



## NEWS RELEASE 12-24

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### NEW MILLENNIUM IRON CORP. UPDATE ON ITS DIRECT SHIPPING ORE PROJECT AND PRODUCTION PLANS TO INCREASE TO 6 MTPY

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#### Not for Distribution to US newswire services or dissemination in the United States

CALGARY, Alberta, Canada (Marketwire – October 23, 2012) – New Millennium Iron Corp. (“NML” or the “Corporation”) (TSX: NML) announced today that ore production of sinter fine products, by Tata Steel Minerals Canada Limited (“TSMC”), a joint venture between Tata Steel Limited and NML, is progressing well, with approximately 250,000 tonnes of production to date. The ore is grading over 63% Fe, and is being processed in a portable dry crushing and screening circuit before shipping (see news release 12-22 dated September 12, 2012). It is estimated that 300,000 tonnes will be produced in 2012. The installation of the dome structure is currently in progress. TSMC is on track to produce 2.0 million tonnes (“mt”) in 2013 and to produce 4.2 mt per year (“mtpy”) of sinter and super fines in 2014. TSMC is also developing plans to increase production to 6 mtpy in 2015 to maximize the use of the current facilities.

Dean Journeaux, President and CEO of NML, said: “We are at an important milestone in the Company’s history with the beginning of stripping in August and ore production in September of this year. This will allow TSMC to prepare the mines to feed the processing plant next year. We are very pleased that TSMC has decided to proceed with this interim step in order to ensure an orderly start-up of production in 2013. TSMC’s plans for a potential increase in capacity are also an important step for the future”.

#### 2012 Production Plan:

TSMC has received necessary mining permits from the Government of Newfoundland and Labrador to mine the deposits located in the Timmins area, close to the processing plant. A portable dry crushing and screening plant is in operation. Contracts have been awarded for drilling and blasting as well as mining and hauling the ore to the plant and to load rail cars.

The operation will continue until end October 2012 when about 250,000 tonnes of sinter fines and 50,000 tonnes of lump ore are expected to be produced. Mine development will continue through winter to meet the production requirement for the next year.

#### Project’s Progress:

TSMC advises that the DSO Project is on track to produce 2.0 mt in 2013. Most of the necessary agreements are in place, and development and construction activities are on-going to achieve the estimated production targets of 4.2 mtpy by Q4, 2013 and 6 mtpy in 2015, as summarized below:

- MOU regarding the rail tariff with TSH. TSMC has invested \$4.0 million for the track rehabilitation program in 2011. Another \$4.5 million is being invested in 2012,
- QNS&L transportation agreement concluded,
- Agreement reached with KéRail, an independent operator, for 20 km spur from the plant yard limit to Schefferville,
- Five hundred and five ore cars delivered (100 t capacity),
- Use of deep water dock to be constructed in Sept-Îles to ship 5 mtpy, for which TSMC has agreed to invest \$12M,
- Construction of the dock has commenced,
- Awarded contracts for drilling, blasting, mining, operation of screening plant and transportation of the products to the rail yard for shipment,

- Start of delivery and installation of the major process equipment in Q4, 2012 and remainder in Q1 & Q2, 2013,
- Start of commissioning of the equipment in Q3, 2013,
- Negotiations are underway to conclude interim transportation arrangements for the last leg of the logistics chain between Arnaud Junction near Sept-Îles to the Port of Sept-Îles' existing terminal at Pointe-Noire until the deep water dock is available, expected in mid-2014.

### **Capital Cost Estimate:**

During the feasibility study, (as of February 2011), the gross capital outlay for the Project, including leasing and financing, was estimated at US\$ 428.5 million (or C\$475 million at that time) for 4 mtpy of products (see news release 10-02 dated February 25, 2010). TSMC's current estimate to complete the Project to produce 4.2 mtpy of sinter and super fines is about C\$560 million including estimated requirements for working capital, and escalation but excluding estimated requirements for equipment leasing and mine closure rehabilitation.

The cost increases can be largely attributed to the following major factors: changes in the project's scope, unexpected soil conditions, steel fabricated dome structure, increased EPCM cost, and increased cost of construction. Cost escalation expected to complete the project has now been included for inputs such as equipment, fuel and construction costs. NML will be required to contribute 20% of the equity portion relating to the initial capital costs in excess of \$300 million, or approximately \$16 million. The Project is expected to be financed with 30% equity and 70% debt.

### **About New Millennium**

The Corporation controls the emerging Millennium Iron Range, located in the Province of Newfoundland and Labrador and in the Province of Quebec, which holds one of the world's largest undeveloped magnetic iron ore deposits. In the same area, the Corporation and Tata Steel Limited, one of the largest steel producers in the world, are advancing a DSO Project to near term production. Tata Steel Limited owns approximately 26.5% of New Millennium and is the Corporation's largest shareholder and strategic partner.

Tata Steel exercised its exclusive option to participate in the DSO Project and has a commitment to take the resulting production (see news release 10-16 dated September 14, 2010). The DSO Project is owned and operated by TSMC, which in turn is 80% owned by Tata Steel and 20% owned by NML. The DSO project contains 64.1 million tonnes of Proven and Probable Mineral Reserves at an average grade of 58.8% Fe, 21.0 million tonnes of Measured and Indicated Mineral Resources at an average grade of 59.2% Fe, 10.3 million tonnes of Inferred Resources at an average grade of 58.3% Fe and about 25.0 - 30.0 million tonnes of historical resources that are not currently in compliance with NI 43-101 (see news release 09-03 dated February 11, 2009, news release 09-05 dated March 4, 2009, news release 09-16 dated December 9, 2009, news release 10-12 dated July 8, 2010 and news release 12-14, dated May 31, 2012). 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.

The Millennium Iron Range currently hosts two advanced projects: LabMag contains 3.5 billion tonnes of Proven and Probable reserves at a grade of 29.6% Fe plus 1.0 billion tonnes of Measured and Indicated 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 (see news release 06-13 dated July 5, 2006 and news release 07-11 dated July 17, 2007); KéMag contains 2.1 billion tonnes of Proven and Probable reserves at an average grade of 31.3% Fe, 0.3 billion tonnes of Measured and Indicated 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 (see news release 09-01 dated January 16, 2009). Tata Steel also exercised its exclusive right to negotiate and settle a proposed transaction in respect of the LabMag Project and the KéMag Project (see news release 11-09 dated March 6, 2011).

The Millennium Iron Range now hosts another taconite deposit, Lac Ritchie located at its north end. The initial 2011 drilling of 40 holes in this property revealed Indicated Resources of 3.330 billion tonnes at an average grade of 30.3% Fe and 1.437 billion tonnes of Inferred Resources at 30.9% Fe (see news release NR 12-11, dated April 02, 2012)

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

For further information, please visit [www.NMLiron.com](http://www.NMLiron.com), [www.tatasteel.com](http://www.tatasteel.com), [www.tatasteelcanada.com](http://www.tatasteelcanada.com), and [www.tatasteeleurope.com](http://www.tatasteeleurope.com).

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

### **Forward-Looking Statements**

This document may contain "forward-looking statements" within the meaning of Canadian securities legislation and the United States Private Securities Litigation Reform Act of 1995. These forward-looking statements are made as of the date of this document and the Corporation does not intend, and does not assume any obligation, to update these forward-looking statements.

Forward-looking statements relate to future events or future performance and reflect management of the Corporation's expectations or beliefs regarding future events and include, but are not limited to, statements with respect to the estimation of mineral reserves and resources, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital expenditures, success of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative of these terms or comparable terminology.

By their very nature forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Corporation to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, risks related to actual results of current exploration activities; changes in project parameters as plans continue to be refined; future prices of resources; possible variations in ore reserves, grade or recovery rates; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; as well as those factors detailed from time to time in the Corporation's interim and annual financial statements and management's discussion and analysis of those statements, all of which are filed and available for review on SEDAR at [www.sedar.com](http://www.sedar.com). Although the Corporation has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward looking statements.

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