NEW MILLENNIUM IRON CORP.

SECOND QUARTER REPORT 2018

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**",** or "the Company**"**) for the interim three and six-month periods ended June 30,2018 should be read in conjunction with the Company's unaudited condensed interim financial statements and related notes for the period ended June 30, 2018, and the audited consolidated financial statements and MD&A for the years ended December 31, 2017 and 2016.*

This MD&A, together with the 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.

READER ADVISORY

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 meeting 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 ("NI 43-101"), a Qualified Person (as such term is defined under NI 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.

OVERVIEW OF BUSINESS

NML is a Canadian iron ore exploration, evaluation and development company with an extensive property position called the Millennium Iron Range ("MIR") in Canada's principal iron ore district, the Labrador Trough, straddling the Province of Newfoundland and Labrador and the Province of Quebec, in the Menihek Region around Schefferville, Quebec. The Company's project areas are connected via a well-established, heavy-haul rail network to the Port of Sept-Îles, Quebec.

Tata Steel Limited ("Tata Steel"), a global steel producer and industry leader, owns approximately 26.2% of the Company and is the Company's largest shareholder.

NML has a 4.32% interest in Tata Steel Minerals Canada Ltd. ("TSMC"), which is owner and operator of a direct shipping ore ("DSO") project near Schefferville. The DSO project produces and ships sinter fines. Subsidiaries of Tata Steel and the Quebec Government's financing arm, Investissement Québec, own the remainder of TSMC.

Beyond TSMC, the Company offers further development potential through a group of seven, NI 43-101 compliant, long-life taconite properties capable of producing high quality pellets and pellet feed to service the requirements of steel makers with either blast furnace or direct reduced iron making operations. Two of these deposits – LabMag and KéMag – were the subject of large-scale development feasibility studies carried out by the Company and Tata Steel and published in March 2014.

With these feasibility study results as a foundation, the Company optimized its taconite development strategy through the design of a smaller market entry initiative called the NuTac Project, for which a NI 43-101 prefeasibility study was carried out and published in June 2016.

In the currently challenging market environment for new iron ore projects, NML has implemented cash conservation measures, while protecting its mineral claims and iron ore development positioning.

MINERAL EXPLORATION AND EVALUATION ASSETS

Overview

The Company holds interests in 1,267 claims distributed among taconite iron ore properties in Newfoundland and Labrador ("NL") and Québec. Within this large position, the Company does not foresee any future economic benefit from 56 non-strategic claims in NL and Quebec and expects to allow these to lapse when due for renewal.

Table 1 below represents the remaining 1,211 claims with potential economic benefit, while Table 2 below shows NML's prominent NI 43-101 compliant resource holdings not only for LabMag and KéMag, but also the other important MIR deposits presented, for which exploration drilling and analysis has been effectively completed. The expenditures incurred to date on each of the Company's Taconite properties are presented in Table 3 below.

Table 1
NML – Summary of Mineral Claims

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	-	-	122 [30.5 km^2]	217 [54.3 km^2]	-	-	18 [4.5 km^2]	357 [89.3 km^2]
	LLP	256 [64 km^2]	-	145 [36.3 km^2]	-	-	157 [39.3 km^2]	-	558 [139.5 km^2]
Québec	NML	-	171 [80.9 km^2]	-	-	97 [47.0 km^2]	-	28 [12.1 km^2]	296 [140.0 km^2]
Total		**256** [64 km^2]	**171** [80.9 km^2]	**267** [66.8 km^2]	**217** [54.3 km^2]	**97** [47.0 km^2]	**157** [39.3 km^2]	**46** [16.6 km^2]	**1,211** [368.8 km^2]

Note: 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 interest in LLP.

Although the Company has taken steps to verify title to the mining properties in which it holds an interest in accordance with industry practices 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.

Table 2
NML – Millennium Iron Range Taconite Properties

Property	Reserves and Resources Category, Million Tonnes		
	Proven & Probable	Measured & Indicated	Inferred
KéMag	2,384		1,007
LabMag	3,933	388	1,063
Howells Lake-Howells River North		7,631	3,310
Sheps Lake		1,967	289
Perault Lake		1,612	507
Lac Ritchie		3,330	1,437
Total	6,317	14,928	7,613

Notes: 1) 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. 2) The cut-off used to report these resources is minimum 18% Davis Tube Weight Recovery.

Table 3
NML – Cumulative Costs Incurred on Taconite Properties

Property	Cumulative Expenditures
KéMag	$18,520,000
LabMag	29,090,000
Howells Lake-Howells River North	5,110,000
Sheps Lake	1,350,000
Perault Lake	5,090,000
Lac Ritchie	2,480,000
Total	$61,640,000

Note: These expenditures are net of tax credits, mining duties and Tata Steel's option payments on the Taconite Projects.

NML TACONITE STUDIES

The taconite deposits controlled by NML have similar characteristics in terms of geology, mineralogy and metallurgical properties. Each is a long-life property with inherently low alumina and phosphorus that can yield high quality saleable products with the same processing technologies. Similar taconite ores in the United States have been a principal source of iron ore pellets for steelmakers since the 1950s.

Two of NML's deposits have been comprehensively assessed for their technical and commercial development potential through several studies discussed below. These are the KéMag deposit at Lac Harris, Québec, about 50 km to the northwest of Schefferville, QC, and the LabMag deposit at Howells River, NL, in the Menihek region of western Labrador, bordering Québec and also near Schefferville. Management believes these project studies provide sufficiently detailed technical and economic criteria and analysis for discussions with third parties interested in the next stage of development.

Other taconite deposits controlled by the Company and explored to NI 43-101 compliance are also presented in this section.

NuTac Project Initiative

The NuTac pre-feasibility study ("PFS"), a 2016 NI 43-101 technical report, is a re-scoping of previous mining processing work (see ***The Taconite Project*** section below). The PFS is designed for a project to produce 8.7 million tonnes of concentrate, and manufacture pellets through a plant located at Pointe-Noire, Quebec, with 9 million tonnes of annual capacity. The PFS concept is a pellet project sized and costed for market entry when conditions permit.

Pre-Feasibility Study Results

In June 2016, NML announced the results of its NuTac Project initiative begun in September 2015 to examine a further range of options for development of the MIR taconite properties, together with the use of existing and planned infrastructure for rail haulage, stockpiling and shiploading. NuTac responded to the changed macroeconomic environment for iron ore and resulted in an alternative to the Taconite Project as a development concept.

Under NuTac, a PFS reviewed all development aspects of each of NML's taconite deposits, including resources, location, ownership, jurisdictional considerations, market potential and historical work, and the KéMag deposit, in which NML holds a 100% interest, was selected for base case analysis, although other deposits also showed attractive development potential.

The NuTac initiative thus produced a re-scoped project development plan for KéMag in the form of a lower capital cost project servicing mainly the growing pellet segment of the iron ore market.

Whereas the Taconite Project evaluated the mining of the LabMag and/or KéMag deposits followed by the production of ~23 million tonnes per year (“Mtpy”) of concentrate at the mine site and its transportation in slurry form via a buried pipeline to a pellet plant at Sept-Îles, resulting in an overall saleable product mix of ~17 Mtpy of pellets and ~6 Mtpy of concentrate, NuTac targets the production of ~9 Mtpy of pellets. The sale of fine-sized iron ores, such as concentrate or pellet feed, was not central to the NuTac business plan, but there would be flexibility to adapt if warranted by market demand.

A NI 43-101 Technical Report (“Report”) on NuTac confirmed by Qualified Persons in their respective fields and stating the highlights of the PFS results for the NuTac Project initiative was filed on SEDAR on July 21, 2016. The effective date of the Report was June 9, 2016, and there were no material differences between the PFS results announced earlier and those contained in the Report.

In Management’s view, the NuTac PFS shows a solid project outcome targeting the high-quality segment of the iron ore market, based on the established resource identification and processing technology available from earlier studies, along with balanced assumptions. While no decisions on further work have been made, the PFS defines the next engineering, permitting and financing steps required to advance the development of KéMag, thereby adding to the NML Board’s range of options when considering opportunities to monetize NML’s significant taconite assets.

The Taconite Project

On March 6, 2011, the Company signed a Binding Heads-of-Agreement (“Binding HOA”) with Tata Steel Global Minerals Holdings PTE Ltd. (“Tata Steel”) in respect of potential development projects for the LabMag Property and the KéMag Property (collectively referred to as the “Taconite Project”). Under the Binding HOA, Tata Steel participated in a feasibility study to evaluate the potential development of these projects and has the option to own an 80% interest should there be a project outcome.

Each of the LabMag and KéMag deposits could support a large-scale iron ore concentrating and pelletizing complex comparable to that of existing Labrador Trough producers and become a source of saleable product qualities capable of servicing iron making through either the blast furnace or direct reduction route. Recognizing the macro-economic situation poses challenges for development of the Taconite Project as currently conceived in the HOA, NML and Tata Steel intend to review the terms of the HOA.

Other Properties

Howells Lake and Howells River North

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. (“SGS”) to provide a NI 43-101 compliant resource estimation. SGS provided a combined resource estimation report for the Howells Lake and Howells River North Properties.

Sheps Lake

The Sheps Lake Property is located in NL, south of the LabMag property and is approximately 20 km south-west of Schefferville. NML carried out drilling in 2011 and 2012. SGS provided a NI 43-101 compliant resource estimation.

Perault Lake

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 drilling program. Based on the results of the drilling, SGS provided a NI 43-101 compliant mineral resource estimation.

Lac Ritchie

The Lac Ritchie Property is located approximately 134 km northwest of Schefferville and approximately 70 km northwest of the KéMag deposit in Québec. NML conducted Phase 1 drilling in 2011. Based on the results of drilling, SGS provided a NI 43-101 compliant Technical Report on the mineral resource estimates for the property.

GENERAL CORPORATE AFFAIRS

Liquidity Measures

In 2017, NML accelerated the combination of cash conservation measures and new investment strategies aimed at eventually making the Company at a minimum cash flow neutral. These measures increasingly took effect as the year progressed and have stabilized the Company's finances. At the end of Q2 2018, NML held approximately $14.5 million in cash and investments, and had overall working capital of $14.5 million. The Company's business priorities such as claims management, essential administration and regulatory matters are being successfully carried out by a small management team.

Assignment of Portion of PSI Contract Capacity

On April 19, 2018, NML announced that it had entered into binding agreements with the Sept-Îles Port Authority ("PSI") and Tacora Resources Inc. ("Tacora") under which a portion of the Company's multi-user wharf capacity will be sold to Tacora in conjunction with Tacora's planned re-start of the Scully Mine located near the town of Wabush, Newfoundland and Labrador. The agreements call for Tacora to purchase the rights to 6.5 million tonnes of the 15 million tonnes of annual wharf capacity reserved by NML in the July 2012 contract with the PSI, along with the associated rights and obligations, shipping rates and other terms in the July 2012 contract.

Total consideration is comprised of $4 million payable to NML on the closing date and further payments to NML of $0.10 per tonne shipped by Tacora through the Port facilities over a 20-year period following the close of the transaction.

The transaction is subject to Tacora completing its project financing activities now in progress and customary conditions precedent being satisfied, including execution of other product handling agreements and obtaining necessary legal and regulatory documentation. Upon confirmation that all conditions precedent are met, which must occur on or prior to August 30, 2018, NML and Tacora will have a 15 day period in which to complete the sale.

Other than the reduction in NML's annual wharf capacity to 8.5 million tonnes, there will be no change to NML's existing arrangements with the PSI regarding the rights and shipping rates related to the remaining reserved capacity.

The multi-user wharf became operational in the first quarter of 2018 and is actively loading Capesize vessels for the seaborne iron ore market.

Annual General Meeting Board Election Results

NML's Annual General Meeting (the "Meeting") of Shareholders was held June 13, 2018, in Montreal.

Management had seven nominees under consideration for election, being Sandip Biswas, Dibyendu Bose, Chanakya Chaudhary, Mario Caron, W. Scott Leckie, Daniel P. Owen and Dean Journeaux. All were elected and Mr. Caron continues as Chairman of the Board of NML.

Also, at the Meeting, shareholders approved a resolution re-appointing MNP LLP as auditors of the Company.

Appointment of New Corporate Secretary

In keeping with the centralization of NML's management activities, Mr. Pascal de Guise, a Montreal-based partner in the law firm of Borden Ladner Gervais, was appointed Corporate Secretary, effective June 13, 2018. Mr. De Guise's specialties include Business, Commercial and Corporate Law, Mining Law and Securities Law. He regularly acts for issuers of securities on the Toronto Stock Exchange and the TSX Venture Exchange. Mr. De Guise received a LL.B degree and a Graduate Diploma in North American Law, both from the University of Montréal.

TSMC's DSO PROJECT

NML has a 4.32% interest in TSMC, which is owner and operator of a direct shipping ore ("DSO") project near Schefferville, Quebec. The DSO project is in ramp-up stage and produces and ships sinter fines. Subsidiaries of Tata Steel and the Quebec Government's financing arm, Investissement Québec, own the remainder of TSMC.

TSMC ships to Tata Steel Europe and customers in China from a well-established, seasonal crushed and screened DSO product stream. The 2018 operating season began in June and one cargo of approximately 161,000 tonnes was shipped.

TSMC later this year expects to complete its enclosed beneficiation plant that, when fully operational, will increase the DSO Project's scale while adding higher quality fines to the saleable product mix (see ***Market Review*** section page 15).

During the second quarter, TSMC received federal environmental approval for development of its Howse ore deposit, which is strategically located near TSMC's beneficiation facilities.

NML is not active in either the management or operations of TSMC and will only derive revenue from the DSO Project when TSMC is in a dividend-paying position, which cannot be predicted at this time.

In conformance with a new accounting standard for the classification and measurement of financial assets effective January 1, 2018, NML has begun to measure its investment in TSMC at fair value (see ***Financial Condition*** section below). The new accounting standard calls for the fair value to be calculated and reported quarterly. A discounted cash flow model was used incorporating TSMC's business assumptions and other factors to arrive at the estimated present value of net cash flow available for projected dividends to the Company as an equity investor. The discounted cash flow model and the related business assumptions and other factors, which include market conditions and are more fully described in Note 3 of the 2017 audited consolidated financial statements, are reviewed quarterly.

With the change in accounting policy, the Company had a recorded value of $10,149,000 on December 31, 2017 which on January 1, 2018 was reduced by $1,099,000 to $9,050,000. Subsequently, due to the quarterly reviews of the fair value, the Company reduced the carrying value of its investment in TSMC by an additional $486,000 for the six months ended June 30, 2018 to $8,564,000.

FINANCIAL CONDITION

The following discussion of the Company's financial performance is based on the unaudited Condensed Interim Consolidated Financial Statements as of June 30, 2018 ("financial statements") set forth herein. As discussed in Note 3 to the financial statements, they are prepared in accordance with International Accounting Standards 34, Interim Financial Reporting, as issued by the IASB.

These financial statements should be read in conjunction with the Company's December 31, 2017 audited consolidated financial statements ("FYE 2017").

On January 1, 2018, the Company initially applied the requirements of IFRS 9 Financial Instruments. The main impact of this change as described in Note 2 of the financial statements relates to the long-term investment in TSMC which was previously accounted for at cost less impairment charges and now will be measured at fair value. This change has resulted in the Company recognizing a $1,099,000 reduction in the carrying value of the investment as of January 1, 2018 which has been recognized in the opening deficit as at January 1, 2018.

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

The unaudited Interim Consolidated Statement of Financial Position as of June 30, 2018 indicates cash of $3,824,000, marketable securities of $10,674,000, sales taxes, other receivables and prepaid expenses of $54,000, resulting in total current assets of $14,552,000, an increase of $911,000 from FYE 2017. The non-current assets are comprised of due from Tata Steel of $1,763,000, long-term portion of tax credits and mining duties receivable of $4,841,000, long-term investment in TSMC of $8,564,000 and property and equipment of $343,000. The total assets are $30,063,000 which is a decrease of $677,000 from FYE 2017.

The Company's current liabilities at June 30, 2018 consist of its trade and other payables of $60,000, a decrease of $104,000 from FYE 2017. Non-current liabilities consist of long-term trade and other payables of $717,000 and mining duties payable of $1,373,000 resulting in a total of $2,090,000, an increase of $93,000 from FYE 2017 for total liabilities of $2,150,000, which is a decrease of $21,000 from FYE 2017. Equity attributable to shareholders of the Company is $27,675,000, a decrease of $656,000 from FYE 2017, and is comprised of share capital of $177,585,000, contributed surplus of $22,432,000, accumulated other comprehensive income of $974,000, less the deficit of $173,316,000. The non-controlling interest of $238,000 relates to LabMag Limited Partnership whose main property is the LabMag Property and remains unchanged from FYE 2017, for a total equity of $27,913,000.

During the quarter the Company's cash and investment income were used to pay for its trade and other payables. With the Company's operating expenses more than offset by the combined investment income and increases in the market value of the marketable securities and fair value of the fixed rate investments, the Company's current assets and working capital increasing during the period. This increase was offset by the overall reduction recorded in the fair value of the long-term investment in TSMC such that the Company's total assets declined from FYE 2017.

The operating results for the six months ended June 30, 2018 and 2017 are as follows:

	2018	2017
	$	$
Investments		
Investment income	391,000	293,000
Change in value of marketable securities and investments	555,000	(1,322,000)
	946,000	(1,029,000)
Expenses		
General and administrative	514,000	1,111,000
Mineral exploration and evaluation	(9,000)	6,000
	505,000	946,000
Income (loss)	441,000	(1,975,000)
Income (loss) per share - basic and diluted	0.00	(0.01)

The results were positive for the period as the Company's marketable securities generated higher investment income and increased in value during the period compared to a reduction in the corresponding period, and in addition there was a significant reduction in the Company's operating expenses due to the Company's cash conservation measures.

The comparative general and administrative expenses by nature of expenditure for the six months ended June 30, 2018 and 2017 are summarized below:

	Six-months ended June 30,	
	2018	2017
	$	$
Consulting, legal and professional fees	324,000	449,000
Directors' fees	62,000	183,000
Salaries, wages and benefits	-	130,000
Rental costs	26,000	105,000
General office, listing and filing fees	85,000	80,000
Communications and trade associations	13,000	22,000
Travel and meals	4,000	16,000
Depreciation	-	6,000
	514,000	991,000
Restructuring costs	-	120,000
Total general and administrative expenses	514,000	1,111,000

The Company's cash conservation measures are evident in the continued reduction of the Company's general and administrative expenses as virtually all categories had significant declines on a comparative basis to the previous year.

Summary of Quarterly Results

The following table sets out selected unaudited quarterly financial information of the Company for the eight quarters ended June 30, 2018. This information is derived from unaudited quarterly financial statements prepared by management. The Company's unaudited condensed interim consolidated financial statements are prepared in accordance with IFRS and are expressed in Canadian dollars.

	Jun-18	**Mar-18**	**Dec-17**	**Sept-17**	**Jun-17**	**Mar-17**	**Dec-16**	**(Restated)** [(2)] **Sept-16**
Investment Income	203,000	188,000	191,000	184,000	177,000	116,000	49,000	47,000
Net Income (Loss)	(423,000)	(109,000)	(37,967,000) [(3)]	944,000	(649,000)	(1,326,000)	(1,184,000)	(331,000)
Comprehensive Income (Loss)	(117,000)	559,000	(37,967,000) [(3)]	944,000	(649,000)	(1,326,000)	(1,184,000)	(331,000)
Income (Loss) per Share[(1)]	(0.00)	(0.00)	(0.21)	0.01	(0.00)	(0.01)	(0.01)	(0.00)

(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) Restatement relates to the change in accounting policy detailed in December 31, 2016 audited consolidated financial statements.

(3) Includes the impairment of the Company's other assets in the amount of $38,503,000.

Second Quarter Results

	Three-months ended June 30	
	2018	2017
	$	$
Investments		
Investment income	203,000	177,000
Change in value of marketable securities and investments	(1,000)	(496,000)
	202,000	(319,000)
Expenses		
General and administrative	319,000	501,000
Mineral exploration and evaluation	1,000	(171,000)
	320,000	330,000
Loss	(118,000)	(649,000)
Loss per share - basic and diluted	(0.00)	(0.00)

The comparative general and administrative expenses by nature of expenditure, are summarized below:

	Three-months ended June 30, 2018	Three-months ended June 30, 2017
	$	$
Consulting, legal and professional fees	215,000	211,000
Directors' fees	31,000	67,000
Salaries, wages and benefits	-	39,000
Rental costs	13,000	49,000
General office, listing and filing fees	54,000	43,000
Communications and trade associations	2,000	6,000
Travel and meals	4,000	9,000
	319,000	424,000
Restructuring costs	-	77,000
Total general and administrative expenses	319,000	501,000

For the second quarter of 2018 versus the same period in 2017, normal general and administrative expenses decreased by $105,000. The primary reasons for the overall decrease in expenses were: in 2018, director fees decreased by $36,000 and salaries, wages and benefits decreased by $39,000 as the Company eliminated its payroll in the second quarter of 2017. These cost decreases were part of the Company's overall cost cutting initiatives that resulted in decreases in virtually every component of general and administrative expenses.

Use of Accounting Estimates and Judgments

Please refer to Note 3 of the 2017 audited consolidated financial statements for an extended description of the information concerning the Company's significant judgments, estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses.

Changes in Accounting Policies Including Initial Adoption

On January 1, 2018, the Company initially applied the requirements of IFRS 9 Financial Instruments as described in Note 2 of the financial statements.

Standards Issued but Not Yet Effective

The information is provided in Note 5 of the 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 2017 audited consolidated financial statements.

Financial Risk Management, Objectives and Policies

In the normal course of operations, the Company is exposed to various financial risks. Please refer to Note 13 of the financial statements for an extended description of the Company's financial risk management, objectives and policies.

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 to its shareholders. The Company's definition of capital includes all components of shareholders' equity. In order to meet its objectives, the Company monitors its capital structure and makes adjustments as required in light of changes in economic conditions and the risks characteristics of the underlying assets. These objectives will be achieved by identifying the right investments, including 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 common shares or securities convertible or exercisable into common shares. No changes were made in the objectives, policies and processes for managing capital during the interim period ending June 30, 2018. The Company is not subject to any externally imposed capital requirements.

Liquidity and Capital Resources

Working Capital

Working capital at June 30, 2018 of $14,492,000 represents an increase of $1,025,000 from the FYE 2017 total of $13,467,000. This increase in working capital is mainly due to the increase in the fair value of the Company's marketable securities.

The Company's working capital has been invested in cash, guaranteed investment certificates with relatively short maturities that are guaranteed by Canadian Federal and Provincial governments or their crown corporations, debentures of a public corporation and equity investments in public corporations. These investments have been classified as current assets. The Company intends to use a portion of its cash and investment income to fulfill assessment work required to maintain claims and pay corporate operating expenses.

Capital Expenditures

There were $Nil of acquisitions of property and equipment during the first six months of 2018 and 2017.

Capital Resources

At June 30, 2018, NML has paid up capital of $177,585,000 (FYE 2017 - $177,585,000) representing 181,054,000 (FYE 2017 – 181,054,000) common shares, contributed surplus of $22,432,000 (FYE 2017 - $22,432,000) a deficit of $173,316,000 (FYE 2017 - $171,686,000) and accumulated other comprehensive income of $974,000 (FYE 2017 - $Nil) resulting in total equity attributable to shareholders of the Company of $27,675,000 (FYE 2017 - $28,331,000). In addition, there is a non-controlling interest of $238,000 (FYE 2017 – $238,000) resulting in total equity of $27,913,000 (FYE 2017 - $28,569,000).

Transactions with Related Parties

Please refer to Note 15 of the financial statements for a summary of the Company's transactions with related parties and the related period end balances.

Commitments and Contingencies

Please refer to Note 17 of the financial statements for a summary of the Company's commitments and contingencies.

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 as at June 30, 2018.

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.

Management, including the CEO and CFO, does not expect that our internal controls and procedures over financial reporting will prevent all error and all fraud. A control system can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Due to the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts, by collusion of two or more people, or by management override of the control. The design of any system of controls is partially based upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving our stated goals under all potential future conditions. Due to the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

An evaluation was carried out, under the supervision of the CEO and the CFO, of the design and operating effectiveness 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 as at June 30, 2018, using the criteria set forth in the 2013 Internal Control Integrated Framework issued by the Committee of Sponsoring Organizations (COSO) of the Treadway Commission.

Changes to Internal Control over Financial Reporting

No changes were made to our internal control over financial reporting during the quarter ended June 30, 2018, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

DISCLOSURE OF OUTSTANDING SHARE DATA

The following information relates to share data of the Company.

1. Share capital

(a) Authorized:
Unlimited number of common voting shares.
Unlimited number of preferred shares, without nominal or par value, issuable in series.

(b) Issued as of June 30, 2018: The Company has 181,054,146 common shares issued ($177,584,512).

(c) Issued as of May 9, 2018: The Company has 181,054,146 common shares issued ($177,584,512).

2. Options

The Company has 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.

As of August 8, 2018, there were 995,000 common shares reserved for issuance pursuant to the exercise of stock options (June 30, 2018 - 995,000) as follows:

Number of Outstanding Options	**Exercise Price**	**Expiry Date**
970,000	$0.44	May 21, 2019
25,000	$0.31	September 2, 2019

MARKET REVIEW

According to the World Steel Association's ("WSA") statistics released July 26, 2018, world crude steel production in its 64 reporting countries was 881.5 million metric tons ("Mt") for the first six months of 2018, which represented an increase of 4.6% over the first half of 2017.

The major steel producing regions each showed increases for the first half of 2018: Asia – 5.2%; The EU – 1.6%; North America – 2.4%; and the C.I.S. – 2.8%.

The overall reporting countries' crude steel capacity utilization rate in June 2018 was 78.5%, which was 3.8% higher than June 2017 and a 1.0% improvement over May 2018. Steel industry profitability remains good and the WSA expects global steel consumption to increase this year and next, although trade uncertainties persist.

The iron ore price as measured by the 62% Fe Fines CFR North China was mostly in the ~US$65 per tonne range during the second quarter, down from ~US$75 per tonne for most of the first quarter, but the pricing story continues to center on the premium commanded by high-quality fine ore. In June, the 65% Fe grade averaged ~US$24 per tonne higher than the 62% Fe grade. Low alumina ore is also increasingly valued for its favorable impact on blast furnace productivity.

The price premiums for pellets, both for blast furnace grades in the Atlantic region and for the direct reduction pellet grade, remain strong due to continuing supply side tightness.

BUSINESS RISKS

The Company is engaged in the exploration evaluation and development of mineral properties. These activities involve a high degree of risk which, even with a combination of experience, knowledge and careful evaluation, may not be overcome. Consequently, no assurance can be given that commercial quantities of minerals will be successfully found or produced.

The Company has no history of profitable operations and its present business is at an early stage. As such, the Company is subject to many common risks to such enterprises, including under-capitalization, cash shortages and limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that the Company will be successful in achieving a positive return on shareholders' investment. The Company has no source of operating cash flow and no assurance that additional funding will be available to it for further exploration and development of its projects when required. Although the Company has been relatively successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and development of its properties.

The Company has determined a project construction and operation plan based on best available knowledge and with certain assumptions that will enable it to initiate work and enter into contracts. Events outside the control of the Company, such as funding or permit approvals as examples, may adversely affect these plans and result in delays for construction and for start of operations.

The Company's property interests are located in remote, undeveloped areas and the availability of infrastructure such as surface access, skilled labour, fuel and power at an economic cost, cannot be assured. These are integral requirements for exploration, development and production facilities on mineral properties. Power will need to be generated on site. Due to its location, weather events may cause disruptions or other difficulties in operations.

Certain of the Company’s properties are located in the Province of Newfoundland and Labrador and therefore subject to its mining legislation, which may require that primary processing be done within the province in order to obtain mining rights. Furthermore, provincial and federal legislators may enact laws or budgets that have a negative impact on this project or on the mining industry as a whole.

The Company seeks to include First Nations participation in its projects and expects to enter into agreements with these First Nations. Although such agreements are not mandatory, failure to agree may result in disruption to the project execution or operations.

Volatile market conditions for resource commodities, including iron ore, have resulted in a dramatic decrease in market capitalization and the inability of companies to acquire funding for their exploration and development properties. An extended period of poor macro-economic conditions could lead to an inability of the Company to finance future operations.

Inflation has not been a significant factor affecting the cost of goods and services in Canada in recent years; however renewed exploration and development activity may result in a shortage of experienced technical staff, and heavy demand for goods and services needed by the mining community.

The mineral industry is intensely competitive in all its phases. NML competes with many other mineral exploration companies with greater financial resources and technical capacity.

The Company invests in debentures and equity instruments of public companies and consequently the Company’s investments are exposed to all the business and market risks of the investees as well as the volatility of interest rates and the liquidity of the specific debentures on the market or at maturity. There is no certainly that the Company will be able to realize the full value of its investments should funds be required or at maturity.

The price of iron ore and other commodities reflects the aforementioned market volatility. The purchase of securities of the Company involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks. The Company's securities should not be purchased by persons who cannot afford the possibility of the loss of their entire investment. Furthermore, an investment in securities of the Company should not constitute a major part of an investor's portfolio.

In recent years securities markets have experienced extreme price and volume volatility. The market price of securities of many early stage companies have experienced fluctuations in price which may not necessarily be related to the operating performance, underlying asset values or prospects of such companies. It may be anticipated that any market for the Company's shares will be subject to market trends generally and the value of the Company's shares on the Toronto Stock Exchange may be affected by such volatility.

In order to develop the DSO Project to commercial production or to finance operations, additional third-party financing may be required and there is no assurance that such financing will be available on reasonable commercial terms, or at all. The Company may receive additional cash calls from TSMC to invest additional amounts of equity or debt in TSMC to fund capital and/or operating costs of TSMC. If the cash calls cannot be met, the 4.32% interest of the Company in TMSC may be diluted further.

The success of the Company is very dependent upon the personal efforts and commitment of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Company could result, and other persons would be required to manage and operate the Company.

In the normal course of the Company's business, NML may become involved in, named as a party to, or be the subject of, various legal proceedings, including regulatory proceedings, tax proceedings and legal actions, related to the personal injuries, property damage, property tax, the environment and contract disputes. The outcome of outstanding, pending or future proceedings cannot be predicted with certainty and may be determined adversely to the Company and as a result, could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

Additional risk factors are contained in the Company's Annual Information Form for the Financial Year ended December 31, 2017, which is dated March 29, 2018 and filed on SEDAR at www.sedar.com.

ADDITIONAL INFORMATION

For further information, please visit www.NMLiron.com, www.tatasteel.com, www.tatasteelcanada.com, and the Company's profile on SEDAR.

Mr. H. 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 MD&A.

New Millennium Iron Corp.

Unaudited Condensed Interim Consolidated Financial Statements
June 30, 2018

Financial Statements

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3 (3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by, and are the responsibility of the Company's management.

The unaudited condensed interim consolidated financial statements of New Millenium Iron Corp. as at June 30, 2018 and for the three-month and six-month periods ended June 30, 2018 and 2017, have not been reviewed by the Company's external auditors.

/S/Ernest Dempsey	/S/Mark Freedman
Chief Executive Officer	Chief Financial Officer

New Millennium Iron Corp.
Condensed Interim Consolidated Statement of Comprehensive Loss
(Unaudited)
Six months ended June 30, 2018 and 2017
(Expressed in Canadian Dollars)

	3 months ended June 30		6 months ended June 30	
	2018	2017	2018	2017
	$	$	$	$
Revenue	–	–	–	–
Expenses				
General and administrative (Note 11)	317,635	501,483	513,691	1,111,018
Mineral exploration and evaluation	1,428	(170,739)	(9,108)	(165,102)
	319,063	330,744	504,583	945,916
Loss before under noted Items	(319,063)	(330,744)	(504,583)	(945,916)
Investment income	202,981	177,522	391,405	293,399
Change in market value of marketable securities (Note 2)	153,952	(496,200)	67,092	(1,322,600)
Change in fair value of long-term investment (Note 9)	(461,000)	–	(486,000)	–
Net loss	(423,130)	(649,422)	(532,086)	(1,975,117)
Other comprehensive income				
Change in fair value of fixed rate investments (Note 2)	306,600	–	974,300	–
Comprehensive income (loss)	(116,530)	(649,422)	442,214	(1,975,117)
Attributable to:				
Non-controlling interest	–	–	–	–
Shareholders of the parent Company	(116,530)	(649,422)	442,214	(1,975,117)
Loss per share - basic and diluted	(0.00)	(0.00)	0.00	(0.01)
Weighted average number of shares outstanding	181,054,146	181,054,146	181,054,146	181,054,146

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

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

(Unaudited)
(Expressed in Canadian Dollars)

	June 30, 2018	December 31, 2017
	$	$
ASSETS		
Current assets		
Cash	3,823,753	986,920
Marketable securities (Note 6)	10,673,844	12,590,342
Sales taxes, other receivables and prepaid expenses (Note 15)	54,412	63,950
	14,552,009	13,641,212
Non-current assets		
Due from Tata Steel (Notes 7 and 15)	1,763,137	1,763,137
Tax credits and mining duties receivable (Note 8)	4,840,454	4,843,790
Long-term investment (Notes 2 and 9)	8,564,000	10,148,595
Property and equipment	343,371	343,371
Total assets	30,062,971	30,740,105
EQUITY AND LIABILITIES		
LIABILITIES		
Current liabilities		
Trade and other payables (Note 15)	60,163	174,241
Non-current liabilities		
Trade and other payables (Note 15)	716,527	623,202
Mining duties payable (Note 8)	1,373,490	1,373,490
	2,090,017	1,996,692
Total liabilities	2,150,180	2,170,933
EQUITY		
Share capital (Note 10)	177,584,512	177,584,512
Contributed surplus	22,432,336	22,432,336
Deficit	(173,316,708)	(171,686,027)
Accumulated other comprehensive income	974,300	–
Equity attributable to shareholders of the parent Company	27,674,440	28,330,821
Non-controlling interest	238,351	238,351
Total equity	27,912,791	28,569,172
Total liabilities and equity	30,062,971	30,740,105

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

These condensed interim consolidated financial statements were approved and authorized for issue by the Board of Directors on August 8, 2018 and signed on their behalf by:

/S/Mario Caron
Director

/S/Dean Journeaux
Director

New Millennium Iron Corp.
Condensed Interim Consolidated Statement of Changes in Equity
(Unaudited)
Six Months ended June 30, 2018 and 2017
(Expressed in Canadian Dollars)

	Share Capital					Total Attributable to	Non	
	Number of Shares Issued and Fully Paid	Amount $	Contributed Surplus $	Deficit $	Accumulated Other Comprehensive Income $	**Shareholders of the parent Company $**	Controlling Interest $	**Total Equity $**
Balance at January 1, 2017	**181,054,146**	**177,584,512**	**22,432,336**	**(132,688,577)**	**–**	**67,328,271**	**238,351**	**67,566,622**
Net loss	–	–	–	**(1,975,117)**	**–**	**(1,975,117)**	**–**	**(1,975,117)**
Balance at June 30, 2017	**181,054,146**	**177,584,512**	**22,432,336**	**(134,663,694)**	**–**	**65,353,154**	**238,351**	**65,591,505**
Balance at January 1, 2018	**181,054,146**	**177,584,512**	**22,432,336**	**(171,686,027)**	**–**	**28,330,821**	**238,351**	**28,569,172**
IFRS 9 transition adjustment (Notes 2 and 9)				**(1,098,595)**		**(1,098,595)**		**(1,098,595)**
Adjusted balance at January 1, 2018	**181,054,146**	**177,584,512**	**22,432,336**	**(172,784,622)**	**–**	**27,232,226**	**238,351**	**27,470,577**
Net loss and comprehensive income	–	-	–	**(532,086)**	**974,300**	**442,214**	**–**	**442,214**
Balance at June 30, 2018	**181,054,146**	**177,584,512**	**22,432,336**	**(173,316,708)**	**974,300**	**27,674,440**	**238,351**	**27,912,791**

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

New Millennium Iron Corp.
Condensed Interim Consolidated Statement of Cash Flows
(Unaudited)
Six months ended June 30, 2018 and 2017
(Expressed in Canadian Dollars)

	2018	2017
	$	$
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	(532,086)	(1,975,117)
Adjustments for:		
Depreciation of property and equipment	–	5,931
Markdown of Investments to market value	(67,092)	1,322,600
Change in fair value of long-term investment	486,000	–
Investment income	(391,405)	(293,399)
Gain on disposal of property and equipment	–	(17,264)
	(504,583)	(957,249)
Net change in working capital items (Note 14)	(104,540)	(866,334)
Cash flows provided by (used by) operating activities	(609,123)	(1,823,583)
CASH FLOW FROM INVESTING ACTIVITIES		
Redemption of investments	5,519,574	9,569,962
Purchase of investments	(2,583,892)	(6,636,300)
Net interest received	381,697	207,757
Dividends received	31,916	–
Proceeds from disposal of property and equipment	–	20,000
Tax credits and mining duties received	3,336	738,902
Cash flows provided by investing activities	3,352,631	3,900,321
CASH FLOW FROM FINANCING ACTIVITIES		
Increase in long-term trade and other payables	93,325	-
Cash flows provided by financing activities	93,325	-
Net increase in cash	2,836,833	2,076,738
Cash, beginning of period	986,920	2,219,293
Cash, end of period	3,823,753	4,296,031

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

1 – GOVERNING STATUTES AND NATURE OF OPERATIONS

The current principal activities of New Millennium Iron Corp. ("the Parent Company") and its subsidiaries ("the Company" or "NML") are the exploration, evaluation and development 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 1000 Sherbrooke Street West, Suite 1120, Montreal, Quebec, H3A 3G4 and its head, registered and records office is 520 3rd Avenue SW, Suite 1900, Calgary, Alberta, T2P 0R3.

2 – CHANGE IN ACCOUNTING POLICY

Adoption of new accounting standard, IFRS 9 Financial Instruments

On January 1, 2018, the Company initially applied the requirements of International Financial Reporting Standards ("IFRS") 9 Financial Instruments, which introduces new requirements for the classification and measurement of financial assets. IFRS 9 requires all recognised financial assets to be measured at amortized cost or fair value in subsequent accounting periods following initial recognition. Specifically, financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the outstanding principal are measured at amortized cost at the end of subsequent accounting periods. If the business model's objective is achieved by both collecting the contractual cash flows and selling the underlying financial asset, the financial asset is measured at fair value at the end of subsequent accounting periods, with any changes taken through other comprehensive income. All other financial assets including equity investments are measured at their fair values at the end of subsequent accounting periods, with any changes taken through profit and loss or other comprehensive income depending on certain criteria. The requirements for classification and measurement of financial liabilities largely carried forward existing requirements in International Accounting Standard ("IAS") 39 Financial Instruments – Recognition and Measurement, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss would generally be recorded in other comprehensive income. IFRS 9 also amends the requirements with respect to hedge accounting, and introduces a single, forward-looking expected loss impairment model.

The Company's financial instruments are accounted for as follows under IFRS 9 as compared to the Company's previous policy in accordance with IAS 39.

Financial asset/liability	IAS 39	IFRS 9
Cash	Amortized cost	Fair value through profit or loss
Marketable securities: - Equities - Fixed rate investments	 Fair value through profit or loss Fair value through profit or loss	 Fair value through profit or loss Fair value through other comprehensive income

2 – CHANGE IN ACCOUNTING POLICY (continued)

Financial asset/liability	IAS 39	IFRS 9
Other receivables	Amortized cost	Amortized cost
Due from Tata Steel	Amortized cost	Amortized cost
Long-term investment, TSMC	Cost less impairment charges	Fair value through profit or loss
Trade and other payables, except sales tax payable	Amortized cost	Amortized cost

For interim financial reports prepared in accordance with IAS 34, IFRS 9 does not require application of its requirements to interim periods prior to the date of initial application if it is impracticable to do so. Consequently, the Company has not restated any of the amounts that were originally reported for the comparative interim period.

Under IFRS 9, an investment in an equity instrument that was previously accounted for at cost and that does not have a quoted price in an active market for an identical instrument shall be measured at fair value at the date of initial application. Consequently, the Company has determined the fair value of its long-term investment in TSMC (see Note 9) to be $9,050,000 as at January 1, 2018. The $1,098,595 difference between the previous carrying value and the fair value has been recognized in the opening deficit of the current interim period.

IFRS 9 changes to the requirements for hedge accounting had no impact on the Company’s financial statements as the Company does not use hedge accounting.

The adoption of the expected credit loss impairment model did not have a significant impact on the Company’s financial statements.

3 – SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These unaudited condensed interim consolidated financial statements have been prepared using accounting policies consistent with IFRS and in accordance with IAS 34 Interim Financial Reporting. The unaudited condensed interim consolidated financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the annual audited consolidated financial statements for the year ended December 31, 2017 as they follow the same accounting policies and methods of application, except as discussed in Note 2.

Basis of presentation

The unaudited 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.

3 – SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of measurement

The unaudited condensed interim consolidated financial statements are prepared using the historical cost basis, except for certain financial instruments that are recognized at fair value. These unaudited 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.

4 – USE OF ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the unaudited condensed interim consolidated financial statements requires management to undertake a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from these judgments and estimates. These estimates and judgments are based on management's best knowledge of the events or circumstances and actions the Company may take in the future. The estimates are reviewed on an ongoing basis. Information about the significant judgments, estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses are discussed in Note 3 of the Company's 2017 annual financial statements and are still applicable for the period ended June 30, 2018.

5 – STANDARDS ISSUED BUT NOT YET EFFECTIVE

At statement date, several new standards, amendments to standards and interpretations have been issued but are not yet effective. Accordingly, they have not been applied in preparing these unaudited 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 unaudited condensed interim 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 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 16 Leases

IFRS 16 replaces IAS 17 Leases and related interpretations. The core principle is that a lessee recognizes assets and liabilities for all leases with a lease term of more than 12 months. A lessee is required to recognize a right of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Assets and liabilities arising from a lease are initially measured on a present value basis. The measurement includes non-cancellable lease payments (including inflation-linked payments) and includes payments to be made in optional

New Millennium Iron Corp.
Notes to Condensed Interim Consolidated Financial Statements
(Unaudited)
June 30, 2018
(Expressed in Canadian Dollars)

5 – STANDARDS ISSUED BUT NOT YET EFFECTIVE (continued)

periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. The new standard is intended to provide a faithful representation of leasing transactions, in particular those that do not currently require the lessees to recognize an asset and liability arising from an operating lease. IFRS 16 is effective for annual periods beginning on January 1, 2019, with early adoption permitted for entities that would also apply IFRS 15 Revenue from Contracts with Customers. The Company has yet to assess the impact of IFRS 16 on its consolidated financial statements. However, no existing Company leases will be in effect when this IFRS becomes effective.

IFRIC 23 Uncertainty Over Income Tax Treatments

Issued by the IASB in June 2017 and provides guidance as to when it is appropriate to recognize a current tax asset when the taxation authority requires an entity to make an immediate payment related to an amount in dispute. This interpretation applies for annual reporting periods beginning on or after January 1, 2019. Management has not yet considered the impact of adoption of this IFRIC.

6 – MARKETABLE SECURITIES

At June 30, 2018, marketable securities include:

Security	Carrying Value $	Face Value $	Maturity	Interest Rate on Face Value (per annum)
GIC	15,000	15,000	March 2019	0.55%
Senior unsecured notes	8,031,762	8,610,000	Between November 2021 and October 2025.	Between 7.50% and 8.00%
Equities	2,627,082			
	10,673,844			

New Millennium Iron Corp.
Notes to Condensed Interim Consolidated Financial Statements
(Unaudited)
June 30, 2018
(Expressed in Canadian Dollars)

6 – MARKETABLE SECURITIES (continued)

At December 31, 2017, marketable securities include:

Security	Carrying Value $	Face Value $	Maturity	Interest Rate on Face Value (per annum)
GIC's	5,045,261	5,024,132	Between February and October 2018	Between 0.55% and 1.62%
Senior unsecured notes	7,058,541	8,610,000	Between November 2021 and October 2025.	Between 7.50% and 8.00%
Equities	486,540			
	12,590,342			

7 – DUE FROM TATA STEEL

On March 6, 2011, the Company signed the Taconite Binding Heads of Agreement ("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 has participated in the development of the Company's feasibility study of these projects. In exchange for an option to own a portion of the Taconite Projects, Tata Steel will pay the Company an amount equal to 64% of the costs to complete the feasibility study. If Tata Steel exercises its option, then it will pay the Company 64% of the costs incurred prior to the feasibility study to advance the project(s).

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

As at June 30, 2018, NML has received $27,810,000 (December 31, 2017 - $27,810,000) from Tata Steel on account of the option. At June 30, 2018, $22,360,939 has been recorded as a reduction of mineral exploration and evaluation expenditures for which there was a $Nil reduction in the recovery in the period ended June 30, 2018 (period ended June 30, 2017 - $Nil). An additional $7,212,198 has been recorded as a reduction of general and administrative expenses, with $Nil recorded during the period ended June 30, 2018 (period ended June 30, 2017 - $Nil). The amount receivable at June 30, 2018 of $1,763,137 (December 31, 2017 - $1,763,137) was recorded as Due from Tata Steel. These advances are unsecured, non-interest bearing and the Company is currently in discussion with Tata Steel as to the expected payment date.

8 – TAX CREDITS AND MINING DUTIES

Revenu Québec ("RQ") has completed its audits of the 2011, 2012, 2013 and 2014 mining tax credit claims and the assessments reduced the Company's previously claimed mining tax credits by $4,700,000, mainly for work on the Taconite Feasibility Study. The Company prepared the claims based on its interpretation of the regulations and is vigorously contesting the assessments.

The Company had filed notice of objections ("NOO") relating to the denial of expenditures for 2011, 2012, 2013 and 2014 which RQ subsequently denied. The Company has filed an appeal with the Court of Quebec.

If the final outcomes of the claims are different from the amounts initially recorded, such difference will reduce the mining tax credits receivable with a related offset to mineral exploration and evaluation expenditures and the Due from Tata Steel.

The provincial government's interpretation of the expenditures also resulted in the Company receiving payments for mining duties from the Ministère des ressources naturelles for the 2011 and 2012 returns in excess of the amounts filed by the Company of $1,373,500. The Company recorded this excess amount as a liability to be consistent with its interpretation of the regulations in the above claims and, therefore, if the Company's interpretation is correct, expects that this amount will have to be repaid.

9 – LONG-TERM INVESTMENT

The long–term 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 transfer of the DSO properties, valued at $31,542,586. As a result, the Company owns 20 Class B shares with an original cost of $31,542,605, which represented its initial estimated fair value. The investment initially represented a 20% ownership in TSMC. 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.

In 2015, 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 and entered into negotiations with TSMC and Tata Steel which resulted in the Minutes of Settlement and Release dated October 2, 2015 ("2015 Dilution Agreement"). The 2015 Dilution Agreement resulted in the Company's ownership interest in TSMC being diluted from 20% to 6% and a loan receivable, which was an advance on the Howse project, in the amount of $5,404,579 was converted into equity of TSMC. This equity contribution formed part of the Company's shareholding of 6%.

The company took an impairment on its investment in TSMC as at December 31, 2015 in the amount of $26,798,589.

Subsequently, the Company received on June 22, 2016 an additional cash call from TSMC in the amount of $9.97 million which further diluted the Company's interest in TSMC to 5.15%.

On November 1, 2016, TSMC closed a transaction with Quebec government agencies for a $175 million investment comprised of a loan of $50 million, along with an equity investment of $125 million, which further diluted the Company's interest in TSMC to 4.32%.

(Expressed in Canadian Dollars)

9 – LONG-TERM INVESTMENT (continued)

The Company has determined the fair value of its investment in TSMC to be $9,050,000 as at January 1, 2018 (see Note 2). The $1,098,595 difference between the previous carrying value and the fair value has been recognized in the opening deficit of the current interim period (see Note 2).

At March 31, 2018, the Company determined that there was a $25,000 reduction in the fair value of the investment with an additional $461,000 reduction as at June 30, 2018, resulting in the fair value of its investment in TSMC being $8,564,000.

10 – EQUITY

SHARE CAPITAL

Authorized

Unlimited number of shares

Common shares, without nominal or par value

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

SHARE-BASED PAYMENTS

Stock options

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

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

	6-month period ended June 30, 2018		Year ended December 31, 2017	
	Number of outstanding options	Weighted average exercise price	Number of outstanding options	Weighted average exercise price
Balance, beginning of period	2,133,000	0.67	4,958,917	0.93
Expired	(1,024,000)	1.17	(1,605,000)	1.35
Forfeited	(114,000)	0.81	(1,220,917)	0.83
Balance, end of period	995,000	0.44	2,133,000	0.67
Options exercisable, end of period	995,000	0.44	2,133,000	0.67

There was no share-based payments expense during the six months ended June 30, 2018 (June 30, 2017 - $NIL) to be included in general and administrative expenses.

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10 – EQUITY (continued)

No options were granted or exercised during the six months ended June 30, 2018 (June 30, 2017 - NIL).

11 – INFORMATION INCLUDED IN THE CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	3-month period ended June 30		6-month period ended June 30	
	2018 $	2017 $	2018 $	2017 $
Employee benefit expense				
Wages, salaries and other short-term benefits	–	175,104	–	409,704
Defined contributions	–	3,070	–	9,337
Employee benefit expense	–	178,174	–	419,041
Other elements of expenses				
Depreciation of property and equipment	–	–	–	5,931

12 – INCOME TAXES

Deferred income taxes arise from temporary differences between accounting values and tax base values of various net capital assets of the Company. In assessing the reliability of future income tax assets, management considers whether it is more likely than not that some portion or all the future income tax assets will not be realized. As at June 30, 2018, the future tax benefits from the future income tax assets, which arose as a result of applying the losses and non-capital losses carried forward to taxable income, have not been recognized in these accounts due to uncertainty regarding their utilization.

13 – FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES

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

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

Exchange risk

The Company’s functional currency is the Canadian dollar and all its expenditures are transacted in Canadian dollars. As such, a $0.01 increase or decrease in the USD/CAD exchange rates would not have a material impact on net loss or equity at June 30, 2018.

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 quarter depending on the volume

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

of foreign transactions. Nonetheless, the analysis above is considered to be representative of the Company's exposure to exchange risk.

Interest rate risk

The GIC and Senior unsecured notes 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 sensitivity analysis is based on the Company's financial assets which bear interest at fixed or variable rates. A 0.1% increase or decrease in interest rates would not have a material impact on comprehensive loss or equity at June 30, 2018. 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 regularly 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 quarters, the Company has financed its working capital requirements and its exploration expense commitments through existing cash resources.

Credit risk

Cash and marketable securities are held through two Canadian chartered banks and their subsidiaries and an independent investment dealer with high quality external credit ratings.

The Company is also exposed to credit risk relating to its marketable securities, receivable from TSMC, Due from Tata Steel, and other receivables. This credit risk is minimized by reviews of the third parties' credit worthiness. The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets after deducting applicable allowances for loss recognized at the reporting date.

Market risk

The Company manages market risk by continually monitoring the ratings of its investees and overall market conditions.

The Company is exposed to the risk of changes in the fair value of its marketable securities and long-term investment resulting from change in the operations, results, and overall market ratings of the entities in which it is investing.

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14 – INFORMATION INCLUDED IN INTERIM CONSOLIDATED CASH FLOWS

The changes in working capital items are detailed as follows:

	6-month period ended June 30, 2018 $	6-month period ended June 30, 2017 $
Sales taxes, other receivables and prepaids	9,538	(181,185)
Trade and other payables	(114,078)	(917,505)
Due from Tata Steel	-	232,356
	(104,540)	(866,334)

15 – RELATED PARTY TRANSACTIONS

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

Related Party	**Nature of relationship**	**Nature of transaction**
Balance Consultants Inc.	Controlled by executive officer of the Company	Consulting
DLA Piper (Canada) LLP	Partnership of which a partner was the Corporate Secretary at the time of the transactions	Legal services
Ernest Dempsey	Executive Officer of the Company	Consulting
Nexia Friedman LLP	Partnership in which an executive officer is a partner	Consulting
Takota Asset Management Inc.	Company controlled by a Director	Advisory fees (in 2017 only)
Tata Steel	26.2% shareholder of NML	Advances
Borden Ladner Gervais	Partnership of which a partner was the Corporate Secretary at the time of the transactions	Legal services
TSMC	NML is a minority shareholder; TSMC controlled by Tata Steel	Advances and office rental

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.

(Expressed in Canadian Dollars)

15 – RELATED PARTY TRANSACTIONS (continued)

	6 months ended June 30, 2018	6 months ended June 30, 2017
Consolidated Net Loss and Comprehensive Loss	$	$
General and administrative expenses	205,559	369,458

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

Other receivables related to advances to TSMC at June 30, 2018 was $8,146 (December 31, 2017 - $29,262).

Accounts payable related to the above transactions at June 30, 2018 were $744,608 (December 31, 2017 - $673,385) of which $716,527 (December 31, 2017 - $623,202) is classified as non-current.

The Due from Tata Steel at June 30, 2018 $1,763,137 (December 31, 2017 – $1,763,137).

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

16 – CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Company's capital management objectives are to ensure its ability to continue as a going concern and to maximize the return of its shareholders. The Company's definition of capital includes all components of equity. Capital for the reporting periods under review is summarized in Note 10 and in the Condensed Interim Consolidated Statement of Changes in Equity. In order to meet its objectives, the Company monitors its capital structure and adjusts as required considering 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. No changes were made in the objectives, policies and processes for managing capital during the quarter. The Company is not subject to any externally imposed capital requirements.

17 – COMMITMENTS AND CONTINGENCIES

Commitments

i) 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 in certain circumstances on certain DSO Properties sold to TSMC.

17 – COMMITMENTS AND CONTINGENCIES (continued)

ii) 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, as part of the sale described in Note 9.

As at June 30, 2018, the Company has a 4.32% (2017 – 4.32%) ownership interest in TSMC and in order to maintain this ownership level it will be required to contribute 4.32% 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 $1,342,782,000 of funding requirements. At June 30, 2018, there are no outstanding funding requests made to the Company by TSMC.

iii) In relation to the NML's agreement with the Sept-Îles Port Authority ("Port") relating to the new multi-user deep-water dock facility, the Company has a take-or-pay obligation based on a discounted rate applied on 50% of the 15 million tonnes minimum annual shipping capacity until 2032 and is payable even if NML does not use the facilities. The Company has reached an agreement with the Port whereby its $38,372,000 buy in payment and 15 million tonnes reserved annual capacity can be applied to meet its take-or-pay obligation such that by the end of the take-or-pay period in 2032 the Company will not be required to make any additional cash outlay, however at that time NML will no longer have a right to its buy-in-payment or reserved annual capacity.

On April 19, 2018, the Company announced that it had entered into binding agreements with the Port and Tacora Resources Inc. ("Tacora") under which 6.5 million tonnes of the Company's multi-user wharf capacity will be sold to Tacora along with the associated rights and obligations, shipping rates and other terms in the July 2012 contract.

On the closing date, $4 million will be payable to the Company, and NML will receive additional payments of $0.10 per tonne shipped by Tacora through the Port facilities over a 20-year period following the close of the transaction.

The transaction is subject to Tacora completing its project financing activities now in progress and customary conditions precedent being satisfied, including execution of other product handling agreements and obtaining necessary legal and regulatory documentation. Upon confirmation that all precedent conditions are met, which must occur on or prior to August 30, 2018, NML and Tacora will have a 15-day period in which to complete the transaction.

Other than the reduction in NML's annual wharf capacity to 8.5 million tonnes, there will be no change to NML's existing arrangements with the Port regarding the rights and shipping rates related to the remaining reserved capacity and the Company will not be required to make any additional cash outlay to meet its take-or-pay obligation.

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17 – COMMITMENTS AND CONTINGENCIES (continued)

iv) The Company has entered into long-term operating leases for premises and equipment amounting to $43,530, all expiring by August 2019. Included in operating leases is $36,330 related to the rental of office space from TSMC.

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	38,340	–	38,340
1 to 5 years	5,190	–	5,190
Over 5 years	–	–	–
	43,530	–	43,530

Contingency

In the ordinary course of business, the Company and its subsidiaries may become involved in various legal and regulatory actions. The Company establishes legal provisions when it becomes probable that the Company will incur a loss and the amount can be reliably estimated. The Company also estimates the aggregate range of reasonably possible losses (RPL) in its legal and regulatory actions (that is, those which are neither probable nor remote), in excess of provisions.

As at June 30, 2018, the Company is being sued by a former consultant in the amount of $1.5 million. The Company believes that the consultant was appropriately compensated and is vigorously contesting this claim.

The RPL is from zero to approximately $1.5 million plus legal costs. The Company's provisions and RPL represent the Company's best estimates and is based upon currently available information for the current action for which an estimate can be made, but there are several factors that could cause the Company's provision and/or RPL to be significantly different from its actual or RPL. For example, the

Company's estimate involves significant judgment due to the stage of the proceeding, the yet-unresolved issues in the proceeding, and the attendant uncertainty of the various potential outcomes of the proceeding.

In management's opinion, based on its current knowledge and after consultation with counsel, the ultimate disposition of this action, will not have a material adverse effect on the consolidated financial condition or the consolidated cash flows of the Company. However, because of the factors listed above, as well as other uncertainties inherent in litigation, there is a possibility that the ultimate resolution of the legal action may be material to the Company's consolidated results of operations for any reporting period.