MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE COMPANY'S FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*Reference is made to the audited Consolidated Financial Statements of New Millennium Iron Corp. (**"**NML**",** or "the Company**"**) for the year ended December 31, 2017 and the year ended December 31, 2016 ("FYE 2016"), upon which the following discussion is based. These Consolidated Financial Statements and the notes thereto, have been prepared in accordance with International Financial Reporting Standards ("IFRS").*

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 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 and seven taconite properties now explored to a NI 43-101 compliant resource, 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 1,304 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 92 claims and expects to allow these to lapse when due for renewal.

Table 1 below represents the remaining 1,212 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 km²]	217 [54.3 km²]	-	-	18 [4.5 km²]	357 [89.3 km²]
	LLP	256 [64 km²]	-	145 [36.3 km²]	-	-	158 [39.5 km²]	-	559 [139.8 km²]
Québec	NML	-	171 [80.9 km²]	-	-	97 [47.0 km²]	-	28 [12.1 km²]	296 [140.0 km²]
Total		**256** [64 km²]	**171** [80.9 km²]	**267** [66.8 km²]	**217** [54.3 km²]	**97** [47.0 km²]	**158** [39.5 km²]	**46** [16.6 km²]	**1,212** [369 km²]

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 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 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 the development of the Company's feasibility study 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

NML – PSI Contract

During the fourth quarter, NML resolved its previously reported dispute with the Sept-Îles Port Authority ("PSI") in respect of a July 2012 contract ("Contract") to secure capacity at the new multi-user dock at Pointe Noire, Quebec. Under the Contract NML advanced $38.4 million, called the buy-in payment, towards reserved capacity of 15.0 million tonnes per year. The dock facility, which the PSI plans to have operational in 2018, would be the expected loading point for shipments from NML's taconite properties.

Under NML's settlement with the PSI, which was announced on December 6, 2017, the Company, as a multi-user dock participant presently without shipping operations, may apply its buy-in payment, coupled with a mechanism for adjusting reserved dock capacity over the contractual period, to satisfy its take-or-pay obligation under the Contract and has no further funding requirements in respect of the take-or pay obligation. Once the previously advanced funds are fully offset against the take-or pay obligation, NML could reduce its reserved capacity proportionately based on the remaining term of the Contract, which is until 2032. In all other respects, the Company retains all its rights under the Contract.

As a result of the PSI settlement, and in view of the low probability of NML shipping prior to having fully applied the previously advanced funds to its take-or-pay obligation, NML has taken as at December 31, 2017, an impairment on this asset that is reflected in the Company's 2017 year-end financial statements. However, also as at December 31, 2017, the Company's 15 million tonnes of reserved capacity and $38.4 million buy-in payment may still be applied against future shipments or take-or-pay obligations.

Liquidity Measures

Entering 2017, the Company 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, resulting in a significant reduction in the run rate for regular operations and an increase in the Company's investment income as reflected in the fourth quarter's financial results.

Along with lowering overhead, NML took steps through which the level of exploration spending necessary to preserve NML's mining claims can be strategically reduced without materially changing the Company's mineral resources.

Corporate Governance

As previously reported, changes to NML's Board of Directors in 2017 included the appointment of Mr. Mario Caron as Non-Executive Chairman, succeeding Mr. Howard Lutley, who announced prior to the Annual General Meeting that he would not be standing for re-election to the Board. Mr. Kevin Bullock also left the Board. At the Annual General Meeting, Mr. H. Dean Journeaux, a shareholder and previously an officer and a director of the Company, was elected to the Board, which numbers seven.

Change of Auditors

In December 2017, MNP SENCRL, SRL/LLP were appointed as auditors of the Company upon the resignation of Raymond Chabot Grant Thornton LLP, at the request of the Company. This change was in accordance with Part 4 of National Instrument 52-102 and posted on SEDAR.

TSMC's DSO PROJECT

Operations

Since the previously reported dilution of NML's interest in TSMC, NML does not have representation on TSMC's Board of Directors and relies on information provided by TSMC for the operating and financial performance of the DSO Project.

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

The targeted level of production for the combined product streams is 6 Mtpy and additional production options are being studied by TSMC as operators of the Project.

Shipping of the crushed and screened DSO began in 2013 to Tata Steel Europe and to China, and deliveries to these markets are now being made on a regular basis. For the 2017 operating season ended in November, a total of 2.2 million tonnes was shipped to customers overseas.

NML will only derive revenue from the DSO Project when TSMC is in a dividend-paying position, which cannot be predicted at this time.

Howse Deposit

As previously reported, TSMC in April 2015 acquired the Howse Deposit, a large DSO property strategically located near TSMC's main Timmins operations site. The technical feasibility activities, including a resource re-evaluation and feasibility study, were completed in 2015. TSMC continues to advance the environmental clearance process and First Nation consultations necessary to bring Howse into operation.

FINANCIAL CONDITION

The following discussion of the Company's financial performance is based on the audited Consolidated Financial Statements as of December 31, 2017 ("2017 financial statements") set forth herein, which are prepared in accordance with IFRS.

The significant accounting policies applied in the preparation of these financial statements are set out in Note 2 of the 2017 financial statements and have been consistently applied to all periods presented.

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 audited Consolidated Statement of Financial Position as of December 31, 2017 ("FYE 2017") indicates cash of $987,000, marketable securities of $12,590,000, sales taxes, other receivables and prepaid expenses of $64,000, resulting in total current assets of $13,641,000, a decrease of $2,527,000 from December 31, 2016 ("FYE 2016"). This decrease is mostly due to the reclassification of the due from Tata Steel from current to non-current asset as the Company no longer expects to collect this within one year of the financial statements date. 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 $4,844,000, long-term investment of $10,149,000 and property and equipment of $343,000. The total assets are $30,740,000 which is a decrease of $39,383,000 from FYE 2016.

The Company's current liabilities at FYE 2017 consist of its trade and other payables of $175,000, a decrease of $1,558,000 from FYE 2016. Non-current liabilities consist of long-term trade and other payables of $623,000 and mining duties payable of $1,373,000 resulting in a total of $1,996,000, an increase of $1,172,000 from FYE 2016 for total liabilities of $2,171,000, which is a decrease of $386,000 from FYE 2016. Equity attributable to shareholders of the Company is $28,331,000, a decrease of $38,997,000 from FYE 2016, and is comprised of share capital of $177,585,000, contributed surplus of $22,432,000, less the deficit of $171,686,000. The non-controlling interest of $238,000 relates to LabMag Limited Partnership whose main property is the LabMag Property and remains unchanged from FYE 2016, for a total equity of $28,569,000.

During the year, the Company's cash and investments were used to pay for its trade and other payables. Since the Company did not have any capital injection during the year, the portion of the payments relating to the current and prior years' operating loss impacted on the decline in the Company's total current assets and total assets from FYE 2016 to FYE 2017.

The decline in total assets of $30,740,000 and equity of $38,997,000 from FYE 2016 is mainly due to the $38,503,000 impairment of the other assets comprised of the buy in payment for the new multi-user dock and related costs in view of the low probability of NML shipping prior to having fully applied the previously advanced funds to its take-or-pay obligation.

The operational results are:

	Year-ended December 31, 2017	Year-ended December 31, 2016
	$	$
Revenues		
Service fee revenue	-	345,000
Investment income	667,000	209,000
Change in fair value of marketable securities	277,000	-
	944,000	554,000
Expenses		
General and administrative	1,635,000	5,536,000
Mineral exploration and evaluation (recovery)	(196,000)	591,000
Impairment of other assets	38,503,000	-
	39,942,000	6,127,000
Net loss	(38,998,000)	(5,573,000)
Loss per share - basic and diluted	(0.22)	(0.03)

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

	Year-ended December 31, 2017	Year-ended December 31, 2016
	$	$
Consulting, legal and professional fees	854,000	1,576,000
Directors' fees	245,000	265,000
Rental costs	138,000	285,000
Office and general	137,000	354,000
Salaries, wages and benefits	87,000	1,572,000
Travel and meals	25,000	105,000
Market development	23,000	98,000
Depreciation	6,000	45,000
Share based compensation	-	27,000
	1,515,000	4,327,000
Restructuring costs	120,000	1,209,000
Total general and administrative expenses	1,635,000	5,536,000

The main component of the Company’s FYE 2017 loss is the impairment taken on NML’s other asset relating to the advances that had been made to the Port.

The main changes between FYE 2017 and FYE 2016 general and administrative expenses relate to the continued implementation of the Company's cash conservation measures which have reduced its on-going general and administrative expenses by $2,812,000, aided by the fact that there was no special meeting of shareholders in the current fiscal year. In addition, the Company's restructuring costs relating to the organizational restructuring decreased by $1,089,000 from FYE 2016. The primary items of the general and administrative expense decline were: in 2017 the Company eliminated its payroll and as such salaries, wages and benefits decreased by $1,485,000, and consulting, legal and professional fees which decreased by $722,000 mostly due to having incurred in 2016 costs associated with the March 2016 Special Meeting. The Company and its subsidiaries have no full-time employees and on-going administrative functions are being managed by three (3) individual consultants.

Additionally, during FYE 2017 the Company reduced its mineral exploration and evaluation activities which were more than offset during the period by recoveries relating to prior expenditures so that FYE 2017 is $787,000 less than FYE 2016.

The Company also increased its investment in income in FYE 2017 by $458,000 from FYE 2016 as NML commenced shifting its investments from GICs into marketable securities. Whereas previously the Company only invested in GICs which were guaranteed indirectly by Canada or the provinces, the Company's investments are now exposed to fluctuations in the market value of its equity investments as well as the credit worthiness of the entity in which the entity is made.

Through the Company's cash conservation measures and its change in investment philosophy, the Company is expecting to become cash flow neutral. Should the Company incur losses in the future, they are expected to be funded by current cash, collection of receivables, investments, and then, if necessary, through equity financing, debt financing or investments by third parties, including possible strategic partners.

As of December 31, 2017, the deferred tax assets, which arise as a result of applying the capital and non-capital losses carried forward to taxable income have not been recognized in the accounts due to the uncertainty regarding their utilization.

Annual Information

The following table shows selected annual information for the Company derived from the Company's Financial Statements for the last three completed financial years.

Item	December 31, 2017	December 31, 2016	(Restated) December 31, 2015
Investment income	667,000	209,000	559,000
Net loss	(38,998,000) [3]	(5,573,000)	(32,611,000) [2]
Loss per share [1]	(0.22)	(0.03)	(0.18)
Total assets	30,740,000	70,123,000	75,888.000
Long-term liabilities	1,996,000	824,000	824,000
Dividends	Nil	Nil	Nil

(1) The effect of the exercise of stock options and warrants would be anti-dilutive for the purposes of calculating the fully diluted earnings per share for all periods.

(2) The December 31, 2015 net loss includes an impairment on long-term investments in the amount of $26,798,000.

(3) The December 31, 2017 net loss Includes the impairment of the Company's other assets in the amount of $38,503,000

The main impact on the FYE 2017 net loss was the impairment of NML's other assets in the amount of $38,503,000 for which there was no corresponding impairment in FYE 2016. During FYE 2017 the Company's expenses declined from FYE 2016 led by the decrease in general and administrative expenses of $3,901,000 and $787,000 reduction in mineral exploration and evaluation. Included in the decrease in general and administrative expense reductions is its continued organizational restructuring which resulted in $1,485,000 of salary cost reductions for FYE 2017 compared to FYE 2016, restructuring costs associated with the organizational restructuring also decreased by $1,089,000 from FYE 2016.

Summary of Quarterly Results

The following table sets out selected unaudited quarterly financial information of the Company for the eight quarters ended December 31, 2017. 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.

	Dec-17	Sept-17	Jun-17	Mar-17	Dec-16	(Restated) (2) Sept-16	(Restated) (2) Jun-16	(Restated) (2) Mar-16
Investment Income	191,000	184,000	177,000	116,000	49,000	47,000	64,000	49,000
Net Income (Loss)	(37,967,000) (3)	944,000	(649,000)	(1,326,000)	(1,184,000)	(331,000)	(2,175,000)	(1,884,000)
Income (Loss) per Share (1)	(0.21)	0.01	(0.00)	(0.01)	(0.01)	(0.00)	(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.
(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.

Fourth Quarter Results

	Three-months ended December 31, 2017 $	2016 $
Service fee revenue		24,000
Investment income	191,000	49,000
Markup of investments to market value	593,000	-
	784,000	73,000
Expenses		
General and administrative	246,000	1,271,000
Mineral exploration and evaluation	2,000	(14,000)
Impairment on other assets	38,503,000	-
	38,751,000	1,257,000
Net loss	(37,967,000)	(1,184,000)
Loss per share - basic and diluted	(0.21)	(0.01)

The comparative general and administrative expenses for the three months ended December 31, 2017 and 2016, by nature of expenditure, are summarized below:

	Three-months ended December 31, 2017	2016
	$	$
Consulting, legal and professional fees	193,000	147,000
Directors' fees	30,000	37,000
Office and general	24,000	40,000
Rental costs	16,000	50,000
Travel and meals	5,000	19,000
Salaries, wages and benefits	(22,000)	265,000
Market development	-	14,000
Depreciation	-	7,000
Share based compensation	-	3,000
	246,000	582,000
Restructuring costs	-	689,000
Total general and administrative expenses	246,000	1,271,000

For the fourth quarter of 2017 versus the same period in 2016, general and administrative expenses decreased by $1,025,000. The primary reasons for the overall decrease in expenses were: in 2017, there were no restructuring costs, which in 2016 totaled $689,000 and that salaries, wages and benefits decreased by $287,000 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 almost every component of general and administrative expenses.

Use of Accounting Estimates and Judgments

Please refer to Note 3 of the 2017 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

There were no changes in accounting policies for the period ended December 31, 2017.

Standards Issued but Not Yet Effective

The information is provided in Note 4 of the 2017 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 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 19 of the 2017 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 period ending December 31, 2017. The Company is not subject to any externally imposed capital requirements.

Liquidity and Capital Resources

Working Capital

Working capital at December 31, 2017 of $13,467,000 represents a decrease of $968,000 from the FYE 2016 total of $14,435,000. This decrease in working capital is mainly due to the recognition in 2017 that the Due from Tata Steel is not anticipated to be collected prior to January 1, 2019, and as such has been categorized as a non-current asset in FYE 2017 whereas in FYE 2016 it was classified as a current asset.

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 an equity investment in a public corporation. These investments have been classified as current assets. The Company intends to use a portion of its cash and marketable securities 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 FYE 2017 and FYE 2016.

Capital Resources

At December 31, 2017, NML has paid up capital of $177,585,000 (FYE 2016 - $177,585,000) representing 181,054,000 (FYE 2016 – 181,054,000) common shares, contributed surplus of $22,432,000 (FYE 2016 - $22,432,000) a deficit of $171,686,000 (FYE 2016 - $132,689,000) resulting in total equity attributable to shareholders of the Company of $28,331,000 (FYE 2016 - $67,328,000). In addition, there is a non-controlling interest of $238,000 (FYE 2016 – $238,000) resulting in total equity of $28,569,000 (FYE 2016 - $67,567,000).

Transactions with Related Parties

Please refer to Note 21 of the 2017 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 23 of the 2017 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 December 31, 2017.

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 December 31, 2017, 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 December 31, 2017, 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 December 31, 2017: The Company has 181,054,146 common shares issued ($177,584,512).

(c) Issued as of March 21, 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 March 21, 2018, there were 2,133,000 common shares reserved for issuance pursuant to the exercise of stock options (December 31, 2017 - 2,133,000) as follows:

Number of Outstanding Options	Exercise Price	Expiry Date
1,075,000	$0.89	April 24, 2018
1,033,000	$0.44	May 21, 2019
25,000	$0.31	September 2, 2019

MARKET REVIEW

According to the World Steel Association's statistics released January 24, 2018, world crude steel production in its 66 reporting countries was 1,691 million metric tons ("Mt") in 2017, which represented an increase of 5.3% over 2016.

All regions showed increases but the C.I.S, although production there was stable. Crude steel production in China, which accounts for approximately half of the world's output, was close to 832 Mt, up by 5.7% on 2016, despite the implementation of government-mandated steel mill capacity closures, along with the start on November 15 of a four-month winter steel production curtailment period mainly to meet air quality targets.

The overall reporting countries' crude steel capacity utilization rate at December 2017 was 69.5%. This was 1.8% higher than at December 2016. While still at a relatively low level, increased end-user demand resulted in higher steel prices and improved profitability.

The iron ore price as measured by the 62% Fe Fines CFR North China remained volatile, peaking as high as almost US$95 per tonne in February/March and also reaching close to US$80 per tonne in August, with offsetting price points of below US$60 per tonne occurring in both June and October. According to S&P Global Platts, the 62% Fe CFR benchmark averaged $71.30 in 2017. The pricing outlook remains cautious, however, as there is still new iron ore supply coming on stream in Australia and Brazil even if suppliers are less focused on quantity addition than was the case in recent years.

While stockpiles of iron ore at Chinese ports are historically high, much of the material is medium to low grade. Both demand and premiums for higher quality ore remain strong, reflecting Chinese steelmakers' increased priority on pollution control and productivity, and solid profitability.

The price premiums for pellets, both for blast furnace grades in the Atlantic region and for the direct reduction pellet grade generally, remain very high as demand growth continues against the additional background factor of supply tightness due mainly to the continued idling of the Samarco operation in Brazil, which sustained a major tailings dam failure in November 2015. Brazil's Vale, a 50%-owner of Samarco, is responding by re-starting capacity that has been idle for some time.

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, after several years of improving prices has 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 investee 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 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 Annual Information Form dated March 27, 2017 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 at www.sedar.com

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.