

New Millennium Iron Corp.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)

September 30, 2017

(Expressed in Canadian Dollars)

On May 9, 2016, the PSI sent to the Company a Notice of Delivery of Operational Multi-User Dock Facilities (“Notice”) which states, among other things, that the port facilities are delivered and operational, and that the take or pay provisions of the contract are now in effect.

17 - COMMITMENTS AND CONTINGENCIES (continued)

The Company has advised the PSI that the Notice is inappropriate, without effect and invalid and that it reserves any and all rights and recourses against the PSI and any other parties.

The Company believes it is legally entitled to terminate the contract and announced on June 28, 2016 that it had sent the PSI a notice of termination of the contract, including its take or pay provisions.

Should developments in this matter cause a change in the Company’s determination as to the outcome and result in the need to recognize an obligation which is material, it could have a materially adverse effect on the Company’s cash flows and financial position in the period or periods in which such change occurs.

18 - COMPARATIVE FIGURES

Certain comparative figures have been reclassified in accordance with the current year’s presentation.