NEW MILLENNIUM IRON CORP.

SECOND QUARTER REPORT 2015

August 11, 2015

MESSAGE TO SHAREHOLDERS

New Millennium Iron Corp. ("**NML**" or the "**Company**") is pleased to report its unaudited financial and operational results for the six month period ended June 30, 2015.

The Company's principal activity in and subsequent to the Second Quarter was as follows:

Direct Shipping Ore Project

- Progress on construction and commissioning of the process plant and ancillary facilities.
- Ramping up of crushed and screened ore shipments.
- TSMC cash calls and impasse in discussions on the dilution of NML`s equity interest.

Taconite Project

- Continuation of refinements to the Feasibility Study.

Corporate

- Annual General and Special Meeting results.
- Commencement of Board composition and renewal process
- Plan for special information session for shareholders.

Yours very truly,

Robert Patzelt, Q.C.
President and Chief Executive Officer

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",** the **"Company", or the "Corporation"**) for the interim six month period ended June 30, 2015 should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements and related notes for the period ended June 30, 2015, and the audited consolidated financial statements and MD&A for the years ended December 31, 2014 and 2013.*

*These condensed interim financial statements, including comparatives, have been prepared using accounting policies in compliance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**").*

*All dollar figures are in Canadian dollars ("**C$**"), unless otherwise stated.*

FORWARD LOOKING STATEMENTS

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 meet the listing requirements of stock exchanges and other regulatory requirements, general economic and market factors, including business competition, changes in government regulations or in tax laws; general political and social uncertainties; commodity prices; the actual results of exploration, development or operational activities; changes in project parameters as plans continue to be refined; accidents and other risks inherent in the mining industry; lack of insurance; delay or failure to receive board or regulatory approvals; changes in legislation, including environmental legislation, affecting the 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, 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.

OVERALL PERFORMANCE

OVERVIEW OF BUSINESS

The Company controls the emerging Millennium Iron Range, located in the Province of Newfoundland and Labrador and in the Province of Québec, which holds one of the world's largest undeveloped magnetic iron ore deposits. In the same area, the Company and Tata Steel Limited ("Tata Steel"), one of the largest steel producers in the world, have advanced a Direct Shipping Ore ("DSO") Project to the production stage, and from which trial shipments have begun. Tata Steel owns approximately 26.2% of New Millennium and is the Company's largest shareholder.

Tata Steel exercised its exclusive option to participate in the DSO Project and has a commitment to take the resulting production. The DSO Project is owned and operated by Tata Steel Minerals Canada Limited ("TSMC"), which in turn is owned by Tata Steel and NML. The DSO Project contains 98.9 million tonnes of Measured and Indicated Mineral Resources at an average grade of 59.3% Fe, 6.7 million tonnes of Inferred Resources at an average grade of 56.7% Fe and about 25.0 - 30.0 million tonnes of historical resources that are not currently in compliance with NI 43-101. A qualified person has not done sufficient work to classify the historical estimate as current mineral resources or mineral reserves, and as such the Company is not treating the historical estimate as current mineral resources or mineral reserves and the historical estimate should not be relied upon.

The Millennium Iron Range ("MIR") currently hosts two advanced projects: LabMag contains 3.5 billion tonnes of Proven and Probable Mineral Reserves at an average grade of 29.6% Fe plus 1.0 billion tonnes of Measured and Indicated Mineral Resources at an average grade of 29.5% Fe and 1.2 billion tonnes of Inferred Resources at an average grade of 29.3% Fe; KéMag contains 2.1 billion tonnes of Proven and Probable Mineral Reserves at an average grade of 31.3% Fe, 0.3 billion tonnes of Measured and Indicated Mineral Resources at an average grade of 31.3 % Fe and 1.0 billion tonnes of Inferred Resources at an average grade of 31.2% Fe. Tata Steel also exercised its exclusive right to negotiate and settle a proposed transaction in respect of the LabMag Project and the KéMag Project.

The Millennium Iron Range also hosts other taconite deposits.

The Lac Ritchie property is located at the north end of the Range. The initial 2011 drilling of 40 holes in this property revealed Indicated Mineral Resources of 3.330 billion tonnes at an average grade of 30.3% Fe, and Inferred Resources of 1.437 billion tonnes at an average grade of 30.9% Fe.

Two other taconite deposits are located south of the LabMag deposit in the Millennium Iron Range. The initial 2012 drilling of 23 holes in the Sheps Lake property and of 50 holes in the Perault Lake property revealed Indicated Mineral Resources of 3.580 billion tonnes at an average grade of 31.22% Fe, and Inferred Resources of 795 million tonnes at an average grade of 30.56% Fe.

The Howells Lake - Howells River North deposits are located between the LabMag and KéMag deposits, and evidence mineral continuity in the Range. The 2011 and 2012 drilling of 11 holes in the Howells River North property and of 45 holes in the Howells Lake property, revealed Indicated Mineral Resources of 7.631 billion tonnes at an average grade of 30.39% Fe, and Inferred Resources of 3.310 billion tonnes at an average grade of 29.83% Fe.

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

RESULTS OF OPERATIONS

TSMC'S DSO PROJECT

The DSO Project is owned and operated by TSMC, which was established in 2010 and in which Tata Steel has an 80% interest and NML 20%.

Originally designed to produce 4.2 million tonnes per year of high grade sinter feed and pellet feed from a processing plant housed under a weather proof dome, the Project underwent a scoping change and will now supply not only those premium processed products on a year round basis as planned, but has also established the seasonal production and shipment of sinter fines by way of a mining, crushing and dry screening operation.

Shipping of the crushed and screened DSO began in 2013 with trial cargoes to Tata Steel Europe and to China, and deliveries to these markets are now being made on a regular basis. Initially, the DSO Project's sales are being carried out under a confidential agreement between TSMC and Iron Ore Company of Canada ("IOC") that calls for IOC to provide material handling and marketing services for a fee.

The process plant for higher grade products is expected to be commissioned over the second half of 2015. The targeted level of production for the combined product streams is 6 million tonnes per year, which TSMC aims to reach in 2016, and additional production options are being studied.

As previously reported, the cost of completion for the DSO Project has been under review by NML and TSMC in light of changes to the Project criteria from the original feasibility study, which established the $300 million capital cost threshold for NML's 20% free carry interest in TSMC. TSMC has now invested close to $1 billion in its DSO and Howse Properties (see **TSMC's Howse Joint Venture** below).

In news releases dated April 10, 2015 and June 12, 2015, NML announced that it had received equity cash calls totaling $83.9 million from TSMC to fund certain capital expenditures for the DSO and Howse projects, and that these cash calls could not be funded in view of the Company's limited internal cash resources and financing sources available. As a result, there will be a dilution of the Company's interest in TSMC from the current 20%. It was also announced on June 12 that extensive discussions between NML and Tata Steel to review and conclude the dilution process in accordance with the TSMC Joint Venture Agreement, had reached an impasse and that NML was exploring the next steps available to the parties.

TSMC'S HOWSE JOINT VENTURE

On April 2, 2015, NML announced that TSMC had acquired the remaining 49% interest TSMC does not already own in the Howse Joint Venture, from Labrador Iron Mines Holdings Limited ("LIM"), for a total cash consideration of $5 million.

An exploration program was carried out on the Howse Deposit in two phases over 2013 and 2014, for purposes of a feasibility study on a development plan. The feasibility study is in progress.

TACONITE PROJECT

The Taconite Project involves development of either or both of the LabMag and KéMag deposits, each of which could support a large-scale iron ore pelletizing complex with capacity comparable to that of existing Labrador Trough producers, and a range of product qualities capable of servicing iron making through either the blast furnace or direct reduction route. Tata Steel is a partner in the $50 million Taconite Project Feasibility Study through a binding heads-of-agreement signed in March 2011.

The Taconite Project plans state-of-the-art production assets and aims for a favourable position on the global cost curve for pellet producers. Natural advantages include a low stripping ratio and magnetite ore, which reduces energy costs in the pelletizing process, and large-scale, proven and technologically advanced equipment would be used.
The techno-economic results of the Feasibility Study were announced on March 27, 2014. The shared conclusion of NML and Tata Steel is that the results demonstrate Project viability, and together NML and Tata Steel are proceeding with addressing key parameters in order to complete remaining aspects of the Feasibility Study required to enable an investment decision. These include working with governments on

the selection of an appropriate Project scenario; environmental assessment work, reviewing process models that would permit a ramp-up of production; improving operating expenditures and reducing initial capital costs; and updating financial models.

Met-Chem Canada Ltd., Montreal, Québec, a qualified person, was engaged to compile a National Instrument 43-101 Technical Report on the Feasibility Study, and prepared reports for each of the LabMag and KéMag Project scenarios. These reports were filed on SEDAR in May 2014, and there were no material differences between the reports and the Study results announced in March 2014.

EXPLORATION OF OTHER PROPERTIES

Beyond the DSO and Taconite projects, NML has further development potential through its other land holdings in the MIR. Exploration drilling and analysis work has confirmed NML's prominent certified NI 43-101 resource holdings through not only LabMag and KéMag, but also other important MIR deposits presented in the table below. Accordingly, the Company's exploration program is largely complete.

NML – Millennium Iron Range Taconite Properties

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

Note: 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.

GENERAL CORPORATE AFFAIRS

Construction of New Multi-User Dock at Sept-Îles

As previously reported, NML and TSMC are investors in the new, multi-user iron ore loading dock at Pointe-Noire, Québec, in the Bay of Sept-Îles, along with the Canadian Government, the Port of Sept-Îles and other mining companies. TSMC plans to use the dock for DSO Project shipments and the facility would also be expected to service shipments from the Taconite Project.

Civil work on the dock was completed in 2014 and the dock's shiploaders were delivered in early 2015.

Negotiations for access to the dock through land owned by third parties at Pointe-Noire are continuing. The process is being managed by the Sept-Ïles Port Authority and agencies of the Québec government. In this regard, Investissement Québec in July submitted a bid for the land and related assets that could service the dock and which are presently subject to Companies' Creditors Arrangement Act proceedings initiated by the third party owners.

Annual General and Special Meeting Results

NML's Annual General and Special Meeting of the shareholders (the "**Meeting**") was held on June 25, 2015, in Toronto. Nine shareholders holding a total of 90,448,893 common shares of the Company were represented at the Meeting in person or proxy, representing approximately 49.96% of the total votes attached to all issued and outstanding common shares of the Corporation as of the record date on May 7, 2015.

At the Meeting, all nine directors proposed for election at the Meeting were elected. Sandip Biswas, Dibyendu Bose and Chanakya Chaudhary were elected by a majority of the votes cast by the shareholders present or represented by proxy at the Meeting. Each of Mr. Biswas, Bose and Chaudhary will remain in office until the next annual meeting of the shareholders or until his successor is elected or appointed. Lee Nichols, Robert Patzelt, Dean Journeaux, John Schindler, Pierre Seccareccia and

General Rick Hillier were also elected as directors of the Company. However, a majority of the votes cast were withheld against each of those six individuals.

Under the terms of the Company's Majority Voting Policy, any director that has more votes withheld than are voted in favour of him or her must offer their resignation to the Board, to take effect upon acceptance by the Board. Accordingly, Messrs. Nichols, Patzelt, Journeaux, Schindler and Seccareccia and General Hillier offered their resignations effective upon acceptance or rejection by the Board. In accordance with the Majority Voting Policy, the Board will, on the recommendation of the Corporate Governance and Compensation Committee ("CGCC") or a special committee of independent directors appointed by the Board, within 90 days following the Meeting, determine whether to accept or reject any resignation offered (see **Board Composition and Renewal Process** below).

Pending a determination with respect to any such resignations, the Board is overseeing the management of the business affairs of the Company in the ordinary course. Management, including Robert Patzelt, President and Chief Executive Officer and Mark Freedman, Chief Financial Officer, remain focused on the Company's strategic plan.

Also at the Meeting, the shareholders approved resolutions re-appointing Raymond Chabot Grant Thornton LLP, Partnership of Chartered Professional Accountants, Montréal, Québec, as auditors of the Company and the confirmation and ratification of By-law No. 1B, which amends the by-laws to support the Direct Registration System for the Company's securities.

Motions to approve the unallocated options issuable pursuant to the Company's stock option plan and certain amendments to the Company's Articles were not approved.

Board Composition and Renewal Process

Further to the voting results at the Meeting, the Company has committed to a special process to address the composition of its Board of Directors.

In order for the Board to have a quorum and meet independence requirements, including under NML's Corporate Governance Guidelines and Board Mandate, and in order to reconstitute the CGCC, on July 8, 2015, the Board unanimously approved the appointment of all of NML's independent directors to the CGCC, being General Hillier and Messrs. Nichols, Schindler and Seccareccia. At the first meeting of the CGCC after its reconstitution, General Hillier was elected as Chair.

The CGCC under its mandate is considering the aforementioned resignations and successor arrangements and will make recommendations to the Board. Its mandate includes a review of the Board composition and structure, the continuation of its work regarding the recruitment and selection of potential directors, the determination of whether to accept any director's offer of resignation, and any transitional requirements resulting therefrom. Additional resources have been provided to the CGCC to facilitate its work, including the appointment of legal counsel and advisors with expertise in process facilitation, board governance and director recruitment.

The Board is expected to review and consider the recommendations of the CGCC and publicly disclose the Board's determinations and resulting actions on or before September 24, 2015.

Special Information Session for Shareholders

In conjunction with the Board renewal process and in order to respond further on key issues expressed at the Meeting, the Company will convene a special information session for shareholders to be attended by the Board, Management and representatives of Tata Steel. The place, date, form and other related general arrangements are still to be determined.

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, 2015 ("financial statements") set forth herein. As discussed in Note 2 to the financial statements, they are prepared in accordance with International Accounting Standard 34, Interim Financial Reporting, as issued by the IASB.

These financial statements should be read in conjunction with the Company's December 31, 2014 audited consolidated financial statements ("FYE 2014").

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, 2015 indicates cash and cash equivalents of $2,676,000, short-term investments of $17,227,000, sales taxes, other receivables and prepaid expenses of $3,298,000, the current portion of tax credits and mining duties receivable of $1,778,000 and due from Tata Steel of $1,727,000, resulting in total current assets of $26,706,000, a decrease of $5,406,000 from FYE 2014. The non-current assets are comprised of mineral exploration and evaluation assets of $60,860,000, other assets of $38,503,000, long-term investments of $36,853,000, long-term portion of tax credits and mining duties receivable of $4,461,000, deposits on contracts of $161,000 and property and equipment of $438,000. The total assets are $167,982,000 which is a decrease of $1,043,000 from FYE 2014.

The Company's current liabilities at June 30, 2015 are its trade and other payables of $3,209,000, a decrease of $32,000 from FYE 2014. Non-current liabilities consist of mining duties payable of $824,000 and an amount due to Naskapi/LabMag Trust of $285,000 for total liabilities of $4,318,000 which is an increase of $792,000 from FYE 2014. Equity attributable to shareholders of the parent company is $163,425,000, a decrease of $1,835,000 from FYE 2014, and is comprised of share capital of $177,584,000, contributed surplus of $22,348,000, less the deficit of $36,507,000. The non- controlling interest of $238,000 remains unchanged from FYE 2014, for total equity of $163,663,000.

During the quarter the Company's cash and cash equivalents and short term investments were used to pay for its trade and other payables. Since NML did not have any capital injection during the period, the portion of the payments relating to the current and prior periods' operating loss results in a decline in the Company's total current assets and total assets from FYE 2014 to June 30, 2015.

For the three months ended June 30, 2015, the Company realized a net loss of $1,087,000, or $0.01 per share, compared to a net loss of $1,817,000, or $0.01 per share for the comparative period in 2014. This loss represents general and administrative expenses of $1,253,000 (2014 – $2,010,000) that is partially offset by investment income of $166,000 (2014 - $186,000). The decrease in this quarter's general and administrative expenses is mainly due to a decrease in share-based compensation expense from $664,000 in Q2 2014 to $106,000 in Q2 2015.

For the six months ended June 30, 2015, the Company realized a net loss of $2,242,000, or $0.01 per share, compared to a net loss of $3,552,000 or $0.02 per share for the comparative period in 2014. This loss represents general and administrative expenses of $2,584,000, (2014 - $4,044,000) that is partially offset by investment income of $342,000 (2014 – investment income of $469,000). The decrease in the period's operating expenses is mainly due to a decrease in share-based compensation expense from $1,309,000 in 2014 to $408,000 in 2015.

The Company expects to continue incurring losses that are expected to be funded by the current cash and investments and then if necessary, through equity financing or investments by strategic partners.

The Company received equity cash calls from TSMC totalling $83.9 million that it has determined not to fund. Management performed an impairment test of its long-term investment in TSMC with the result that the estimated recoverable amount exceeded the carrying amount of the investment and as such no impairment was recorded.

All costs associated with mineral properties, totalling $60,860,000 as outlined in Note 10 to the June 30, 2015 financial statements, have been classified as mineral exploration and evaluation assets. The expenditures are divided between the properties as follows: LabMag Property $28,992,000, KéMag Property $17,608,000, Howells Lake-Howells River North Properties $5,080,000, Perault Lake Property $5,084,000, Lac Ritchie Property $2,472,000, Sheps Lake Property $1,282,000 and Other Properties $342,000. The cost centers for these capitalized expenditures are: mineral licenses $2,630,000, drilling $32,271,000, resource evaluation $41,500,000, environmental $19,581,000, and amortization of property and equipment $109,000. These expenditures are partially offset by tax credits and mining duties of $12,906,000 and the Tata Steel payments on account of their Taconite Project option of $22,325,000. The non-controlling interest of $238,000 relates to LabMag Limited Partnership whose main property is the LabMag Property. The carrying value of the mineral exploration and evaluation assets are reviewed by the Company on a quarterly basis by reference to the project economics, including the timing of the exploration and evaluation work, the work programs and exploration results achieved by the Company. At June 30, 2015, the Company believes that the carrying values of the properties are less than their net recoverable amounts and as such there has been no impairment of value on any of these properties.

As at June 30, 2015, the deferred tax assets, which arise as a result of applying the capital and non-capital losses carried forward to taxable income, and the Company's federal investment tax credits have not been recognized in the accounts due to the uncertainty regarding their utilization.

SUMMARY OF QUARTERLY RESULTS

The following table sets out selected unaudited quarterly financial information of the Company for the eight quarters ended June 30, 2015. This information is derived from unaudited quarterly financial statements prepared by management. The Company's financial statements are prepared in accordance with IFRS and expressed in Canadian dollars.

	Jun-15	**Mar-15**	**Dec-14**	**Sept-14**	**Jun-14**	**Mar-14**	**Dec-13**	**Sept-13**
Investment Income	166,000	175,000	191,000	186,000	186,000	282,000	120,000	142,000
Net Loss	(1,087,000)	(1,156,000)	(5,681,000)	(1,472,000)	(1,817,000)	(1,735,000)	(1,609,000)	(1,856,000)
Loss Per Share(1)	(0.01)	(0.01)	(0.03)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)

(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.

SECOND QUARTER RESULTS

The most significant items comparing the results of operations in the second quarter of 2015 versus the same period in 2014 is a decrease in general and administrative expenses to $1,253,000 in Q2 2015 from $2,010,000 in Q2 2014.

The most significant items affecting general and administrative expenses are a decrease in share-based compensation to $106,000 in Q2 2015 for which the corresponding expense in Q2 2014 was $664,000.

As a result, the Company's net loss for the second quarter ended June 30, 2015 totalled $1,087,000 (loss of $0.01 per share) compared to a net loss of $1,817,000 (loss of $0.01 per share) for the comparative period in 2014.

USE OF ACCOUNTING ESTIMATES AND JUDGMENTS

The information is provided in Note 3 of the 2014 annual financial statements and Note 3 of the condensed interim financial statements.

STANDARDS ISSUED BUT NOT YET EFFECTIVE

The information is provided in Note 4 of the condensed interim 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 December 31, 2014 financial statements.

FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES

In the normal course of operations, the Company is exposed to various financial risks. The Company does not enter into financial instrument agreements including derivative financial instruments for speculative purposes. Please refer to Note 14 of the June 30, 2015 condensed interim financial statements for an extended description of the Company's financial risk management, objectives and policies.

CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The information is provided in Note 17 of the financial statements.

LIQUIDITY AND CAPITAL RESOURCES

Working Capital

Working capital at June 30, 2015 of $23,497,000 represents a decrease of $5,374,000 from the FYE 2014 total of $28,871,000. This decrease in working capital is mainly due to the Company's reclassification of certain tax credits from current assets to non-current assets to reflect the anticipated realization of these credits and the continued usage of cash and cash equivalents and short-term investments for the Company's investment in the exploration and evaluation of its mineral assets as well as funding its operational loss for the period.

The Company's working capital has been mainly invested in cash and guaranteed investment certificates with relatively short maturities all either issued by or guaranteed by Canadian Federal and Provincial governments or their crown corporations. These investments have been classified as short-term investments. The Company intends to use a portion of its cash and cash equivalents and short-term investments in order to fund its portion of the Taconite Feasibility Study, to fulfill assessment work required to maintain claims and pay future corporate operating expenses.

Capital Expenditures

There was $Nil in acquisitions of property and equipment during the first six months of 2015 compared to $2,000 in the corresponding period in 2014.

Capital Resources

At June 30, 2015, NML has paid up capital of $177,584,000 (December 31, 2014 - $177,584,000) representing 181,054,000 (December 31, 2014 – 181,054,000) common shares and contributed surplus of $22,348,000 (December 31, 2014 - $21,941,000) that is partially offset by a deficit of $36,507,000 (December 31, 2014 - $34,265,000) resulting in total equity attributable to shareholders of the Company of $163,425,000 (December 31, 2014 - $165,260,000). In addition there is a non-controlling interest of $238,000 (December 31, 2014 – $238,000) resulting in total equity of $163,663,000 (December 31, 2014 - $165,498,000).

COMMITMENTS

Please refer to Note 18 of the financial statements for a summary of the Company's commitments.

TRANSACTIONS WITH RELATED PARTIES

Please refer to Note 16 of the financial statements for a summary of the Company's transactions with related parties and the related period end balances.

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 at June 30, 2015.

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.

An evaluation was carried out, under the supervision of the CEO and the CFO, of the design and operating effectiveness of the key aspects 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 at June 30, 2015, using the criteria set forth by the Committee of Sponsoring Organizations (COSO) of the Treadway Commission on Internal Control – Integrated Framework.

Changes to Internal Control over Financial Reporting

No changes were made to our internal control over financial reporting during the quarter ended June 30, 2015, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

MARKET REVIEW

According to the World Steel Association's ("WSA") statistics released July 22, 2015, world crude steel production in its 65 reporting countries was 813 million metric tons (Mt) for the first six months of 2015, which represented a decrease of 2.0% from the comparable 2014 period. All of the WSA's reporting regions were flat or down, with the exception of the Middle East. Of note was the 1.3% decrease in China's crude steel production, which is contributing to the widely reported surplus conditions in the iron ore market.

The overall reporting countries' crude steel capacity utilization rate at June 2015 was 72.2%, which was 3.5% lower than a year earlier while slightly higher by 0.1% than at May 2015. With domestic consumption having fallen off, China's steel industry is maintaining production by growing exports and faces trade restrictions given the fragile state of other markets.

China's iron ore imports over the first half of 2015 were approximately 453 Mt, lower by 0.9% than in the year-earlier period. Iron ore pricing as measured by The Steel Index's 62% Fe Fines CFR China reference averaged US$59 per Mt for the second quarter, down by 6.7% from the previous quarter. The price premiums paid for iron ore pellets continue to hold up relatively well despite the reference price drop. Ocean freight rates for iron ore have firmed as the second quarter saw slower growth in dry bulk fleet capacity for the first time in many years.

DISCLOSURE OF OUTSTANDING SHARE DATA

The following information relates to share data of the Company as at June 30, 2015.

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, 2015: The Company has 181,054,146 common shares issued ($177,584,512).

   c. Issued as of August 11, 2015: The Company has 181,054,146 common shares issued ($177,584,512).

2. **Options**

The Company had adopted 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. At the June 25, 2015, Meeting the Shareholders did not approve any further allocations from the stock option plan.

As of August 11, 2015, 2015, there were 12,749,000 common shares reserved for issuance pursuant to the exercise of stock options (June 30, 2015 – 12,836,500) as follows:

Number of Outstanding Options	Exercise Price	Expiry Date
36,000	$0.87	August 31, 2015
42,000	$3.52	February 8, 2016
2,890,000	$3.36	April 1, 2016
175,000	$3.16	April 29, 2016
52,000	$2.48	May 16, 2016
32,000	$2.48	July 18, 2016
135,000	$1.65	November 1, 2016
350,000	$1.43	December 6, 2016
160,000	$1.23	December 20, 2016
56,000	$2.03	April 16, 2017
3,280,000	$1.35	July 27, 2017
200,000	$1.57	October 4, 2017
52,000	$1.62	January 8, 2018
2,328,000	$0.89	April 24, 2018
535,000	$0.42	March 31, 2019
2,147,500	$0.44	May 21, 2019
228,500	$0.39	June 16, 2019
50,000	$0.31	September 2, 2019

BUSINESS RISKS

In the normal course of operations, the Company is exposed to various business risks. These risks are described in the 2014 Annual Management's Discussion and Analysis as well as the Company's 2014 Annual Information Form dated March 24, 2015 filed on SEDAR at www.sedar.com.

ADDITIONAL INFORMATION

For further information, please visit www.NMLiron.com, www.tatasteel.com, www.tatasteelcanada.com, www.tatasteeleurope.com and on SEDAR at www.sedar.com

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