Advancing Production in the Labrador Trough

Mineral Resources Review
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Robert Patzelt, Q.C., President and CEO
Forward Looking Statements and Other Legal Matters

This Presentation 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 Presentation contains forward looking statements relating to future opportunities, business strategies, mineral exploration, development and production plans and competitive advantages.

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

By their very nature, forward looking statements involve inherent risks and uncertainties (both general and specific) and risks that forward looking statements will not be achieved. Undue reliance should not be placed on forward looking statements, as a number of important factors could cause the actual results to differ materially from the beliefs, plans, objectives, expectations and anticipations, estimates and intentions expressed in the forward looking statements, including among other things:

- Inability of the Corporation to continue meet the listing requirements of stock exchanges and other regulatory requirements, general economic and market factors, including business competition, changes in government regulations or in tax laws;
- general political and social uncertainties;
- commodity prices;
- the actual results of exploration, development or operational activities;
- changes in project parameters as plans continue to be refined;
- accidents and other risks inherent in the mining industry;
- lack of insurance;
- delay or failure to receive board or regulatory approvals;
- changes in legislation, including environmental legislation, affecting the Corporation;
- timing and availability of external financing on acceptable terms;
- conclusions of, or estimates contained in, feasibility studies, pre-feasibility studies or other economic evaluations;
- and lack of qualified, skilled labour or loss of key individuals.

Readers are cautioned that the foregoing list is not exhaustive.

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

Dean Journeaux, Eng., is the Qualified Person as defined in National Instrument 43-101 who has reviewed and verified the scientific and technical mining disclosure contained in this Presentation.
NML at a Glance

• Multiple product sourcing opportunity for steelmakers globally, not a one product, one market story.

• Among the world’s largest holders of certified iron ore resources

• Strategic partnership with Tata Steel brings strength and market stability.

• Highly experienced and innovative management team with understanding of Labrador Trough ores.

• Starter DSO Project that is producing and shipping.

• Positive Feasibility Study results for large-scale Taconite Project.

• Sustainable development and long-standing relationships with our communities.
Strategic Partner with Captive Iron Ore Need

- One of the world’s largest steel companies and part of India’s premier business group.
- Building strategic production base in Canada
- Aiming to provide low cost feed for its European operations, which require ~20 Mtpy of iron ore
- Owns 26.2% of NML, has 3 Board members from most senior ranks and is partner in both DSO and Taconite projects.
Market Context

Steel and Iron Ore

- Global steel demand and production continue to grow, although softness in capacity utilization is likely to trigger restructuring.
- Rate of increased production in China is lower, but continued urbanization and higher standard of living will boost demand for steel-contained products.
- Other markets, such as the Middle East, are also driving demand, while Europe is showing signs of recovery.
- More steel is being made via the Electric Arc Furnace (EAF), stimulating demand for Direct Reduced Iron (DRI).
- Iron ore market remains volatile, as evidenced by price movements thus far in 2014.
- Trend toward Improved ore quality in iron making has kept pellet premium high through the period of falling prices.

Capital Markets

- Poor investor sentiment towards mining sector is well known and choking off access to capital for juniors.
- Major concern in iron ore is falling prices stemming from slowing Chinese growth and increasing supply.
- Demonstrating competitiveness of the Labrador Trough is a further issue.
Canada: Attractive, but with Challenges

**Advantages**

- Plays a relatively small, but important role in seaborne market
- Large resource base capable of servicing both BF and DRI iron making requirements
- Workforce experienced with mining, beneficiating, and commercializing lower-grade ores
- Well-established support network for mining industry
- Stable political environment

**Disadvantages**

- Combination of climate and remote sites
- Primarily lower Fe ores that are costlier to commercialize
- Distant supplier to China – the largest iron ore market
- Lower cost competition from Australia and Brazil
Evolution of the Labrador Trough

**1950s, 1960s & 1970s**
- Development period due to need for captive supply
- QNS&L opens up the Trough
- Port of Sept-Îles provides global market reach
- Power projects meet the demand
- IOC starts up and expands
- Pelletizing comes of age
- Enter Carol Lake, QCM and Wabush

**1980s & 1990s**
- Contraction/consolidation
- Closure of Schefferville, Fire Lake and Lac Jeanine
- Start of transition from mainly steel industry to more merchant ownerships

**2000s & 2010s**
- China steel boom tightens global iron ore supply -- renewed interest in captive projects in the Trough
- Expansion and new production

Map: RBC Capital Markets
Continued Global Interest in the Labrador Trough

Source: Company announcements
Canada initially produced direct shipping ores (DSO) from the Menihek/Schefferville area.
It is now mainly a supplier of iron ore concentrates and pellets.
Miners have over time successfully adapted to the changing needs of global steelmakers.
Acid BF pellets were the original saleable product.
Followed by Fluxed pellets and DR grade pellets.
Canadian concentrates are especially valued for their low phosphorus and alumina content.
DSO is back in the mix.
As ore grades from the major suppliers deteriorate, Canadian material is viewed as a sweetener.
Canada is also among the few sources of seaborne pellets for a rapidly growing DRI industry.
Specialized Market Opportunities Across The Globe

**Americas**
- Competitive access to Great Lakes, Caribbean and new DRI capacity in US Gulf

**Europe**
- Core market for pellets and PF at Tata Steel Europe works
- Pellet consumption structurally increasing
- Larger merchant requirement

**MENA**
- EAF steel growth with low cost natural gas and limited local scrap supply
- Major center of pellet-based DRI production

**Asia/Pacific**
- High usage of Australian ore creating demand for better chemistry from Canada
- Demonstrated by investments in the Trough
- Increasing Chinese demand for higher quality raw materials

[Map and related text content]
DSO Project: Progress and Momentum

2010
• Formation of Tata Steel Minerals Canada joint venture (80% Tata/20% NML) as owner – operator.

2011
• Dedication of 4.2 Mtpy processed ore project, site preparation and start of construction.
• Drilling program increases NI 43-101 compliant resources.

2012
• Construction of landmark dome and framework begins.
• Initial mining, crushing and screening to produce saleable ore.
• Drilling program further increases Project’s compliant resources.

2013
• Continued trial production and start of rail haulage of ore to Port of Sept-Îles.
• Formation of joint venture to develop Howse Deposit.
• Trial cargoes to Tata Steel Europe and China.
• Project rerated to 6.0 Mtpy.

2014
• Sales of direct ship ore.
• Final stage of processing plant construction and equipment installation.
• Progress on logistics chain with completion of KéRail spur and civil work for multi-user dock at Sept-Îles.
DSO Project: Moving Forward

• Processing plant completion and commissioning – Targeting March 2015
• Ramp-up of combined product streams to annualized 6 Mtpy rate in 2015.
• Completion of the logistics chain to establish direct and cost-effective connection from production site to new multi-user dock.
• Outcome of Howse Deposit studies
Taconite Project: A Major Growth Opportunity

• Binding Heads of Agreement Signed with Tata Steel in March 2011.

• Feasibility study of LabMag* and KéMag deposits:
  - Budget of $50 million;
  - Jointly managed and cost shared: Tata Steel 64%, NML 36%.

• Positive techno-economic results announced.

• Very large scale comparable to that of Canada’s existing producers, with planned annual output of 23 Mtpy of pellets and concentrate:
  - Tata Steel Europe expected to be significant in-house consumer;
  - Remaining output will be for other partners and merchant sales.

• Project opportunity approaches to potential investors and off-takers

• Progressing government and environmental agendas to make Project investor and lender ready

*Naskapi Nation of Kawawachikamach owns 20% of LabMag
Project Assumptions

- Production of 23 million metric tonnes per year ("Mtpy") of premium saleable products

- Pellet production consists of 12 Mtpy of low silica (2.5% SiO₂) blast furnace ("BF") grade fluxed pellets and 5 Mtpy of direct reduction ("DR") grade pellets with 1.8% SiO₂.

- 6 Mtpy of pellet feed containing > 69.0% Fe and 2.2% SiO₂.


- Product prices FOB Port, adjusted for ocean freight and quality: Pellet Feed US$90.00 per tonne ("t"), BF grade Pellets US$116.61/t and DR grade Pellets US$126.86/t.

- Exchange rates for cost and revenue estimates: US$0.90 and € 0.71 per CAD$1.00.

- Accuracy of cost estimates is considered to be ±15%.
## Feasibility Study Results: March 2014

<table>
<thead>
<tr>
<th></th>
<th>LabMag</th>
<th>KéMag</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Capex - Mine &amp; Process</strong>¹</td>
<td>5,012</td>
<td>5,227</td>
</tr>
<tr>
<td><strong>Capex – Infrastructure</strong>²</td>
<td>2,737</td>
<td>3,012</td>
</tr>
<tr>
<td><strong>Production cost per tonne of concentrate</strong></td>
<td>$43.03</td>
<td>$42.55</td>
</tr>
<tr>
<td><strong>Production cost per tonne of pellet</strong>³</td>
<td>$52.22</td>
<td>$51.59</td>
</tr>
<tr>
<td><strong>Finance Lease for Infrastructure Cost per tonne of product</strong>⁴</td>
<td>$12.50</td>
<td>$14.17</td>
</tr>
<tr>
<td><strong>Project IRR (before tax, 100% equity)</strong></td>
<td>18.2%</td>
<td>17.5%</td>
</tr>
<tr>
<td><strong>Payback before tax at 100% equity (years after production start)</strong></td>
<td>4.9</td>
<td>4.9</td>
</tr>
<tr>
<td><strong>NPV @ 8% before tax (100% equity)</strong></td>
<td>5,838</td>
<td>5,262</td>
</tr>
<tr>
<td><strong>Proven+Probable Reserves (million tonnes)⁵</strong></td>
<td>3,410</td>
<td>1,891</td>
</tr>
<tr>
<td><strong>Mine life (estimated years based on total low silica reserves)⁶</strong></td>
<td>39</td>
<td>22</td>
</tr>
</tbody>
</table>

¹ Costs of major mining equipment and power transmission line are not included in capex, but servicing costs are in the cash cost
² Consists of slurry transportation ferroduct and product storage and reclaiming system are to be financed on the basis of long term debt
³ Average cash costs per tonne based on a total production of 23 million tonnes of pellets and pellet feed. Conversion cost of pellets is estimated at $11.12/t.
⁴ Cost of servicing the annuity assumed at 7% interest for 25 years
⁵ Does not include 523 and 493 million tonnes of proven and probable reserves in LabMag and KéMag respectively due to higher silica content at a cut-off of 4%
⁶ Mine life increases to 42 years and 25 years for LabMag and KéMag respectively if additional reserves are included and if mined concurrently or in succession, to a combined life of 61 years
Simple Geology and State-of-the-Art Equipment

- Magnetic taconite similar to Minnesota’s Mesabi Range.
- Shallow, near surface ore body with low stripping ratio.
- Open pit mineable with minor overburden and internal waste.
- High Pressure Grinding Rolls (HPGR) replace SAG mills, resulting in substantial energy savings.
- Large-scale and most technologically advanced pelletizing equipment.
Cost Effective Logistics

- Well established slurry transportation solution used globally in various climactic conditions.
- Gives Taconite Project competitive alternative to rail.
- New multi-user loading dock at Port of Sept-Îles will handle full range of vessel classes and optimize water transportation cost to all markets.
- NML together with TSMC have 40% of Phase I capacity.
Serving a Growing Demand for Pellets in BF and DR Ironmaking

Higher Productivity achieved through:
- Uniform quality
- Higher purity
- Higher strength
- Lower fines generation

Addresses environmental concerns:
- Sinter plants under pressure
- Use of pellets in BF iron making reduces coke consumption and emissions
- Pellet usage in China has increased as government implements pollution controls

Increased consumption due to mine depletion & ore degradation:
- Mine systems depleting
- Impurities rising
- More 'ultra-fines' generated
- Lower sinter plant productivity

New demand from DRI-based EAF steelmaking:
- Lack of quality scrap
- Access to natural gas or coal
- EAF mills able to produce larger range of products
- Growth in the US and MENA

Source: Wood Mackenzie, April 2013; NML market contacts
Taconite Project Next Steps

- Further steps required to bring favourable techno-economic Feasibility Study results to bankable standard as defined in the Heads-of-Agreement.

- Parallel work pathways for doing so include project selection, environmental approvals, community consultation and partner search.

- Confirm interest in financing concept with infrastructure separate from mine and process.

- Investor and lender readiness then enables Tata Steel board of directors’ consideration of investment in Project.
Millennium Iron Range: A Huge Iron Ore District

- 210 km long Millennium Iron Range is comparable to Minnesota’s Mesabi Iron Range in the US
- Resources large enough to potentially produce for over 100 years
- Potential for additional projects in the future due to a large resource base.

Largest holder of certified resources in North America

<table>
<thead>
<tr>
<th>Category (M tonnes)</th>
<th>KéMag</th>
<th>LabMag</th>
<th>Exploration Properties</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proven</td>
<td>1,347</td>
<td>2,980</td>
<td>-</td>
</tr>
<tr>
<td>Probable</td>
<td>794</td>
<td>565</td>
<td>-</td>
</tr>
<tr>
<td>Measured + Indicated</td>
<td>307</td>
<td>1,045</td>
<td>14,541</td>
</tr>
<tr>
<td>Inferred</td>
<td>1,014</td>
<td>1,151</td>
<td>5,542</td>
</tr>
</tbody>
</table>

Fe Grade (average) 31.3% KéMag 29.5% LabMag 30.6%

* Lac Ritchie, Sheps Lake, Perault Lake, Howells Lake and Howells River North

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Conclusion: Let’s Pull Together

• New opportunities have presented themselves for the Labrador Trough
• Numerous challenges exist for each company and project
• The market environment is highly competitive
• Our projects can generate benefits in the form of direct and indirect jobs, royalties, taxes and community improvements
• Sustainable development is a top priority
• Cooperation among all constituents is a critical success factor:
  – Governments
  – Mining companies
  – Logistics providers
Thank You

TSX : NML
OTCQX : NWLNF
www.NMLiron.com

First Shipment from the DSO Project – September 2013