New Millennium Iron Corp.
Unaudited Condensed Interim
Consolidated Financial Statements
March 31, 2015

Financial Statements

New Millennium Iron Corp.

Condensed Interim Consolidated Statement of Financial Position

(Unaudited)
(Expressed in Canadian Dollars)

	March 31, 2015	December 31, 2014
	$	$
ASSETS		
Current assets		
Cash and cash equivalents (Note 5)	4,749,134	5,392,697
Short-term investments (Note 6)	17,906,476	17,835,543
Sales taxes, other receivables and prepaid expenses (Note 15)	1,782,722	2,369,574
Tax credits and mining duties receivable	5,450,643	6,514,079
Due from Tata Steel (Note 9 and 15)	521,978	-
	30,410,953	32,111,893
Non-current assets		
Tax credits and mining duties receivable	787,506	784,268
Deposits on contracts	190,716	231,448
Other assets (Note 7)	38,502,545	38,502,545
Long-term investments (Note 8)	36,765,196	36,672,378
Mineral exploration and evaluation assets (Note 9)	60,647,015	60,239,629
Property and equipment	458,613	482,363
Total assets	167,762,544	169,024,524
EQUITY AND LIABILITIES		
LIABILITIES		
Current liabilities		
Trade and other payables (Note 15)	2,008,438	2,553,520
Mining duties payable	824,339	-
Advance from Tata Steel (Note 9 and 15)	-	687,128
	2,832,777	3,240,648
Non-current liabilities		
Due to NNK Trust	285,324	285,324
Total liabilities	3,118,101	3,525,972
EQUITY		
Share capital (Note 10)	177,584,512	177,584,512
Contributed surplus	22,242,436	21,940,689
Deficit	(35,420,856)	(34,265,000)
Equity attributable to shareholders of the parent Company	164,406,092	165,260,201
Non-controlling interest	238,351	238,351
Total equity	164,644,443	165,498,552
Total liabilities and equity	167,762,544	169,024,524

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 May 13, 2015 and signed on their behalf by:

/S/ Robert Patzelt
Director

/S/ Pierre Seccareccia
Director

New Millennium Iron Corp.
Condensed Interim Consolidated Statement of Comprehensive Loss

(Unaudited)
Three months ended March 31, 2015 and 2014
(Expressed in Canadian Dollars)

	2015	2014
	$	$
Service fee revenue	–	16,614
Expenses		
General and administrative (Note 11)	1,330,918	2,033,874
Loss before investment income	(1,330,918)	(2,017,260)
Investment income	175,062	282,362
Net loss and comprehensive loss	(1,155,856)	(1,734,898)
Attributable to:		
Non-controlling interest	–	–
Shareholders of the parent Company	(1,155,856)	(1,734,898)
Net loss and comprehensive loss	(1,155,856)	(1,734,898)
Loss per share - basic and diluted	(0.01)	(0.01)
Weighted average number of shares outstanding	181,054,146	180,009,146

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

New Millennium Iron Corp.
Condensed Interim Consolidated Statement of Changes in Equity
Three months ended March 31, 2015 and 2014
(Expressed in Canadian Dollars)

	Share Capital						
	Number of Shares Issued and Fully Paid	Amount $	Contributed Surplus $	Deficit $	**Total Attributable to Shareholders of the parent Company $**	Non Controlling Interest $	**Total Equity $**
Balance at January 1, 2014	**180,009,146**	**176,947,062**	**20,150,223**	**(23,560,114)**	**173,537,171**	**238,351**	**173,775,522**
Net loss	-	-	-	(1,734,898)	**(1,734,898)**	**-**	**(1,734,898)**
Share-based remuneration							
- employees and directors	-	-	553,611	-	**553,611**	**-**	**553,611**
- consultants	-	-	90,903	-	**90,903**	**-**	**90,903**
Balance at March 31, 2014	**180,009,146**	**176,947,062**	**20,794,737**	**(25,295,012)**	**172,446,787**	**238,351**	**172,685,138**
Balance at January 1, 2015	**181,054,146**	**177,584,512**	**21,940,689**	**(34,265,000)**	**165,260,201**	**238,351**	**165,498,552**
Net loss	-	-	-	(1,155,856)	**(1,155,856)**	**-**	**(1,155,856)**
Share-based remuneration							
- employees and directors	-	-	253,438	-	**253,438**	**-**	**253,438**
- consultants	-	-	48,309	-	**48,309**	**-**	**48,309**
Balance at March 31, 2015	**181,054,146**	**177,584,512**	**22,242,436**	**(35,420,856)**	**164,406,092**	**238,351**	**164,644,443**

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)
Three months ended March 31, 2015 and 2014
(Expressed in Canadian Dollars)

	2015	2014
	$	$
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	(1,155,856)	(1,734,898)
Adjustments for:		
Share-based remuneration		
- Employees and directors	253,438	553,611
- Consultants	48,309	90,903
Depreciation of property and equipment	23,750	21,035
Investment income	(175,062)	(282,362)
	(1,005,421)	(1,351,711)
Net changes in working capital items (Note 14)	(135,267)	170,653
Cash flows used by operating activities	(1,140,688)	(1,181,058)
CASH FLOW FROM INVESTING ACTIVITIES		
Net purchases of short term treasury bills and GIC's	(57,314)	(3,173,094)
Redemption of bonds and GIC's with maturities over one year	-	7,614,015
Interest received	68,624	104,483
Deposits on contracts	(44,307)	3,714
Acquisition of property and equipment	-	(1,660)
Tax credits and mining duties received	1,887,775	-
Additions to mineral exploration and evaluation assets	(1,289,224)	(1,909,384)
Allocation of Tata Steel payment to mineral exploration and evaluation assets	618,699	308,137
Cash flows provided by investing activities	1,184,253	2,946,211
CASH FLOW FROM FINANCING ACTIVITIES		
Decrease in advance from Tata Steel	(687,128)	(645,889)
Cash flows provided by financing activities	(687,128)	(645,889)
Net increase (decrase) in cash and cash equivalents	(643,563)	1,119,264
Cash and cash equivalents, beginning of period	5,392,697	964,965
Cash and cash equivalents, end of period	4,749,134	2,084,229

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

New Millennium Iron Corp.
Notes to Condensed Interim Consolidated Financial Statements
(Unaudited)
March 31, 2015
(Expressed in Canadian Dollars)

1 - GOVERNING STATUTES AND NATURE OF OPERATIONS

The current principal activities of New Millennium Iron Corp. ("the Parent Company") and its subsidiaries ("the Company" or "NML") are the exploration and evaluation of mineral properties. The Parent Company was incorporated pursuant to the provisions of the Alberta Business Corporations Act on August 8, 2003.

The address of the Company's executive office is 2nd floor, 1303 Greene Avenue, Westmount, Quebec, H3Z 2A7 and its head office, registered and records office is 1000, 250-2nd Street SW, Calgary, Alberta, T2P OC1.

2 - SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These unaudited condensed interim consolidated financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") and in accordance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting*. The unaudited condensed interim consolidated financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2014 as they follow the same accounting policies and methods of application.

Basis of presentation

The condensed interim consolidated financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to realize its assets, and discharge its liabilities in the normal course of operations.

Basis of measurement

The condensed interim consolidated financial statements are prepared using the historical cost basis, except for certain financial instruments that are recognized at fair value. These condensed interim consolidated financial statements are presented in Canadian dollars ($), which is also the Company's functional currency and the functional currency of each of its subsidiaries.

3 - USE OF ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the condensed interim consolidated financial statements requires management to undertake a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from these judgments and estimates. These estimates and judgments are based on management's best knowledge of the events or circumstances and actions the Company may take in the future. The estimates are reviewed on an ongoing basis. Information about the significant judgments, estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses are discussed in Note 3 of the Company's 2014 annual financial statements and are still applicable for the period ending March 31, 2015.

4 - STANDARDS ISSUED BUT NOT YET EFFECTIVE

A number of new standards, amendments to standards and interpretations have been issued but are not yet effective for the period ended March 31, 2015. Accordingly, they have not been applied in preparing these condensed interim consolidated financial statements. The Company is currently assessing the impact that these standards will have on the unaudited interim consolidated financial statements.

The standards issued but not yet effective that are expected to be relevant to the Company's consolidated financial statements are provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Company's unaudited interim consolidated financial statements.

Management anticipates that all of the pronouncements will be adopted in the Company's accounting policies for the first period beginning after the effective date of each pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Company's unaudited 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 interim consolidated financial statements and are not listed.

IFRS 9 Financial Instruments
The International Accounting Standards Board ("IASB") released IFRS 9 Financial Instruments (2014), representing the completion of its project to replace IAS 39 Financial Instruments: Recognition and Measurement. The new standard introduces extensive changes to IAS 39's guidance on the classification and measurement of financial assets and introduces new "expected credit loss" model for the impairment of financial assets. IFRS 9 also provides new guidance on the application of hedge accounting. The Company has yet to assess the impact of IFRS 9 on its unaudited interim consolidated financial statements. The new standard is required to be applied for annual reporting periods beginning on or after January 1, 2018.

IFRS 15 Revenue from Contracts with Customers
IFRS 15 presents new requirements for the recognition of revenue, replacing IAS 18 Revenue, IAS 11 Construction Contracts, and several revenue-related interpretations. The new standard establishes a control-based revenue recognition model and provides additional guidance in many areas not covered in detail under existing IFRSs, including how to account for arrangements with multiple performance obligations, variable pricing, customer refund rights, supplier repurchase options, and other common complexities. IFRS 15 is effective for reporting periods beginning on or after January 1, 2017. The Company has not yet assessed the impact of IFRS 15 on its unaudited interim consolidated financial statements.

IFRS 11 Joint Arrangements
These amendments provide guidance on the accounting for acquisitions of interests in joint operations constituting a business. The amendments require all such transactions to be accounted for using the principles on business combinations accounting in IFRS 3 Business Combinations and other IFRSs except where those principles conflict with IFRS 11. Acquisitions of interests in joint ventures are not impacted by this new guidance. The Company's only investment made to date in a joint arrangement is characterized as a joint venture in which the Company has rights to a share of the arrangement's net assets rather than direct rights to underlying assets and obligations for underlying liabilities. Accordingly, if adopted today, these amendments would not have a material impact on the unaudited interim consolidated financial statements. The amendments are effective for reporting periods beginning on or after January 1, 2016.

(Expressed in Canadian Dollars)

5 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following components:

	March 31, 2015 $	December 31, 2014 $
Cash in bank	4,749,134	5,392,697

6 - SHORT-TERM INVESTMENTS

At March 31, 2015, investments include:

Security	Carrying Value $	Maturity	Interest Rate (per annum)
GIC's	17,906,476	Between April 2015 and March 2016	Between 1.55% and 1.70%

At December 31, 2014, investments include:

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

7 - OTHER ASSETS

The Company has entered into an agreement with the Sept Iles Port authority ("Port Authority") providing NML with access to a new multi user deep w ater dock facility. As part of the agreement, NML has a minimum annual shipping capacity of 15 million tons a year for 20 years, with options to renew for four more five year terms. Construction of the port is expected to be completed in 2015. NML's buy-in for this agreement is calculated at $38,372,000, which has been paid and the total amount is reflected in these financial statements as other assets. As a result of these payments, NML will have access to the dock facility at favourable shipping rates (Note 17).

8 - LONG-TERM INVESTMENTS

Long-term investments consist of the following amounts:

	March 31, 2015 $	December 31, 2014 $
Long-term investment, TSMC	31,542,605	31,542,605
Loan receivable, TSMC	5,222,591	5,129,773
	36,765,196	36,672,378

8 - LONG-TERM INVESTMENTS (continued)

Long-term Investment, TSMC: The investment in Tata Steel Minerals Canada Ltd. ("TSMC") resulted from an initial acquisition of 19 Class B shares of TSMC at a cost of $19 and an additional Class B share that was received as part of the sale of the DSO properties, valued at $31,542,586. As a result, the Company owns 20 Class B shares at a cost of $31,542,605, which represents its estimated initial fair value. The investment represents a 20% ownership in TSMC. In order to maintain this ownership level, NML will be required to contribute 20% of all funding requests to shareholders, in shareholder loans or share subscriptions as approved by the Board of Directors of TSMC, in respect of those amounts required to be contributed by TSMC shareholders to fund amounts in excess of TSMC's first $300 million of specified expenditures. The Company announced on April 10, 2015 that a $23 million cash call would not be funded (Note18).

Loan receivable, TSMC: This loan, which was advanced to fulfill a formal request by TSMC to its shareholders, is unsecured, interest is payable at the end of each quarter and bears interest at US LIBOR + 6.5% per annum. Any unpaid interest will be considered as part of the loan for the calculation of the interest. The capital and unpaid interest are due on or before July 31, 2020. The amount of $92,818 (2014 – $178,826) of interest was included in the earnings in the period.

New Millennium Iron Corp.
Notes to Condensed Interim Consolidated Financial Statements
(Unaudited)
March 31, 2015
(Expressed in Canadian Dollars)

9 - MINERAL EXPLORATION AND EVALUATION ASSETS

	LabMag Property $	KéMag Property $	Howells Lake-Howells River North Properties $	Perault Lake Property $	Lac Ritchie Property $	Sheps Lake Property $	Other Properties $	Balance as at Mar. 31 2015 $	Balance as at Dec. 31 2014 $
Balance, at December 31, 2014	28,683,589	17,327,219	5,081,678	5,081,752	2,458,131	1,279,701	327,559	-	-
Mineral licenses	-	11,946	(2,600)	1,025	12,768	825	5,912	2,626,871	2,596,995
Drilling	24,342	24,045	350	-	-	500	-	32,258,195	32,208,958
Resource evaluation	378,302	384,853	351	1,392	1,794	1,058	6,879	41,054,299	40,279,670
Environmental	67,948	107,633	-	-	-	-	-	19,337,920	19,162,339
Amortization of property and equipment	-	-	-	-	-	-	-	109,035	109,035
	470,592	516,531	701	1,392	1,794	1,558	6,879	92,759,449	91,760,002
Tax credits and mining duties	-	-	-	-	(655)	-	(2,583)	(12,917,832)	(12,914,594)
Tata Steel payment	(294,026)	(324,673)	-	-	-	-	-	(21,821,473)	(21,202,774)
	(294,026)	(324,673)	-	-	(655)	-	(2,583)	(34,739,305)	(34,117,368)
Balance, at March 31, 2015	**28,860,155**	**17,531,023**	**5,079,779**	**5,084,169**	**2,472,038**	**1,282,084**	**337,767**	**60,647,015**	**60,239,629**

New Millennium Iron Corp.
Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)
March 31, 2015
(Expressed in Canadian Dollars)

9 - MINERAL EXPLORATION AND EVALUATION ASSETS (continued)

Overview

The Company holds interests in 3,447 claims distributed between properties in Newfoundland and Labrador ("NL") and Québec. Claims registered under New Millennium Iron Corp. are owned 100% by the Company. Claims registered under LabMag Limited Partnership ("LLP") are owned 80% by the Company through its 80% interest in LLP. Of the 3,447 claims held, the Company does not foresee any future economic benefit from 1,485 claims and an impairment was taken on these claims at December 31, 2014.

The table below represents the remaining 1,962 claims with potential economic benefit.

Province	Ownership	LabMag Property	KéMag Property	Howells Lake – Howells River North Properties	Perault Lake Property	Lac Ritchie Property	Sheps Lake Property	Other Properties	Total
NL	NML	-	-	143 [35.75 km^2]	354 [88.5 km^2]	-	-	18 [4.5 km^2]	515 [128.75 km^2]
	LLP	256 [64 km^2]	-	354 [88.5 km^2]	-	-	432 [108 km2]	-	1,042 [260.5 km^2]
Québec	NML	-	171 [80.9 km^2]	-	-	153 [74.2 km^2]	-	81 [38.3 km^2]	405 [193.4 km^2]
Total		**256** [64 km^2]	**171** [80.9 km^2]	**497** [124.25 km^2]	**354** [88.5 km^2]	**153** [74.2 km^2]	**432** [108 km^2]	**99** [42.8 km^2]	**1,962** [582.7 km^2]

Although the Company has taken steps to verify title to the mining properties in which it holds an interest in accordance with industry practice for the current stages of exploration and development of such properties, these procedures do not guarantee the validity of the Company's titles. Property titles may be subject to unregistered prior agreements and restrictions arising from regulatory requirements.

LabMag Property:

The LabMag Iron Ore Project involves the exploration and evaluation of a taconite deposit at Howells River, NL. The property is situated in western Labrador, in Elross Township, about 30 km to the northwest of the town of Schefferville, Québec. Further to the Pre-Feasibility Study completed in 2006 on this Project, the results of the techno-economic viability of the Taconite Project Feasibility Study ("the Study") announced in the first quarter of 2014 assumes a mining operation and concentrator located at Howells River with an annual production of 22 million tonnes of concentrate. The concentrate would be shipped by a ferroduct to pellet plants with 17 million tonnes capacity per year located at Pointe Noire, Québec. The pellets produced and the remaining concentrate would be shipped to customers using the new multi-user dock at Pointe-Noire, near Sept-Îles. The Study is being worked on under the arrangement summarised in the Taconite binding heads of agreement ("Binding HOA") presented below.

KéMag Property:

The KéMag Iron Ore Project involves the exploration and evaluation of a taconite deposit at Lac Harris, Québec. The property, situated in the Kativik Region in northern Québec, is centered about 50 km to the northwest of Schefferville. Further to the Pre-Feasibility Study completed in 2009 on this Project the results of the techno-economic viability of the Study announced in the first quarter of 2014, assumes a mining operation and concentrator, located at Harris Lake, with an annual production of 22 million tonnes of concentrate. The concentrate would be shipped by a ferroduct to pellet plants with 17 million tonnes capacity per year located at Pointe-Noire, Québec.

9 - MINERAL EXPLORATION AND EVALUATION ASSETS (continued)

The pellets produced and the remaining concentrate would be shipped to customers using the new multi-users dock at Pointe-Noire, near Sept-Îles. The Study is being worked on under the arrangement summarised in the Binding HOA presented below.

Howells Lake Property and Howells River North Property:

These two Properties are located approximately 47 km northwest of Schefferville in the Elross Township and occur in the same continuous taconite formation. These two areas were drilled in detail in 2012. Based on the drilling results, NML engaged SGS Canada Inc. to provide a NI 43-101 compliant mineral resource estimation. SGS provided a combined resource estimation report for the Howells Lake and Howells River North Properties. Details of the resources are as follows:

Howells Lake Property:
This Property is located in NL, immediately to the south of the KéMag deposit. This area was drilled in 2006 (1 hole, 105.0m), 2011 (1 hole, 147.0m) and in 2012 (38 holes, 4890.8m). The SGS NI 41-101 report estimates 6.972 billion tonnes of Indicated and 0.838 billion tonnes of Inferred Resources in this property.

Howells River North Property:
This Property is south of the Howells Lake Property and forms a continuation of the Howells Lake taconite deposit. This property is owned 80% through LLP by NML. This area was drilled in 2011 (2 holes, 200.0m) and in 2012 (14 holes, 2819.0m). The SGS NI 41-101 report estimates 1.143 billion tonnes of Indicated and 2.783 billion tonnes of Inferred Resources in this property.

Perault Lake Property:
The Perault Lake Property is located in NL, immediately south of the Sheps Lake Property, approximately 17 km southwest of Schefferville. In 2012, NML carried out a Phase 1 exploration program by drilling 48 holes for a total of 3,890.8 m. Based on the results of the drilling, SGS Canada Inc. was engaged by NML to conduct a NI 43-101 compliant mineral resource estimation resulting in 2.031 billion tonnes of Indicated and 0.695 billion tonnes of Inferred Resources.

Lac Ritchie Property:

The Lac Ritchie Property is located approximately 134 km northwest of Schefferville and approximately 70 km northwest of KéMag deposit in Québec. NML conducted Phase 1 drilling in 2011 by drilling 40 holes for a total of 3,810 m, on a 1.0 km X 0.5 km grid. Based on the results of drilling, NML engaged SGS Canada Inc. to provide a NI 43-101 compliant Technical Report on the Mineral Resource Estimates for the property resulting in a resource estimation of 3.330 billion tonnes of Indicated and 1.437 billion tonnes of Inferred Resources.

Sheps Lake Property:

The Sheps Lake Property is located in NL, south of the LabMag property and is approximately 20 km south-west of Schefferville. NML drilled 2 holes in 2011 for a total of 158.0 m and 23 holes in 2012 for a total of 1,920.1 m. SGS Canada Inc. conducted a NI 43-101 compliant resource estimation, using the drilling results, which showed 2.039 billion tonnes of Indicated and 0.310 billion tonnes of Inferred Resources.

Other Properties

The remaining claims and licences, 100% owned by NML, include holdings of potential magnetic taconite areas and dolomite. The other taconite areas in NL are the Wishart Creek taconite and the Knob Lake Ridge taconite.

In 2012, three exploration holes were drilled in the Wishart Creek area for a total of 306 m.

9 - MINERAL EXPLORATION AND EVALUATION ASSETS (continued)

Taconite Binding Heads of Agreement

On March 6, 2011, the Company signed the Binding HOA with Tata Steel Global Minerals Holdings PTE Ltd. ("Tata Steel") in respect of the LabMag Project and the KéMag Project (collectively referred to as the "Taconite Projects"). Under the Binding HOA, Tata Steel shall participate in the development of the Company's feasibility study of these projects. In exchange for an option to own a portion of the Taconite Projects, Tata Steel will pay the Company an amount equal to 64% of the costs to complete the feasibility study. If Tata Steel exercises its option then it will pay the Company 64% of the costs incurred prior to the feasibility study to advance the project(s).

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

As at March 31, 2015, NML has received $27,810,000 (December 31, 2014 - $27,810,000) from Tata Steel on account of the option. At March 31, 2015, $21,821,473 has been recorded as a reduction of the expenditures capitalized for the mineral exploration and evaluation assets, $618,699 during the three months ended March 31, 2015 (2014 - $308,136). An additional $6,510,506 has been recorded as a reduction of general and administrative expenses,$590,408 during the three months ended March 31, 2015 (2014 - $337,751). The amount receivable of $521,978 at March 31, 2015, is recorded as a due from Tata Steel and as at December 31, 2014, the amount of $687,128 was recorded as an advance from Tata Steel both of which are non-interest bearing.

10 - 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 ten years. Some of the options only vest if certain performance criteria are met.

New Millennium Iron Corp.
Notes to Condensed Interim Consolidated Financial Statements

(Unaudited)
March 31, 2015
(Expressed in Canadian Dollars)

10 - EQUITY (continued)

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

	3 month period ended March 31, 2015		Year ended December 31, 2014	
	Number of outstanding options	Weighted average exercise price	Number of outstanding options	Weighted average exercise price
Balance, beginning of period	16,466,500	1.42	15,559,500	1.51
Granted	-	-	3,495,000	0.43
Exercised	-	-	(1,045,000)	0.37
Expired	(504,500)	1.44	(458,000)	0.39
Forfeited	-	-	(1,085,000)	0.94
Balance, end of period	15,962,000	1.43	16,466,500	1.42
Options exercisable, end of period	12,580,833	1.66	12,788,500	1.68

The share-based payments expense during the three-month period ended March 31, 2015 was $301,747 (2014 - $644,514) and is included in general and administrative expenses.

11 - INFORMATION INCLUDED IN INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	3 months ended March 31, 2015 $	3 months ended March 31,2014 $
Employee benefit expense		
Wages, salaries and other short-term benefits	593,061	661,124
Defined contributions	23,819	24,398
Stock-based payments	253,438	553,612
Employee benefit expense	870,318	1,239,134
Other elements of expenses		
Depreciation of property and equipment	23,750	21,035

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 realizability of future income tax assets, management considers whether it is more likely than not that some portion or all of the future income tax assets will not be realized. As at March 31, 2015, the future tax benefits from the future income tax assets, which arose as a result of applying the losses and non-capital losses carried forward to taxable income, have not been recognized in these accounts due to uncertainty regarding their utilization.

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 most expenditures are transacted in Canadian dollars. The Company funds foreign currency transactions by buying the foreign currency at the spot rate when required.

A $0.01 increase or decrease in the USD/CAD or the Euro/CAD exchange rates would not have a material impact on net loss or equity at March 31, 2015.

The sensitivity analysis is based on the Company's foreign currency financial instruments held at each reporting date. Exposure to foreign exchange rates varies during the year depending on the volume of foreign transactions. Nonetheless, the analysis above is considered to be representative of the Company's exposure to exchange risk.

Interest rate risk

The short-term investments bear interest at fixed rates and the Company is therefore exposed to the risk of changes in fair value resulting from interest rate fluctuations. The risk is limited because these assets involve lower risk securities such as GIC's with relatively short maturities all backed by Canadian Federal and Provincial governments or their crown corporations.

The loan receivable from TSMC bears interest at a variable rate and the Company is therefore exposed to cash flow risk resulting from interest rate fluctuations. The risk is limited as the US LIBOR rate is fairly stable.

The sensitivity analysis is based on the Company's financial assets which bear interest at fix or variable rate. A 0.1% increase or decrease in interest rates would not have a material impact on comprehensive loss or equity at March 31, 2015. The Company does not use derivative financial instruments to reduce its interest rate exposure.

Liquidity risk

Management maintains sufficient amounts of cash and cash equivalents to meet the Company's commitments. The Company establishes budgets and cash flow requirements monthly to ensure that it has the necessary funds to fulfill its obligations. The contractual maturities of trade and other payables are less than three months for all periods presented. The Due to NNK Trust does not have a contractual maturity.

(Expressed in Canadian Dollars)

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

Over the past three months, the Company has financed its exploration expense commitments and its working capital requirements through existing cash resources and previous payments from Tata Steel on account of its option on the Taconite Projects.

Credit risk

The Company manages third party credit risk through an emphasis on quality in its investment portfolio. Cash and cash equivalents and short-term investments are held through two Canadian chartered banks and their subsidiaries and an independent investment dealer with high quality external credit ratings and the instruments have been guaranteed by Canada or the provinces and management believes the risk of loss to be remote. This credit risk is minimized by reviews of the third parties' credit worthiness.

The Company is also exposed to credit risk relating to its receivable and loan receivable from TSMC, the 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, of which there are none at any of the periods presented.

14 - INFORMATION INCLUDED IN CONSOLIDATED CASH FLOWS

The changes in working capital items are detailed as follows:

	3 months ended March 31, 2015 $	3 months ended March 31, 2014 $
Sales taxes, other receivables and prepaid expenses	586,852	(301,481)
Trade and other payables	(200,141)	472,134
Due from Tata Steel	(521,978)	-
	(135,267)	170,653

The long term investments increased by $92,818 (March 31, 2014 - $178,826) due to the interest accrual (Note 8).

Included in trade and other payables is an amount of $1,138,512 (March 31, 2014 - $1,119,022) pertaining to additions to mineral exploration and evaluation assets. Included in the cash flows used by deposits on contracts is $85,040 (March 31, 2014 - $3,714) pertaining to mineral exploration and evaluation assets.

(Expressed in Canadian Dollars)

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.

Transactions with other related parties

Trading transactions

The related parties with which the Company has had transactions are as follows:

Related Party	Nature of relationship	Nature of transaction
DLA Piper (Canada) LLP	Partnership in which a director is a partner	Legal services
Roll Harris & Associés	Partnership in which an executive officer is a partner	Consulting
Balance Consultants Inc.	Controlled by executive officer of the Company	Consulting
TSMC	Company controlled by Tata Steel	Service fee revenue, investment income and expenses
General (Ret.) Rick Hillier	Director	Consulting
1301738 Ontario Inc.	Company controlled by an executive officer	Consulting
Tata Steel	26.2% shareholder of NML	Advances and consulting fees
NNK Trust	20% Partner in LLP	Advances

The Company incurred the following revenue, fees and ex penses 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.

	March 31, 2015	December 31, 2014
	$	$
Consolidated Statement of Financial Position		
Mineral exploration and evaluation assets	565,886	264,439

	3 months ended March 31, 2015	3 months ended March 31, 2014
Consolidated Net Loss and Comprehensive Loss	$	$
Service fee revenue	-	16,614
General and administrative expenses	276,986	242,979
Investment income	92,818	178,826

Amounts due to and from related parties, except for the loan receivable from TSMC (Note 8), are unsecured, non-interest bearing and due on demand.

(Expressed in Canadian Dollars)

15 - RELATED PARTY TRANSACTIONS (continued)

Other receivable related to advances to TSMC and service fee revenue charged to TSMC at March 31, 2015 was $1,621,045 (December 31, 2014 – $2,042,318).

Accounts payable related to the above transactions at March 31, 2015 were $764,943 (December 31, 2014 – $696,215).

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 interim consolidated statement of changes in equity. In order to meet its objectives, the Company monitors its capital structure and makes adjustments as required in light of changes in economic conditions and the risk characteristics of the underlying assets. These objectives will be achieved by identifying the right exploration projects, adding value to these projects and ultimately taking them through production and cash flow, either with partners or by the Company's own means.

In order to maintain or adjust the capital structure, the Company may issue new shares or flow-through shares. No changes were made in the objectives, policies and processes for managing capital during the period. The Company is not subject to any externally imposed capital requirements.

17 - COMMITMENTS AND CONTINGENCY

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.

In relation to NML's agreement with the Port Authority described in Note 7, the Company has a take or pay obligation based on a discounted rate applied on 50% of the 15 million tons minimum annual shipping capacity and is payable even if NML does not use the facilities.

The Company has entered into long-term operating leases for premises and equipment and consulting agreements amounting to $1,052,500 expiring in June 2018.

No sublease payments or contingent rent payments were made or received. The Company's operating lease agreements do not contain any contingent rent clauses. No sublease income is expected as all assets held under lease agreements are used exclusively by the Company.

Minimum obligations due over the next five years and thereafter are as follows:

	Operating Leases $	Consulting Agreements $	Total $
Up to 1 year	436,000	186,000	622,000
1 to 5 years	348,000	82,500	430,500
Over 5 years	-	-	-
	784,000	268,500	1,052,500

17 - COMMITMENTS AND CONTINGENCY (continued)

Contingency

During the year 2014, the provincial government completed its 2011 and 2012 mining tax credit audits and the assessments reduced the Company's mining tax credit claims by $3,673,000, mainly for work on the Taconite Feasibility Study. The Company prepared the claim based on its interpretation of the regulations and is vigorously contesting the assessment. If the final outcome of the claim is different from the amounts initially recorded, such difference will reduce the mining tax credit receivable with a related offset to mineral exploration and evaluation assets and the Advance from Tata Steel.

18 – SUBSEQUENT EVENT

The Company has a 20% ownership interest in TSMC and in order to maintain this ownership level it is required under the agreement that governs the operation of TSMC 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 $300 million of certain expenditures specified under the TSMC Joint Venture Agreement.

On April 10, 2015, the Company announced that its board of directors decided not to fund an equity cash call of $23 million, approved by the Board of TSMC, to fund certain capital expenses for the DSO and Howse projects operated by TSMC. The cash call will result in a dilution of the Company's interest in TSMC from the current 20%. The Company is currently in discussion with Tata Steel to determine the extent of the dilution.

Management performed an impairment test on its long-term investment in TSMC which included an assumption on the extent of the dilution. The test resulted in the estimated recoverable amount exceeding the carrying amount of the investment and as such no impairment was recorded.