a result, the Company's net loss for the second quarter ended June 30, 2015 totalled $1,087,000 (loss of $0.01 per share) compared to a net loss of $1,817,000 (loss of $0.01 per share) for the comparative period in 2014.

USE OF ACCOUNTING ESTIMATES AND JUDGMENTS

The information is provided in Note 3 of the 2014 annual financial statements and Note 3 of the condensed interim financial statements.

STANDARDS ISSUED BUT NOT YET EFFECTIVE

The information is provided in Note 4 of the condensed 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 December 31, 2014 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 14 of the June 30, 2015 condensed interim financial statements for an extended description of the Company's financial risk management, objectives and policies.

Capital Management Policies and Procedures

The information is provided in Note 17 of the financial statements.

Liquidity and Capital Resources

Working Capital

Working capital at June 30, 2015 of $23,497,000 represents a decrease of $5,374,000 from the FYE 2014 total of $28,871,000. This decrease in working capital is mainly due to the Company's reclassification of certain tax credits from current assets to non-current assets to reflect the anticipated realization of these credits and the continued 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 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 $Nil in acquisitions of property and equipment during the first six months of 2015 compared to $2,000 in the corresponding period in 2014.

Capital Resources

At June 30, 2015, NML has paid up capital of $177,584,000 (December 31, 2014 - $177,584,000) representing 181,054,000 (December 31, 2014 – 181,054,000) common shares and contributed surplus of $22,348,000 (December 31, 2014 - $21,941,000) that is partially offset by a deficit of $36,507,000 (December 31, 2014 - $34,265,000) resulting in total equity attributable to shareholders of the Company of $163,425,000 (December 31, 2014 - $165,260,000). In addition there is a non-controlling interest of $238,000 (December 31, 2014 – $238,000) resulting in total equity of $163,663,000 (December 31, 2014 - $165,498,000).

Commitments

Please refer to Note 18 of the financial statements for a summary of the Company's commitments.

Transactions with Related Parties

Please refer to Note 16 of the 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 June 30, 2015.

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 the design and operating effectiveness of the key 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 June 30, 2015, using the criteria set forth by the Committee of Sponsoring Organizations (COSO) of the Treadway Commission on Internal Control – Integrated Framework.

Changes to Internal Control over Financial Reporting

No changes were made to our internal control over financial reporting during the quarter ended June 30, 2015, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

MARKET REVIEW

According to the World Steel Association's ("WSA") statistics released July 22, 2015, world crude steel production in its 65 reporting countries was 813 million metric tons (Mt) for the first six months of 2015, which represented a decrease of 2.0% from the comparable 2014 period. All of the WSA's reporting regions were flat or down, with the exception of the Middle East. Of note was the 1.3% decrease in China's crude steel production, which is contributing to the widely reported surplus conditions in the iron ore market.

The overall reporting countries' crude steel capacity utilization rate at June 2015 was 72.2%, which was 3.5% lower than a year earlier while slightly higher by 0.1% than at May 2015. With domestic consumption having fallen off, China's steel industry is maintaining production by growing exports and faces trade restrictions given the fragile state of other markets.

China's iron ore imports over the first half of 2015 were approximately 453 Mt, lower by 0.9% than in the year-earlier period. Iron ore pricing as measured by The Steel Index's 62% Fe Fines CFR China reference averaged US$59 per Mt for the second quarter, down by 6.7% from the previous quarter. The price premiums paid for iron ore pellets continue to hold up relatively well despite the reference price drop. Ocean freight rates for iron ore have firmed as the second quarter saw slower growth in dry bulk fleet capacity for the first time in many years.

DISCLOSURE OF OUTSTANDING SHARE DATA

The following information relates to share data of the Company as at June 30, 2015.

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 June 30, 2015: The Company has 181,054,146 common shares issued ($177,584,512).

c. Issued as of August 11, 2015: The Company has 181,054,146 common shares issued ($177,584,512).

2. Options

The Company had adopted an incentive stock option plan whereby options may be granted from time to time to directors, officers, employees and consultants to the Company with shares reserved for issuance as options not to exceed 10% of the issued and outstanding common shares. At the June 25, 2015, Meeting the Shareholders did not approve any further allocations from the stock option plan.

As of August 11, 2015, 2015, there were 12,749,000 common shares reserved for issuance pursuant to the exercise of stock options (June 30, 2015 – 12,836,500) as follows:

Number of Outstanding Options	Exercise Price	Expiry Date
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
350,000	$1.43	December 6, 2016
160,000	$1.23	December 20, 2016
56,000	$2.03	April 16, 2017
3,280,000	$1.35	July 27, 2017
200,000	$1.57	October 4, 2017
52,000	$1.62	January 8, 2018
2,328,000	$0.89	April 24, 2018
535,000	$0.42	March 31, 2019
2,147,500	$0.44	May 21, 2019
228,500	$0.39	June 16, 2019
50,000	$0.31	September 2, 2019

BUSINESS RISKS

In the normal course of operations, the Company is exposed to various business risks. These risks are described in the 2014 Annual Management's Discussion and Analysis as well as the Company's 2014 Annual Information Form dated March 24, 2015 filed on SEDAR at www.sedar.com.

ADDITIONAL INFORMATION

For further information, please visit www.NMLiron.com, www.tatasteel.com, www.tatasteelcanada.com, www.tatasteeleurope.com and on SEDAR at www.sedar.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.

New Millennium Iron Corp.
Unaudited Condensed Interim
Consolidated Financial Statements
June 30, 2015

Financial Statements

New Millennium Iron Corp.
Condensed Interim Consolidated Statement of Financial Position

(Unaudited)
(Expressed in Canadian Dollars)

	June 30, 2015	December 31, 2014
	$	$
ASSETS		
Current assets		
Cash and cash equivalents (Note 5)	2,676,207	5,392,697
Short-term investments (Note 6)	17,226,666	17,835,543
Sales taxes, other receivables and prepaid expenses (Note 16)	3,298,542	2,369,574
Tax credits and mining duties receivable	1,777,631	6,514,079
Due from Tata Steel (Notes 10 and 16)	1,726,971	-
	26,706,017	32,111,893
Non-current assets		
Tax credits and mining duties receivable (Note 7)	4,461,210	784,268
Deposits on contracts	161,409	231,448
Other assets (Note 8)	38,502,545	38,502,545
Long-term investments (Note 9)	36,853,248	36,672,378
Mineral exploration and evaluation assets (Note 10)	60,859,940	60,239,629
Property and equipment	437,862	482,363
Total assets	167,982,231	169,024,524
EQUITY AND LIABILITIES		
LIABILITIES		
Current liabilities		
Trade and other payables (Note 16)	3,208,787	2,553,520
Advance from Tata Steel (Notes 10 and 16)	-	687,128
	3,208,787	3,240,648
Non-current liabilities		
Mining duties payable (Note 7)	824,339	-
Due to NNK Trust	285,324	285,324
Total liabilities	4,318,450	3,525,972
EQUITY		
Share capital (Note 11)	177,584,512	177,584,512
Contributed surplus	22,348,367	21,940,689
Deficit	(36,507,449)	(34,265,000)
Equity attributable to shareholders of the parent Company	163,425,430	165,260,201
Non-controlling interest	238,351	238,351
Total equity	163,663,781	165,498,552
Total liabilities and equity	167,982,231	169,024,524

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

These condensed interim consolidated financial statements were approved and authorized for issue by the Board of Directors on August 13, 2015 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)
Six months ended June 30, 2015 and 2014
(Expressed in Canadian Dollars)

	3 months ended June 30		6 months ended June 30	
	2015	2014	2015	2014
	$	$	$	$
Service fee revenue	–	6,534	–	23,148
Expenses				
General and administrative (Note 12)	1,253,102	2,010,429	2,584,020	4,044,304
Loss before other items	(1,253,102)	(2,003,895)	(2,584,020)	(4,021,156)
Investment income	166,509	186,490	341,571	468,852
Net loss and comprehensive loss	(1,086,593)	(1,817,405)	(2,242,449)	(3,552,304)
Attributable to:				
Non-controlling interest	–	–	–	–
Shareholders of the parent Company	(1,086,593)	(1,817,405)	(2,242,449)	(3,552,304)
Net loss and comprehensive loss	(1,086,593)	(1,817,405)	(2,242,449)	(3,552,304)
Loss per share - basic and diluted	(0.01)	(0.01)	(0.01)	(0.02)
Weighted average number of shares outstanding	181,054,146	180,957,553	181,054,146	180,485,969

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

Six months ended June 30, 2015 and 2014
(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, 2014	**180,009,146**	**176,947,062**	**20,150,223**	**(23,560,114)**	**173,537,171**	**238,351**	**173,775,522**
Net loss	-	-	-	(3,552,304)	**(3,552,304)**	**-**	**(3,552,304)**
Share-based remuneration							
- employees and directors	-	-	1,071,684	-	**1,071,684**	**-**	**1,071,684**
- consultants	-	-	236,953	-	**236,953**	**-**	**236,953**
Exercise of stock options	1,045,000	637,450	(250,800)		**386,650**	**-**	**386,650**
Balance at June 30, 2014	**181,054,146**	**177,584,512**	**21,208,060**	**(27,112,418)**	**171,680,154**	**238,351**	**171,918,505**
Balance at January 1, 2015	**181,054,146**	**177,584,512**	**21,940,689**	**(34,265,000)**	**165,260,201**	**238,351**	**165,498,552**
Net loss	-	-	-	(2,242,449)	**(2,242,449)**	**-**	**(2,242,449)**
Share-based remuneration							
- employees and directors	-	-	337,297	-	**337,297**	**-**	**337,297**
- consultants	-	-	70,381	-	**70,381**	**-**	**70,381**
Exercise of stock options	-	-	-	-	-	**-**	**-**
Balance at June 30, 2015	**181,054,146**	**177,584,512**	**22,348,367**	**(36,507,449)**	**163,425,430**	**238,351**	**163,663,781**

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)
Six months ended June 30, 2015 and 2014
(Expressed in Canadian Dollars)

	2015	2014
	$	$
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	(2,242,449)	(3,552,304)
Adjustments for:		
Share-based remuneration		
- Employees and directors	337,297	1,071,684
- Consultants	70,381	236,953
Depreciation of property and equipment	44,501	22,552
Gain on disposal of property and equipment	-	(3,905)
Investment income	(341,571)	(468,852)
	(2,131,841)	(2,693,872)
Net changes in working capital items (Note 15)	(1,427,838)	605,152
Cash flows used by operating activities	(3,559,679)	(2,088,720)
CASH FLOW FROM INVESTING ACTIVITIES		
Net (purchases) redemption of short-term treasury bills and GIC's	536,713	(12,660,035)
Redemption of bonds and GIC's with maturities over one year	-	19,517,760
Interest received	232,863	192,915
Deposits on contracts	(44,307)	-
Acquisition of property and equipment	-	(1,660)
Proceeds on disposition of property and equipment	-	7,500
Tax credits and mining duties received	1,887,775	-
Additions to mineral exploration and evaluation assets	(2,204,725)	(3,569,202)
Allocation of Tata Steel payment to mineral exploration and evaluation assets	1,121,998	685,576
Cash flows provided by investing activities	1,530,317	4,172,854
CASH FLOW FROM FINANCING ACTIVITIES		
Issuance of common shares	-	386,650
(Decrease) Increase in advance from Tata Steel	(687,128)	2,584,773
Cash flows (used) provided by financing activities	(687,128)	2,971,423
Net increase (decrase) in cash and cash equivalents	(2,716,490)	5,055,557
Cash and cash equivalents, beginning of period	5,392,697	964,965
Cash and cash equivalents, end of period	2,676,207	6,020,522

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

New Millennium Iron Corp.
Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)
June 30, 2015
(Expressed in Canadian Dollars)

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, 2014 as they follow the same accounting policies and methods of application.

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 other than the item discussed below, are discussed in Note 3 of the Company's 2014 annual financial statements and are still applicable for the period ending June 30, 2015.

In performing the impairment test on the long-term investment in TSMC, management included an assumption concerning the extent of the dilution on the Company's ownership of TSMC.

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 June 30, 2015. 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 unaudited condensed interim 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 condensed interim consolidated financial statements.

Management anticipates that all of the pronouncements will be adopted in the Company's accounting policies for the first period beginning after the effective date of each pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Company's unaudited condensed interim consolidated financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have an impact on the Company's unaudited condensed interim consolidated financial statements and are not listed.

IFRS 9 Financial Instruments

The International Accounting Standards Board ("IASB") 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 its unaudited condensed interim consolidated financial statements. The new standard is required to be applied for annual reporting periods beginning on or after January 1, 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 January 1, 2017. The Company has not yet assessed the impact of IFRS 15 on its unaudited condensed interim consolidated financial statements.

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 characterized 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 unaudited condensed interim consolidated financial statements. The amendments are effective for reporting periods beginning on or after January 1, 2016.

(Expressed in Canadian Dollars)

5 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following components:

	June 30, 2015 $	December 31, 2014 $
Cash in bank	2,676,207	5,392,697

6 - SHORT-TERM INVESTMENTS

At June 30, 2015, investments include:

Security	Carrying Value $	Maturity	Interest Rate (per annum)
GIC's	17,226,666	Between August 2015 and June 2016	Between 1.40% and 1.70%

At December 31, 2014, investments include:

Security	Carrying Value $	Maturity	Interest Rate (per annum)
GIC's	17,835,543	Between January and October 2015	Between 1.60% and 1.68%

7- Tax credits and mining duties

During 2014, the Quebec provincial government completed its 2011 and 2012 mining tax credit audits and the assessments reduced the Company's mining tax credit claims by $3,673,000, mainly for work on the Taconite Feasibility Study. The Company prepared the claim based on its interpretation of the regulations and is vigorously contesting the assessment. If the final outcome of the claim is different from the amounts initially recorded, such difference will reduce the mining tax credit receivable with a related offset to mineral exploration and evaluation assets and the Advance from Tata Steel.

The provincial government's interpretation of the expenditures also resulted in the Company receiving mining duties from the Ministere des Ressources naturelles in excess of the amounts filed by the Company of $824,000. The Company recorded this amount as a liability to be consistent with its interpretation of the regulations in the above claim and therefore expects that this amount will have to be repaid.

8 - OTHER ASSETS

The Company entered into an agreement with the Sept Îles 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 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 18).

New Millennium Iron Corp.
Notes to Condensed Interim Consolidated Financial Statements
(Unaudited)
June 30, 2015
(Expressed in Canadian Dollars)

9 - LONG-TERM INVESTMENTS

Long-term investments consist of the following amounts:

	June 30, 2015 $	December 31, 2014 $
Long-term investment, TSMC	31,542,605	31,542,605
Loan receivable, TSMC	5,310,643	5,129,773
	36,853,248	36,672,378

Long-term Investment, TSMC: The investment in Tata Steel Minerals Canada Ltd. ("TSMC") 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.

The Company has received requests for equity cash calls totalling $83.9 million, approved by TSMC's Board of Directors, to fund certain capital expenses for the DSO and Howse projects operated by TSMC. The Company has decided not to fund these cash calls which will result in a dilution of the Company's interest in TSMC from the current 20%. The Company is currently in discussion with Tata Steel to determine the extent of the dilution.

Management performed an impairment test on its long-term investment in TSMC which included an assumption on the extent of the dilution. The test resulted in the estimated recoverable amount exceeding the carrying amount of the investment and as such no impairment was recorded.

Loan receivable, TSMC: This loan, which was advanced to fulfill a formal request by TSMC to its shareholders, is unsecured, interest is payable at the end of each quarter and bears interest at US 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 $180,870 (2014 – $260,638) of interest was included in the loss and comprehensive loss in the period.

New Millennium Iron Corp.
Notes to Condensed Interim Consolidated Financial Statements
(Unaudited)
June 30, 2015
(Expressed in Canadian Dollars)

10 - 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 June 30 2015 $**	**Balance as at Dec. 31 2014 $**
Balance, at December 31, 2014	28,683,589	17,327,219	5,081,678	5,081,752	2,458,131	1,279,701	327,559	-	-
Mineral licenses	-	11,946	(2,600)	1,025	12,768	825	9,353	2,630,312	2,596,995
Drilling	30,487	30,187	350	-	-	500	-	32,270,482	32,208,958
Resource evaluation	596,172	610,098	703	1,392	1,794	1,058	8,772	41,499,659	40,279,670
Environmental	210,207	208,201	-	-	-	-	-	19,580,747	19,162,339
Amortization of property and equipment	-	-	-	-	-	-	-	109,035	109,035
	836,866	848,486	1,053	1,392	1,794	1,558	8,772	93,459,923	91,760,002
Tax credits and mining duties	-	13,000	-	-	(655)	-	(3,274)	(12,905,523)	(12,914,594)
Tata Steel payment	(529,019)	(592,979)	-	-	-	-	-	(22,324,772)	(21,202,774)
	(529,019)	(579,979)	-	-	(655)	-	(3,274)	(35,230,295)	(34,117,368)
Balance, at June 30, 2015	**28,991,436**	**17,607,672**	**5,080,131**	**5,084,169**	**2,472,038**	**1,282,084**	**342,410**	**60,859,940**	**60,239,629**

New Millennium Iron Corp.
Notes to Condensed Interim Consolidated Financial Statements
(Unaudited)
June 30, 2015
(Expressed in Canadian Dollars)

10 - MINERAL EXPLORATION AND EVALUATION ASSETS (continued)

Overview

The Company holds interests in 3,447 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. Of the 3,447 claims held, the Company does not foresee any future economic benefit from 1,485 claims and an impairment was taken on these claims at December 31, 2014.

The table below represents the remaining 1,962 claims with potential economic benefit.

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 km^2]	354 [88.5 km^2]	-	-	18 [4.5 km^2]	515 [128.75 km^2]
	LLP	256 [64 km^2]	-	354 [88.5 km^2]	-	-	432 [108 km^2]	-	1,042 [260.5 km^2]
Québec	NML	-	171 [80.9 km^2]	-	-	153 [74.2 km^2]	-	81 [38.3 km^2]	405 [193.4 km^2]
Total		**256** [64 km^2]	**171** [80.9 km^2]	**497** [124.25 km^2]	**354** [88.5 km^2]	**153** [74.2 km^2]	**432** [108 km^2]	**99** [42.8 km^2]	**1,962** [582.7 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 assumes a mining operation and concentrator located at Howells River with an annual production of 22 million tonnes of concentrate. The concentrate would be shipped by a ferroduct to pellet plants with 17 million tonnes capacity per year located at Pointe Noire, Québec. The pellets produced and the remaining concentrate would be shipped to customers using the new multi-user dock at Pointe-Noire, near Sept-Îles. The Study is being worked 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, assumes a mining operation and concentrator, located at Harris Lake, with an annual production of 22 million tonnes of concentrate. The concentrate would be shipped by a ferroduct to pellet plants with 17 million tonnes capacity per year located at Pointe-Noire, Québec.

10 - MINERAL EXPLORATION AND EVALUATION ASSETS (continued)

The pellets produced and the remaining concentrate would be shipped to customers using the new multi-users dock at Pointe-Noire, near Sept-Îles. The Study is being worked on under the arrangement summarised in the Binding HOA presented below.

Howells Lake Property and Howells River North Property:
These two Properties are located approximately 47 km northwest of Schefferville in the Elross Township and 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. SGS provided a combined resource estimation report for the Howells Lake and Howells River North Properties. Details of the resources are as follows:

Howells Lake Property:
This Property is located in NL, immediately to the south of the KéMag deposit. This area was drilled in 2006 (1 hole, 105.0m), 2011 (1 hole, 147.0m) and in 2012 (38 holes, 4890.8m). The SGS NI 43-101 report estimates 6.972 billion tonnes of Indicated and 0.838 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 (14 holes, 2819.0m). The SGS NI 43-101 report estimates 1.143 billion tonnes of Indicated and 2.783 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. In 2012, NML carried out a Phase 1 exploration 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 2.031 billion tonnes of Indicated and 0.695 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 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 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 west of Schefferville. NML drilled 2 holes in 2011 for a total of 158.0 m and 23 holes in 2012 for a total of 1,920.1 m. SGS Canada Inc. conducted a NI 43-101 compliant resource estimation, using the drilling results, which showed 2.039 billion tonnes of Indicated and 0.310 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. 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.

10 - MINERAL EXPLORATION AND EVALUATION ASSETS (continued)

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 June 30, 2015, NML has received $27,810,000 (December 31, 2014 - $27,810,000) from Tata Steel on account of the option. At June 30, 2015, $22,324,772 has been recorded as a reduction of the expenditures capitalized for the mineral exploration and evaluation assets, $1,121,998 during the six months ended June 30, 2015 (2014 - $685,576). An additional $7,212,199 has been recorded as a reduction of general and administrative expenses, $1,292,100, during the six months ended June 30, 2015 (2014 - $729,651). The amount receivable of $1,726,971 at June 30, 2015, is recorded as a due from Tata Steel and as at December 31, 2014, the amount of $687,128 was recorded as an advance from Tata Steel both of which are non-interest bearing.

11 - 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

SHARE-BASED PAYMENTS

Stock options

The Company had 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. At statement date, the Shareholders have not approved any further allocations from the stock option plan.

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11 - EQUITY (continued)

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

	6 month period ended June 30, 2015		Year ended December 31, 2014	
	Number of outstanding options	Weighted average exercise price	Number of outstanding options	Weighted average exercise price
Balance, beginning of period	16,466,500	1.42	15,559,500	1.51
Granted	-	-	3,495,000	0.43
Exercised	-	-	(1,045,000)	0.37
Expired	(2,932,500)	0.90	(458,000)	0.39
Forfeited	(697,500)	1.31	(1,085,000)	0.94
Balance, end of period	12,836,500	1.54	16,466,500	1.42
Options exercisable, end of period	9,244,500	1.94	12,788,500	1.68

The share-based payments expense during the six-month period ended June 30, 2015 was $407,678 (2014 - $1,308,637) and is included in general and administrative expenses.

12 - INFORMATION INCLUDED IN INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	3 months ended June 30		6 months ended June 30	
	2015 $	2014 $	2015 $	2014 $
Employee benefit expense				
Wages, salaries and other short-term benefits	931,992	714,998	1,535,406	1,376,122
Defined contributions	14,651	30,244	25,901	54,642
Stock-based payments	83,858	518,073	337,297	1,071,684
Employee benefit expense	1,030,501	1,263,315	1,898,604	2,502,448
Other elements of expenses				
Depreciation of property and equipment	20,751	55,528	44,501	22,552

13 - 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 June 30, 2015, 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.

14 - 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 June 30, 2015.

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 backed by Canadian Federal and Provincial governments or their crown corporations.

The loan receivable from TSMC bears interest at a variable rate and the Company is therefore exposed to cash flow risk resulting from interest rate fluctuations. The risk is limited as the US LIBOR rate is fairly stable.

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 June 30, 2015. 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 Due to NNK Trust does not have a contractual maturity.

Over the past six months, the Company has financed its exploration expense commitments and its working capital requirements through existing cash resources and previous 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 cash equivalents and short-term 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 guaranteed by Canada or the provinces and management believes the risk of loss to be remote. This credit risk is minimized by reviews of the third parties' credit worthiness.

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

The Company is also exposed to credit risk relating to its receivable and loan receivable from TSMC, the due from Tata Steel and other receivables. This credit risk is minimized by reviews of the third parties' credit worthiness. 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.

15 - INFORMATION INCLUDED IN CONSOLIDATED CASH FLOWS

The changes in working capital items are detailed as follows:

	6 months ended June 30, 2015 $	6 months ended June 30, 2014 $
Sales taxes, other receivables and prepaid expenses	(928,968)	(18,088)
Trade and other payables	1,228,101	623,240
Due from Tata Steel	(1,726,971)	-
	(1,427,838)	605,152

The long term investments increased by $180,870 (June 30, 2014 - $260,638) due to the interest accrual (Note 9).

Included in trade and other payables is an amount of $910,619 (June 30, 2014 - $970,195) pertaining to additions to mineral exploration and evaluation assets. Included in the cash flows used by deposits on contracts is $114,347 (June 30, 2014 - $24,057) pertaining to mineral exploration and evaluation assets.

16 - 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
DLA Piper (Canada) LLP	Partnership in which an executive officer is a partner	Legal services
Roll Harris & Associés	Partnership in which an executive officer is a partner	Consulting
Balance Consultants Inc.	Controlled by an executive officer of the Company	Consulting
TSMC	Company controlled by Tata Steel	Service fee revenue, investment income and expenses
General (Ret.) 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

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16 - RELATED PARTY TRANSACTIONS (continued)

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

	June 30, 2015 $	December 31, 2014 $
Consolidated Statement of Financial Position		
Mineral exploration and evaluation assets	131,742	264,439

	6 months ended June 30, 2015 $	6 months ended June 30, 2014 $
Consolidated Net Loss and Comprehensive Loss		
Service fee revenue	-	23,148
General and administrative expenses	599,977	531,904
Investment income	180,870	260,638

Amounts due to and from related parties, except for the loan receivable from TSMC (Note 9), are unsecured, non-interest bearing and due on demand.

Other receivable related to advances to TSMC and service fees charged to TSMC at June 30, 2015 was $1,770,835 (December 31, 2014 – $2,042,318).

Accounts payable related to the above transactions at June 30, 2015 were $907,320 (December 31, 2014 – $696,215).

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

17 - 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 11 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 risk 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)

18 - 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, including certain DSO Properties sold to TSMC in certain circumstances.

In relation to NML's agreement with the Port Authority described in Note 8, 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 entered into long-term operating leases for premises and equipment and consulting agreements amounting to $893,000 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	373,000	215,000	588,000
1 to 5 years	233,000	72,000	305,000
Over 5 years	-	-	-
	606,000	287,000	893,000