



NEW MILLENNIUM IRON CORP.

THIRD QUARTER REPORT 2015



November 9, 2015

MESSAGE TO SHAREHOLDERS

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

The Company’s principal activity in and subsequent to the Third Quarter was as follows:

Tata Steel Minerals Canada (“**TSMC**”)

- Near completion of the processing facilities and commencement of trial production.
- Regular shipping of crushed and screened ore with 10 cargoes totaling approximately 1.7 million tonnes in the 2015 operating season through the third quarter.
- Settlement with Tata Steel on cash calls stemming from Company’s investment in TSMC, and resulting dilution of interest.
- Non-cash impairment charge in the amount of \$26.8M on investment in TSMC.

Taconite Project

- Announcement of review process for the 2011 Taconite Project heads-of-agreement with Tata Steel.

NuTac Initiative

- Announcement of a \$2.1 million pre-feasibility study of new approach to developing NML’s taconite properties using transferrable information from the 2014 Taconite Project Feasibility Study.

Corporate

- Progress on Board of Directors’ composition and structure initiative and appointment of three new independent directors.
- Special information session for shareholders.

Yours very truly,

A handwritten signature in blue ink, appearing to read "R. Patzelt", with a long horizontal flourish extending to the right.

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 nine month period ended September 30, 2015 should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements and related notes for the period ended September 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 consistent with International Accounting Standard 34, Interim Financial Reporting, 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 developed a Direct Shipping Ore ("DSO") Project that is now producing and shipping sinter fines. 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 Ltd. ("TSMC"), which in turn is owned 94% by Tata Steel and 6% 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 controlled by NML.

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.

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 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.

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

The DSO Project is owned and operated by TSMC, which is owned 94% by Tata Steel and 6% by NML.

DSO Project Operations

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. For the 2015 season through September 30th, there were ten shipments totaling approximately 1.7 million tonnes.

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.

Construction of the processing facilities is essentially complete and an operational readiness program is in place. Commissioning, including trial production, is ongoing. 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.

Howse Deposit

As previously reported, TSMC completed its acquisition of the Howse Deposit in April 2015. Howse is a large DSO deposit strategically located near TSMC's main Timmins operations site. A feasibility study for mine development has been carried out over the course of the year. Work has included confirmation of the historical resource along with hydrogeological and geotechnical analysis, as well as an environmental impact study and consultation with governments and communities.

NML Investment in TSMC

The DSO Project's scoping changes and construction delays have resulted in a significantly higher cost of completion than foreseen in the original feasibility study, which established the \$300 million capital cost threshold for NML's 20% free carry interest in TSMC. TSMC's investment in its DSO and Howse properties is now approximately \$1 billion.

In news releases dated April 10, 2015 and June 12, 2015, NML announced that it had received equity cash calls from TSMC to fund certain capital expenditures for the DSO and Howse projects, and that these cash calls would not be funded. It was also announced that as a consequence there would be a dilution of the Company's interest in TSMC from the 20% agreed at time of formation of the joint venture.

Determination of the level of dilution of NML's interest involved a detailed and lengthy review by NML with Tata Steel Global Minerals Holdings Pte. Ltd. ("TSG"), along with independent specialists, of the costs, strategy, development program and mining operations undertaken by TSMC in respect of the DSO Project. Also taken into consideration was that the DSO Project has evolved into a larger-capacity, longer-life operation than as set out in the agreement between NML and TSG.

Subsequent to the quarter, on October 5, 2015, NML announced that it had reached a settlement with TSG regarding the issue of the cash calls stemming from NML's long-term investment in TSMC.

The discussions between the parties produced the following settlement:

- Current cash requirement of just over \$1.0 billion for the DSO Project, to fund certain capital and operating expenses for the DSO Properties and the Howse Deposit.
- Total cash calls of \$524.5 million to the shareholders have or will be satisfied solely by Tata Steel.
- Shareholder loan of \$4.7 million received by TSMC from NML and \$0.7 million of accrued interest are converted into equity in TSMC.
- NML is not required to pay, or provide security for, any cash calls up to the \$1.0 billion figure.
- NML's ownership of TSMC is now diluted to 6.0%.
- NML will maintain its 6.0% ownership interest by paying its pro-rata share of any future cash calls over the \$1.0 billion figure.

Other provisions included:

- Certain DSO Claims not budgeted for exploration or evaluation by NML and which NML is restricted from developing in competition with TSMC, are transferred to TSMC as part of the settlement.
- TSMC agrees to give priority to utilizing NML's Port of Sept-Îles dock capacity.
- As a result of its reduced ownership, NML is no longer able to nominate a director to TSMC's Board.
- TSMC to provide specified, timely, operating and financial information to NML.

Impairment Charge

NML's management performed an impairment test on its long-term investment in TSMC. The test resulted in the \$36,947,000 carrying amount of the investment exceeding the \$10,148,000 estimated recoverable amount with the result that a non-cash impairment of \$26,799,000 was recorded. The recoverable amount is determined as the present value of the estimated cash flows from TSMC discounted at a current market rate of return.

In estimating the present value management is required to make assumptions as to future events or circumstances. The calculation of the recoverable amount includes, but is not limited to the following key assumptions:

- Cost of capital that is used for the current market rate of return;
- Market price of iron ore;
- Payments of dividends by TSMC;
- US dollar exchange rate; and
- Internal and external factors that may impact production and logistics.

An extended description of the long-term investment and impairment charge is provided in Note 8 of the September 30, 2015 unaudited condensed interim consolidated financial statements.

TACONITE PROJECT

The Taconite Project has centered on the 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 ("TPFS") through a binding heads-of-agreement ("HOA") signed in March 2011.

The techno-economic results of the TPFS were announced on March 27, 2014. 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.

The shared conclusion of NML and Tata Steel was that the results demonstrated Project viability in the prevailing market context, and together NML and Tata Steel proceeded with addressing key parameters in order to complete remaining aspects of the Feasibility Study required to enable an investment decision.

Subsequent to the quarter, on October 5, 2015, NML announced a review process for the HOA, recognizing that the current macro-economic situation poses challenges for development of the Taconite Project as currently conceived in the HOA. NML and Tata Steel are re-visiting the terms of the HOA with the intention of concluding a definitive agreement during the first quarter of 2016 subject to respective Board approvals. As part of this review, Tata Steel will consider current, or potentially future, participation in NML's announced alternative development approach to its taconite properties (see "NuTac Initiative" below).

NU TAC INITIATIVE

Along with the KéMag and LabMag deposits, NML has considerable 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 the 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	2,384		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.

On September 16, 2015, NML announced that the NML Board of Directors had approved a strategic initiative to review the approach to developing NML's taconite properties. The initiative is in response to the substantial decline in the reference price for iron ore fines, including concentrate, over the past year, primarily due to a world-wide excess supply. That price could stay at low levels for a considerable period. At the same time, however, the price premium paid for high-quality pellets, such as those that can be produced from NML's deposits, has been maintained.

It is in that light that NML has decided to assess revised parameters of the Taconite Project in order to reduce substantially its capital cost and to focus essentially on the sale of high-quality pellets.

The Taconite Project evaluated the mining of the LabMag and/or KéMag deposits followed by the production of concentrate at the mine site and its transportation as a slurry by a buried pipeline to a pellet plant at Sept-Îles, where part of the concentrate would be converted to pellets. The planned production was ~17 million tonnes per year ("Mtpy") of pellets and ~6 Mtpy of concentrate.

The new approach to developing NML's taconite deposits, called the NuTac Project, evaluates at the pre-feasibility study ("PFS") level the development of a deposit in the Millennium Iron Range to produce up to ~9 Mtpy of pellets; it is not planned to produce concentrate/pellet feed for sale, although that option could be exercised if warranted.

The selection of the deposit will form part of the PFS. Moreover, the PFS will assess the pellet plant location and using the existing rail infrastructure that joins Schefferville to Sept-Îles to transport the product.

The TFS provides the benefit of best mining and beneficiation practices that are applicable to all of NML's taconite properties, as well as a valuable base of regional environmental data, thereby enabling the accelerated study at reasonable cost of additional development options.

The expected completion timeframe for the NuTac Project PFS is mid-2016. A budget of \$2.1 million has been allocated and much of the work is being carried out by NML's in-house team with know-how from its experience with the TFS.

It is expected that the preceding scope of the NuTac Project PFS will reduce significantly the capital cost that was calculated for the Taconite Project. Should the anticipated positive results be confirmed, the subsequent steps will be to proceed to a bankable feasibility study and to start the environmental assessment processes. NML believes that this strategic realignment in developing its taconite properties will increase significantly the potential for raising the needed funds to build a project.

GENERAL CORPORATE AFFAIRS

Board Composition and Structure

Further to the announced voting at NML's Annual General and Special Meeting of the shareholders ("AGM") held on June 25, 2015, in Toronto, which resulted a majority of the votes cast being withheld against six of NML's nine directors and the six in question offering their resignations, the Board immediately took action under NML's Corporate Governance Guidelines and Board Mandate to consider the resignations by first reconstituting the Company's Corporate Governance and Compensation Committee ("CGCC") and then taking appropriate steps to address the composition of the Board. Additional resources were 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.

NML has since announced the appointment of three new independent directors as follows:

Mr. Kevin Bullock was appointed to the Board with effect from August 18, 2015. He is currently President and CEO of Lindsay Mine Services Ltd., a Toronto, Ontario-based minerals industry consultancy, and is on the boards of directors of B2Gold Corp., Anaconda Mining Inc. and Metallum Resources Inc., where he serves as Chairman.

Mr. Bullock has 30 years' experience in all aspects of the mining industry, having served in operating, marketing and development, and financial roles. From 2003 to 2013, he was President, CEO and a Director of Volta Resources Inc. (previously Goldcrest Resources) and played an instrumental role in its listing on the TSX and eventual sale to B2Gold Corp. in December 2013. Earlier in his career, Mr. Bullock was Vice President – Corporate Development, for Kirkland Lake Gold Inc. He received a B. Eng. In Mining Engineering from Laurentian University in Sudbury, Ontario, and is a member of the Canadian Institute of Mining & Metallurgy as well as the Society of Mining Engineers.

Messrs. Mario Caron and Howard Lutley have been appointed to the Board with effect from November 15, 2015.

Mr. Caron has forty years of wide-ranging mining industry experience in project development, operations, the capital markets, and governance/disclosure best practices. He is currently on the boards of directors of Adventure Gold Inc., Algold Resources Ltd. and Alloycorp Mining Inc., of which he serves as Non-Executive Chairman, and previously was Non-Executive Chairman of Orusur Mining Inc.

Mr. Caron has also been president, CEO and a director of several companies involved in the exploration and development of metals and minerals in the Americas, Africa, Turkey and Southeast Asia, including Aldridge Minerals Inc., Axmin Inc., Tiberon Minerals Ltd. and Defiance Mining Corporation. Earlier in his career, Mr. Caron was Vice President Mining and Infrastructure for PricewaterhouseCoopers Securities Inc. He received a B. Eng. in Mining from McGill University, and is a member of the Quebec Order of Engineers as well as the Association of Professional Engineers of Ontario.

Mr. Lutley has more than 35 years' experience in corporate management, operations and engineering at energy and mining companies in the United Kingdom, Canada and the USA. He is President of HJ Lutley and Associates Inc., an independent energy and mining consulting company, and most recently was President and CEO of SilverWillow Energy Corporation, an in-situ oil sands focused company he founded in 2012 and which was sold in August 2015. He earlier was in key leadership roles with public companies

developing major oil sands mining projects, and with consulting companies, primarily in surface mining. Mr. Lutley has conducted technical and due diligence reviews for financial institutions and corporations, and has served as an expert witness in regulatory hearings and arbitration proceedings.

In addition to consulting activities, Mr. Lutley has led the startup of a number of private energy and investment companies, including NRL Energy Ltd., one of Canada's first Coal Bed Methane companies. He holds a M.Sc. in Mineral Engineering from the University of Alberta and a B.Sc. in Mining Engineering from Imperial College, London University, United Kingdom. Mr. Lutley is a member of The Association of Professional Engineers, Geologists and Geophysicists of Alberta as well as a Fellow of the Canadian Institute of Mining and metallurgy.

In conjunction with foregoing appointments, NML announced acceptance of the resignations of Mr. H. Dean Journeaux, a co-founder of NML and director since 2003, Mr. John N. Schindler, a director since 2003, and General (Ret.) Rick Hillier, a director since 2011. Mr. Journeaux's resignation took effect on August 18, 2015, and the resignations of Mr. Schindler and General Hillier are effective November 15, 2015.

Mr. Bullock will succeed General Hillier as Chairman of the CGCC. Mr. Journeaux remains an advisor to the Company.

The Board composition and structure initiative continues.

Special Information Session for Shareholders

In conjunction with the Board renewal process and in order to respond further on key issues expressed at the AGM, NML convened a special information session for shareholders on September 17, 2015, in Montreal, with global call-in and webinar access. The session was preceded by an open letter to shareholders from Messrs. Nichols and Patzelt setting out the issues to be discussed. NML's Board and Management were in attendance, along with representatives of Tata. The agenda included a status report on Board Composition and Renewal by the Chairman of the Board's CGCC, as well as respective company reviews by the CEO's of NML and TSMC. A question period followed. The information session proved to be a useful forum and management intends to periodically hold further such sessions.

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. As indicated above, TSMC plans to use the dock for DSO shipments and the facility would also be expected to be the loading point for shipments from a development of NML's taconite properties.

The dock is constructed, but access to the facility is the subject of ongoing negotiations tied to a possible purchase of the land and related product handling assets by the Québec Government's Investissement Québec ("IQ") financing corporation. In this regard, a bid submitted by IQ in July 2015 is presently under consideration.

FINANCIAL CONDITION

The following discussion of the Company's financial performance is based on the unaudited Condensed Interim Consolidated Financial Statements as of September 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 September 30, 2015 indicates cash and cash equivalents of \$2,799,000, short-term investments of \$15,207,000, sales taxes, other receivables and prepaid expenses of \$2,100,000, the current portion of tax credits and mining duties receivable of \$1,778,000 and due from Tata Steel of \$2,066,000, resulting in total current assets of \$23,950,000, a decrease of \$8,162,000 from FYE 2014. The non-current assets are comprised of mineral exploration and evaluation assets of \$61,183,000, other assets of \$38,503,000, long-term investments of \$10,148,000, long-term portion of tax credits and mining duties receivable of \$4,461,000, deposits on contracts of \$2,000 and property and equipment of \$416,000. The total assets are \$138,663,000 which is a decrease of \$30,362,000 from FYE 2014.

The Company's current liabilities at September 30, 2015 are its trade and other payables of \$1,899,000, a decrease of \$1,342,000 from FYE 2014. Non-current liabilities consist of mining duties payable of \$824,000 for total liabilities of \$2,723,000 which is a decrease of \$803,000 from FYE 2014. Equity attributable to shareholders of the parent company is \$135,702,000, a decrease of \$29,558,000 from FYE 2014, and is comprised of share capital of \$177,584,000, contributed surplus of \$22,391,000, less the deficit of \$64,273,000. The non-controlling interest of \$238,000 remains unchanged from FYE 2014, for total equity of \$135,940,000.

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 September 30, 2015.

For the three months ended September 30, 2015, the Company realized a net loss of \$27,766,000, or \$0.15 per share, compared to a net loss of \$1,472,000, or \$0.01 per share for the comparative period in 2014. This loss is mainly due to a non-cash impairment on the long-term investment in TSMC in the amount of \$26,799,000 (2014 - \$Nil) as well as general and administrative expenses of \$1,413,000 (2014 - \$1,659,000) net of investment income of \$161,000 (2014 - \$186,000) and a reversal of provision due to NNK Trust of \$285,000 (2014 - \$Nil). In the three months ended September 30, 2015, management performed an impairment test on its long-term investment in TSMC that resulted in the carrying amount of the investment exceeding the estimated recoverable amount by \$26,799,000.

For the nine months ended September 30, 2015, the Company realized a net loss of \$30,008,000, or \$0.17 per share, compared to a net loss of \$5,025,000 or \$0.03 per share for the comparative period in 2014. This loss is mainly due to a non-cash impairment on the long-term investment in TSMC in the amount of \$26,799,000 (2014 - \$Nil) as well as general and administrative expenses of \$3,998,000 (2014 - \$5,703,000) net of investment income of \$502,000 (2014 - \$655,000) and a reversal of provision due to NNK Trust of \$285,000 (2014 - \$Nil). The decrease in the period's operating expenses is mainly due to a decrease in share-based compensation expense from \$1,849,000 in 2014 to \$450,000 in 2015.

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

All costs associated with mineral properties, totalling \$61,183,000 as outlined in Note 9 to the September 30, 2015 financial statements, have been classified as mineral exploration and evaluation assets. The expenditures are divided between the properties as follows: LabMag Property \$29,139,000, KéMag Property \$17,717,000, Howells Lake-Howells River North Properties \$5,102,000, Perault Lake Property \$5,084,000, Lac Ritchie Property \$2,472,000, Sheps Lake Property \$1,327,000 and Other Properties \$342,000. The cost centers for these capitalized expenditures are: mineral licenses \$2,630,000, drilling \$32,297,000, resource evaluation \$42,000,000, environmental \$19,717,000, 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 \$22,664,000.

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 September 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 September 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 September 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.

	Sep-15	Jun-15	Mar-15	Dec-14	Sept-14	Jun-14	Mar-14	Dec-13
Investment Income	161,000	166,000	175,000	191,000	186,000	186,000	282,000	120,000
Net Loss	(27,766,000) ⁽²⁾	(1,087,000)	(1,156,000)	(5,681,000)	(1,472,000)	(1,817,000)	(1,735,000)	(1,609,000)
Loss Per Share ⁽¹⁾	(0.15)	(0.01)	(0.01)	(0.03)	(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.
- (2) The net loss of \$27,766,000 includes the non-cash impairment charge of \$26,799,000 on the long-term investment in TSMC.

THIRD QUARTER RESULTS

The most significant items comparing the results of operations in the third quarter of 2015 versus the same period in 2014 is a non-cash impairment on long-term investment in TSMC of \$26,799,000 in Q3 2015 and a reversal of the provision due to NNK Trust of \$285,000, both of which had no comparative amounts in Q3 2014.

The general and administrative expenses decreased to \$1,413,000 in Q3 2015 from \$1,659,000 in Q3 2014. The most significant items affecting the decrease is the decline in share-based compensation from \$540,000 in Q3 2014 to \$42,000 in Q3 2015 and a decrease in professional fees from \$661,000 in Q3 2014 to \$414,000 in Q3 2015. This decrease is offset by an increase in office and administrative expenses to \$796,000 in Q3 2015 for which the corresponding expense in Q3 2014 was \$382,000.

As a result, the Company's net loss for the third quarter ended September 30, 2015 totalled \$27,766,000 (loss of \$0.15 per share) compared to a net loss of \$1,472,000 (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 September 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 September 30, 2015 of \$22,051,000 represents a decrease of \$6,820,000 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 NuTac Pre-Feasibility Study, to fulfill assessment work required to maintain claims and pay future corporate operating expenses.

Capital Expenditures

There were no of acquisitions of property and equipment during the first nine months of 2015 compared to \$2,000 in the corresponding period in 2014.

Capital Resources

At September 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 \$22,391,000 (December 31, 2014 - \$21,941,000) that is partially offset by a deficit of \$64,273,000 (December 31, 2014 - \$34,265,000) resulting in total equity attributable to shareholders of the Company of \$135,702,000 (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 \$135,940,000 (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 September 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 September 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 September 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 October 20th 2015, world crude steel production in its 66 reporting countries was 829 million metric tons (Mt) for the first nine 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, which showed slight improvement. There was a 2.1% decrease in China's crude steel production, which continues to contribute to the widely reported surplus conditions in the iron ore market. Of note is that India's production was up by 3.1% compared to the first three quarters of 2014.

The overall reporting countries' crude steel capacity utilization rate at June 2015 was 69.3%, which was 4.0% lower than a year earlier while higher by 1.3% than at August 2015. With domestic consumption having fallen off, China's steel industry is maintaining production by growing exports, creating pressure and trade action in other markets.

China's iron ore imports over the first half of 2015 were approximately 700 Mt, almost the same as in the year-earlier period. Iron ore pricing as measured by The Platts 62% Fe Fines CFR China reference averaged US\$57.13 per tonne for in September, up by 2.31% from August and following a low of \$44.00 in July. With the iron ore majors continuing to grow output at a pace exceeding demand growth, analysts

have lowered their medium and long term price forecasts. Ocean freight rates for iron ore strengthened briefly over the summer months, but have softened as vessel overcapacity persists.

DISCLOSURE OF OUTSTANDING SHARE DATA

The following information relates to share data of the Company as at September 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 September 30, 2015: The Company has 181,054,146 common shares issued (\$177,584,512).

- c. Issued as of November 9, 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, Annual General and Special Meeting of the Shareholders the Shareholders did not approve any further allocations from the stock option plan.

As of November 9, 2015, there were 12,098,000 common shares reserved for issuance pursuant to the exercise of stock options (September 30, 2015 – 12,098,000) as follows:

Number of Outstanding Options	Exercise Price	Expiry Date
42,000	\$3.52	February 8, 2016
2,705,000	\$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
3,080,000	\$1.35	July 27, 2017
200,000	\$1.57	October 4, 2017
52,000	\$1.62	January 8, 2018
2,228,000	\$0.89	April 24, 2018
535,000	\$0.42	March 31, 2019
2,017,500	\$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
September 30, 2015

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New Millennium Iron Corp.

Condensed Interim Consolidated Statement of Financial Position

(Unaudited)
(Expressed in Canadian Dollars)

	September 30, 2015	December 31, 2014
	\$	\$
ASSETS		
Current assets		
Cash and cash equivalents	2,798,505	5,392,697
Short-term investments (Note 5)	15,207,202	17,835,543
Sales taxes, other receivables and prepaid expenses (Note 16)	2,100,225	2,369,574
Tax credits and mining duties receivable (Note 6)	1,777,631	6,514,079
Due from Tata Steel (Note 9 and 16)	2,065,949	-
	<u>23,949,512</u>	<u>32,111,893</u>
Non-current assets		
Tax credits and mining duties receivable (Note 6)	4,461,210	784,268
Deposits on contracts	2,250	231,448
Other assets (Note 7)	38,502,545	38,502,545
Long-term investments (Note 8)	10,148,595	36,672,378
Mineral exploration and evaluation assets (Note 9)	61,183,423	60,239,629
Property and equipment	415,670	482,363
	<u>138,663,205</u>	<u>169,024,524</u>
EQUITY AND LIABILITIES		
LIABILITIES		
Current liabilities		
Trade and other payables (Note 16)	1,898,710	2,553,520
Advance from Tata Steel (Note 9 and 16)	-	687,128
	<u>1,898,710</u>	<u>3,240,648</u>
Non-current liabilities		
Mining duties payable (Note 6)	824,339	-
Due to NNK Trust (Note 10)	-	285,324
	<u>2,723,049</u>	<u>3,525,972</u>
EQUITY		
Share capital (Note 11)	177,584,512	177,584,512
Contributed surplus	22,390,768	21,940,689
Deficit	(64,273,475)	(34,265,000)
	<u>135,701,805</u>	<u>165,260,201</u>
Equity attributable to shareholders of the parent Company		
Non-controlling interest	238,351	238,351
	<u>135,940,156</u>	<u>165,498,552</u>
Total equity	<u>135,940,156</u>	<u>165,498,552</u>
Total liabilities and equity	<u>138,663,205</u>	<u>169,024,524</u>

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 November 9, 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 Loss

(Unaudited)

Nine months ended September 30, 2015 and 2014

(Expressed in Canadian Dollars)

	3 months ended September 30		9 months ended September 30	
	2015	2014	2015	2014
	\$	\$	\$	\$
Service fee revenue	<u>–</u>	<u>–</u>	<u>–</u>	<u>23,148</u>
Expenses				
General and administrative (Note 12)	<u>1,413,499</u>	<u>1,658,797</u>	<u>3,997,519</u>	<u>5,703,101</u>
Loss before other items	(1,413,499)	(1,658,797)	(3,997,519)	(5,679,953)
Investment income	160,738	186,396	502,309	655,248
Reversal of provision (Note 10)	285,324	–	285,324	–
Impairment on long-term investment, TSMC (Note 8)	<u>(26,798,589)</u>	<u>–</u>	<u>(26,798,589)</u>	<u>–</u>
Net loss and comprehensive loss	<u>(27,766,026)</u>	<u>(1,472,401)</u>	<u>(30,008,475)</u>	<u>(5,024,705)</u>
Attributable to:				
Non-controlling interest	–	–	–	–
Shareholders of the parent Company	<u>(27,766,026)</u>	<u>(1,472,401)</u>	<u>(30,008,475)</u>	<u>(5,024,705)</u>
Net loss and comprehensive loss	<u>(27,766,026)</u>	<u>(1,472,401)</u>	<u>(30,008,475)</u>	<u>(5,024,705)</u>
Loss per share - basic and diluted	<u>(0.15)</u>	<u>(0.01)</u>	<u>(0.17)</u>	<u>(0.03)</u>
Weighted average number of shares outstanding	<u>181,054,146</u>	<u>181,054,146</u>	<u>181,054,146</u>	<u>180,677,443</u>

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

Nine months ended September 30, 2015 and 2014

(Expressed in Canadian Dollars)

	Share Capital		Contributed Surplus \$	Deficit \$	Total Attributable to Shareholders of the parent Company \$	Non Controlling Interest \$	Total Equity \$
	Number of Shares Issued and Fully Paid	Amount \$					
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
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	-	-	-	(30,008,475)	(30,008,475)	-	(30,008,475)
Share-based remuneration							
- employees and directors	-	-	379,278	-	379,278	-	379,278
- consultants	-	-	70,801	-	70,801	-	70,801
Balance at September 30, 2015	181,054,146	177,584,512	22,390,768	(64,273,475)	135,701,805	238,351	135,940,156

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, 2015 and 2014

(Expressed in Canadian Dollars)

	2015	2014
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	(30,008,475)	(5,024,705)
Adjustments for:		
Share-based remuneration		
- Employees and directors	379,278	1,485,877
- Consultants	70,801	363,092
Depreciation of property and equipment	59,360	45,333
Loss on disposal of supplies	71,624	-
Loss (gain) on disposal of property and equipment	7,333	(3,905)
Reversal of provision (Note 10)	(285,324)	-
Impairment on long-term investment, TSMC (Note 8)	26,798,589	-
Investment income	(502,309)	(655,248)
	<u>(3,409,123)</u>	<u>(3,789,556)</u>
Net changes in working capital items (Note 15)	(2,121,919)	45,501
Cash flows used by operating activities	<u>(5,531,042)</u>	<u>(3,744,055)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Net (purchases) redemption of short-term treasury bills and GIC's	2,587,275	(12,148,182)
Redemption of bonds and GIC's with maturities over one year	-	21,390,326
Interest received	268,567	176,405
Deposits on contracts	(46,248)	-
Acquisition of property and equipment	-	(1,660)
Proceeds on disposition of supplies	88,964	-
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	(2,623,332)	(4,447,399)
Allocation of Tata Steel payment to mineral exploration and evaluation assets	1,460,977	1,184,672
Cash flows provided by investing activities	<u>3,623,978</u>	<u>6,161,662</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Issuance of common shares	-	386,650
(Decrease) increase in advance from Tata Steel	(687,128)	1,524,053
Cash flows (used) provided by financing activities	<u>(687,128)</u>	<u>1,910,703</u>
Net increase (decrease) in cash and cash equivalents	<u>(2,594,192)</u>	<u>4,328,310</u>
Cash and cash equivalents, beginning of period	<u>5,392,697</u>	<u>964,965</u>
Cash and cash equivalents, end of period	<u><u>2,798,505</u></u>	<u><u>5,293,275</u></u>

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)

September 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 ended September 30, 2015.

New Millennium Iron Corp.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

September 30, 2015

(Expressed in Canadian Dollars)

3 - USE OF ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

In performing the impairment test on the long-term investment in Tata Steel Minerals Canada Ltd. ("TSMC"), management included the dilution of the Company's ownership of TSMC (Note 8) and the following key assumptions:

- Cost of capital that is used for the current market rate of return;
- Market price of iron ore;
- Payments of dividends by TSMC;
- US dollar exchange rate; and
- Internal and external factors that may impact production and logistics.

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, 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 July 1, 2018. If adopted today, this new standard will have no impact on the unaudited condensed interim financial statements given that the Company has not generated any revenue from its mining activities.

New Millennium Iron Corp.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

September 30, 2015

(Expressed in Canadian Dollars)

4 - STANDARDS ISSUED BUT NOT YET EFFECTIVE (continued)

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.

5 - SHORT-TERM INVESTMENTS

At September 30, 2015, investments are comprised of GIC's as follows:

Carrying Value \$	Maturity	Interest Rate (per annum)
15,207,202	Between October 2015 and June 2016	Between 1.40% and 1.70%

At December 31, 2014, investments are comprised of GIC's as follows:

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

6- TAX CREDITS AND MINING DUTIES

During 2014, the 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 Due from Tata Steel.

The provincial government's interpretation of the expenditures also resulted in the Company receiving mining duties from the Ministère 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.

New Millennium Iron Corp.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

September 30, 2015

(Expressed in Canadian Dollars)

7 - 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 2016. 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 condensed interim 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).

8 - LONG-TERM INVESTMENTS

Long-term investments consist of the following amounts:

	September 30, 2015 \$	December 31, 2014 \$
Long-term investment, TSMC	31,542,605	31,542,605
Conversion of loan receivable, TSMC	5,404,579	-
	<u>36,947,184</u>	<u>31,542,605</u>
Impairment of long-term investment, TSMC	<u>(26,798,589)</u>	<u>-</u>
	10,148,595	31,542,605
Loan receivable, TSMC (Note 15)	-	5,129,773
	<u>10,148,595</u>	<u>36,672,378</u>

Long-term Investment, TSMC: The investment in 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 represented its estimated initial fair value. The investment initially represented a 20% ownership in TSMC. In order to maintain this ownership level, NML was 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 received requests for equity cash calls totalling \$82.4 million, approved by TSMC's Board of Directors, to fund certain expenses for the DSO and Howse projects operated by TSMC. The Company decided not to fund these cash calls which resulted in a dilution of the Company's interest in TSMC, as follows:

- a) The ownership interest of the Company in TSMC was diluted from 20% to 6%.
- b) The loan receivable in the amount of \$5,404,579 was converted into equity of TSMC. This equity contribution forms part of the Company's shareholding of 6% described above.
- c) DSO properties (975 claims) with a book value of Nil were transferred to TSMC.

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8 - LONG-TERM INVESTMENTS(continued)

This agreement covers the first \$1,001,500,000 of funding required by TSMC. Should TSMC require funding in excess of this amount, the Company will be required to contribute a pro-rata share in order to maintain its 6% ownership interest.

Management performed an impairment test on its long-term investment in TSMC. The test resulted in the carrying amount of the investment exceeding the estimated recoverable amount and as such an impairment of \$26,798,589 was recorded.

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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 September 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	43,608	43,608	-	-	-	-	-	32,296,174	32,208,958
Resource evaluation	828,154	811,061	22,584	1,392	1,794	46,952	8,772	42,000,379	40,279,670
Environmental	292,694	261,863	-	-	-	-	-	19,716,896	19,162,339
Amortization of property and equipment	-	-	-	-	-	-	-	109,035	109,035
	1,164,456	1,116,532	22,584	1,392	1,794	46,952	8,772	94,122,484	91,760,002
Tax credits and mining duties	-	12,900	-	-	(655)	-	(3,274)	(12,905,623)	(12,914,594)
Tata Steel payment	(709,132)	(751,844)	-	-	-	-	-	(22,663,750)	(21,202,774)
	(709,132)	(738,944)	-	-	(655)	-	(3,274)	(35,569,373)	(34,117,368)
Balance, at September 30, 2015	29,138,913	17,716,754	5,101,662	5,084,169	2,472,038	1,327,478	342,410	61,183,423	60,239,629

New Millennium Iron Corp.

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9 - MINERAL EXPLORATION AND EVALUATION ASSETS (continued)

Overview

The Company holds interests in 2,471 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 2,471 claims held, the Company does not foresee any future economic benefit from 510 claims, which have no book value.

The table below represents the remaining 1,961 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]	-	80 [37.8 km ²]	404 [192.9 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]	98 [42.3 km ²]	1,961 [582.2 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.

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9 - 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.

New Millennium Iron Corp.

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9 - 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 September 30, 2015, NML has received \$27,810,000 (December 31, 2014 - \$27,810,000) from Tata Steel on account of the option. At September 30, 2015, \$22,663,750 has been recorded as a reduction of the expenditures capitalized for the mineral exploration and evaluation assets, \$1,460,976 during the nine months ended September 30, 2015 (September 2014 - \$1,184,672). An additional \$7,212,199 has been recorded as a reduction of general and administrative expenses, \$1,292,100, during the nine months ended September 30, 2015 (September 2014 - \$1,291,275). The amount receivable of \$2,065,949 at September 30, 2015, is recorded as 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.

10 – DUE TO NNK TRUST

The Company is liable to pay NNK Trust a proportion of dividends received from TSMC that relates to the mining during that year on DSO properties that the Company purchased from NNK Trust and subsequently sold to TSMC.

Based upon management's estimated cash flows from the TSMC investment, management revised its estimates of payments to NNK based on the most recent information available and determined that the revised estimated cash flow to be nil. Consequently, the company adjusted the financial liability to reflect the revised estimated cash flow and the adjustment of \$285,324 is reflected in the Condensed Interim Consolidated Statement of Comprehensive Loss.

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

New Millennium Iron Corp.

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11 – EQUITY (continued)

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.

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

	9 month period ended September 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	(2,968,500)	0.90	(458,000)	0.39
Forfeited	(1,400,000)	1.51	(1,085,000)	0.94
Balance, end of period	<u>12,098,000</u>	<u>1.54</u>	<u>16,466,500</u>	<u>1.42</u>
Options exercisable, end of period	<u>11,624,583</u>	<u>1.60</u>	<u>12,788,500</u>	<u>1.68</u>

The share-based payments expensed during the nine-month period ended September 30, 2015 was \$450,079 (2014 - \$1,848,969) and is included in general and administrative expenses.

12 - INFORMATION INCLUDED IN CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS

	3 months ended September 30		9 months ended September 30	
	2015 \$	2014 \$	2015 \$	2014 \$
Employee benefit expense				
Wages, salaries and other short-term benefits	592,594	591,734	2,128,000	1,967,856
Defined contributions	14,975	27,194	40,876	81,836
Stock-based payments	<u>41,983</u>	<u>414,193</u>	<u>379,279</u>	<u>1,485,877</u>
Employee benefit expense	<u>649,552</u>	<u>1,033,121</u>	<u>2,548,155</u>	<u>3,898,661</u>
Other elements of expenses				
Depreciation of property and equipment	<u>14,859</u>	<u>22,781</u>	<u>59,360</u>	<u>45,333</u>

New Millennium Iron Corp.

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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 September 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 September 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 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, 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.

Over the past nine 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.

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

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.

The Company is also exposed to credit risk relating to its receivable 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:

	9 months ended September 30, 2015 \$	9 months ended September 30, 2014 \$
Sales taxes, other receivables and prepaid expenses	269,349	(271,198)
Trade and other payables	(325,319)	316,699
Due from Tata Steel	(2,065,949)	-
	<u>(2,121,919)</u>	<u>45,501</u>

During the nine month period, the loan receivable from TSMC increased by \$274,806 (September 2014 - \$344,837) from interest earned, with the total loan amount of \$ 5,404,579 being converted into equity in TSMC. Subsequently, management impaired its long-term investment in TSMC in the amount of \$26,798,589 (Note 8).

Included in trade and other payables is an amount of \$1,483,452 (September 30, 2014 - \$1,215,735) pertaining to additions to mineral exploration and evaluation assets. Included in the cash flows used by deposits on contracts is \$114,859 (September 30, 2014 - \$87,338) pertaining to mineral exploration and evaluation assets.

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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
Tata Steel	26.2% shareholder of NML	Advances
NNK Trust	20% Partner in LLP	Advances

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.

	September 30, 2015 \$	December 31, 2014 \$
<u>Condensed Interim Consolidated Statement of Financial Position</u>		
Mineral exploration and evaluation assets	364,548	264,439
	9 months ended September 30, 2015 \$	9 months ended September 30, 2014 \$
<u>Consolidated Net Loss and Comprehensive Loss</u>		
Service fee revenue	-	23,148
General and administrative expenses	692,509	692,543
Investment income	274,806	344,837

Amounts due to and from related parties are unsecured, non-interest bearing and due on demand.

Other receivable related to advances to TSMC and service fees charged to TSMC at September 30, 2015 was \$1,907,327 (December 31, 2014 – \$2,042,318).

Accounts payable related to the above transactions at September 30, 2015 were \$1,032,769 (December 31, 2014 – \$696,215).

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

New Millennium Iron Corp.

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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.

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 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 entered into long-term operating leases for premises and equipment and consulting agreements amounting to \$831,000 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	355,000	256,000	611,000
1 to 5 years	157,000	63,000	220,000
Over 5 years	-	-	-
	512,000	319,000	831,000