



NEW MILLENNIUM IRON CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

March 31, 2020

(First Quarter)

MANAGEMENT'S DISCUSSION AND ANALYSIS

This management discussion and analysis ("MD&A") of New Millennium Iron Corp., ("New Millennium" or "NML" or the "Company") follows rule 51-102 of the Canadian Securities Administrators regarding continuous disclosure.

The following MD&A is a narrative explanation, through the eyes of the management of New Millennium, on how the Company performed during the interim three-month period ended March 31, 2020. It includes a review of the Company's financial condition and a review of operations for the three-month period as compared to the three-month period March 31, 2019.

This MD&A complements the unaudited condensed interim consolidated financial statements for the period ended March 31, 2020, but does not form part of them. It is intended to help the reader understand and assess the significant trends, risks and uncertainties related to the results of operations and it should be read in conjunction with the unaudited condensed interim consolidated financial statements as at March 31, 2020 and related notes thereto as well as the audited consolidated financial statements, accompanying notes and Management's Discussion and Analysis for the year ended December 31, 2019.

The unaudited condensed interim consolidated financial statements for the period ended March 31, 2020 and 2019 have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standard Board ("IASB"), applicable to the preparation of condensed interim consolidated financial statements. The accounting policies applied in the financial statements are based on IFRS issued and effective as at March 31, 2020. On May 6, 2020, the Board of Directors approved the condensed interim consolidated financial statements and this MD&A.

All figures are in Canadian dollars unless otherwise stated. Additional information relating to the Company can be found on SEDAR at www.sedar.com. The shares of New Millennium are listed on the Toronto Stock Exchange ("TSX") under the symbol "NML".

REPORT'S DATE

The MD&A was prepared with the information available as at May 6, 2020.

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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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, where the Company has an interest in reserved shiploading capacity at a newly constructed wharf capable of servicing large, Panamax-class bulk carriers.

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 77.68% and 18% respectively of TSMC.

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

In the currently challenging market environment for new greenfield iron ore projects, NML has implemented cash conservation measures, while protecting its mineral claims and iron ore development positioning. At the end of 2018, the Company announced the study with assistance from independent advisors of new business opportunities aimed at diversifying its iron ore and infrastructure interests.

MINERAL EXPLORATION AND EVALUATION ASSETS

The Company holds interests in 1,221 claims distributed among taconite iron ore properties in Newfoundland and Labrador ("NL") and Québec.

Table 1 below represents the 1,172 claims with potential economic benefit, while Table 2 below shows NML's prominent NI 43-101 compliant resource holdings not only for LabMag and KéMag, but also the other important MIR deposits presented, for which exploration drilling and analysis has been effectively completed. The expenditures incurred to date on each of the Company's Taconite properties are presented in Table 3 below.

Table 1
NML – Summary of Mineral Claims

Province	Ownership	LabMag Property	KéMag Property	Howells Lake-Howells River North Properties	Perault Lake Property	Lac Ritchie Property	Sheps Lake Property	Other Properties	Total
NL	NML	-	-	122 [30.5 km ²]	217 [54.25 km ²]	-	-	18 [4.5 km ²]	357 [89.25 km ²]
	LLP	256 [64 km ²]	-	145 [36.25 km ²]	-	-	120 [30 km ²]	-	521 [130.25 km ²]
Québec	NML	-	169 [83.3 km ²]	-	-	97 [47.0 km ²]	-	28 [13.8 km ²]	294 [144.1 km ²]
	LLP	256 [64 km ²]	169 [83.3 km ²]	267 [66.75 km ²]	217 [54.25 km ²]	97 [47.0 km ²]	120 [30 km ²]	46 [18.3 km ²]	1,172 [363.6 km ²]
Total		256 [64 km ²]	169 [83.3 km ²]	267 [66.75 km ²]	217 [54.25 km ²]	97 [47.0 km ²]	120 [30 km ²]	46 [18.3 km ²]	1,172 [363.6 km ²]

Note: Claims registered under New Millennium Iron Corp. are owned 100% by the Company. Claims registered under LabMag Limited Partnership ("LLP") are owned 80% by the Company through its interest in LLP.

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

Table 2
NML – Millennium Iron Range Taconite Properties

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

Note (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.

Note (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	\$15,954,125
LabMag	28,489,052
Howells Lake-Howells River North	5,123,611
Sheps Lake	1,372,751
Perault Lake	5,101,118
Lac Ritchie	2,493,931
Total	\$58,534,588

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

NML TACONITE STUDIES

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

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

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

NuTac Project

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 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. The NuTac Project was in response 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

Each of the LabMag and KéMag deposits could support a large-scale iron ore concentrating and pelletizing complex comparable to that of existing Labrador Trough producers and become a source of saleable product qualities capable of servicing iron making through either the blast furnace or direct reduction route. Recognizing the macroeconomic situation poses challenges for development of the Taconite Project as currently conceived in the HOA, each of NML and Tata Steel are revisiting their possible approaches with respect to these properties.

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 southwest 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

In 2020, NML continued its cash conservation measures and new investment strategies aimed at keeping the Company cash flow neutral. As at March 31, 2020, NML held approximately \$12.6 million in cash and marketable securities, and had overall working capital of \$12.3 million. The Company's business priorities such as claims management, essential administration and regulatory matters are being successfully carried out by a small management team.

Assignment of Portion of PSI Contract Capacity

On November 19, 2018, NML closed the previously announced transaction under which 6.5 million tonnes of the 15 million tonnes of annual wharf capacity reserved by NML in a July 2012 contract with the Sept-Îles Port Authority (the "Port"), along with the associated rights and obligations, shipping rates and other terms in the July 2012 contract were sold to Tacora Resources Inc. Tacora is currently restarting the Scully Mine located near the town of Wabush, Newfoundland and Labrador.

Total cash consideration of \$4 million was paid to NML and further payments to NML of \$0.10 per tonne of iron ore shipped under the sold capacity over a 20-year period through the Port facilities to commence from and after the date of Tacora's first shipment through the Port facilities.

Tacora Resources Inc. began shipments of its iron ore concentrates during the quarter ended September 30, 2019. NML has received royalty payments in accordance with the agreement between NML and Tacora Resources Inc. The Tacora shipments of its iron ore have continued. The table below indicates the tonnage shipped for the quarter ended March 31, 2020.

Tacora Resources Inc. - Tonnage Shipped

Quarter	Gross weight (metric tons of iron ore)
Q1 2020	406,919

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

Due from Tata Steel

During the quarter, the Company continued its discussions between Tata Steel ("Tata") regarding the previously reported amount due from Tata with Tata advising the Company of disagreement with calculations making up the basis for the receivable. Upon review, the Company has not been provided with sufficient certainty to consider the amount due from Tata as collectible and accordingly has written down the full amount of the receivable. The write-down of the receivable does not mean that the Company does not believe that it does not have a valid claim for those costs incurred on behalf of Tata Steel during the Feasibility Studies of the Taconite projects. The Company and Tata Steel are currently reviewing the details of those charges and are confident that a negotiated settlement will be reached.

New Business Initiative

On December 18, 2018, the Company announced the study, with assistance from independent advisors, of new business opportunities aimed at diversifying its iron ore and infrastructure interests. In addition, a Special

MANAGEMENT'S DISCUSSION AND ANALYSIS

Committee of independent directors was formed to assist management and the appointed advisors in reviewing opportunities and to make recommendations to the Board.

To date, over 50 opportunities have been reviewed. The Company has entered into several non-disclosure agreements with various parties to review and analyze opportunities in further detail. As part of these detailed reviews, the Company has reviewed various transaction structures, met with management teams and conducted considerable due diligence on the opportunities. The various opportunities reviewed are in sectors including Metals and Mining, Infrastructure, Business Services, Manufacturing, Food & Beverage, Software, Technology and Healthcare. Potential transactions considered under this initiative consist of a wide range of transactions, including mergers, financings and acquisitions of both public and private companies.

It is expected that the Special Committee and its advisors will be able to make recommendations to the Board in the 2020 fiscal year. As of the date of this MD&A, the Company has not entered into any definitive documentation regarding a transaction. The Company will manage disclosure obligations and update shareholders as necessary with respect to any transaction pursued under the New Business Initiative.

Outlook

With regard to the company's main business, in the currently challenging market environment for new greenfield iron ore projects, NML's main projects are on hold and NML has implemented cash conservation measures, while protecting its mineral claims and iron ore development positioning. At the end of 2018, the Company announced the study with assistance from independent advisors of new business opportunities aimed at diversifying its iron ore and infrastructure interests. This study is continuing in 2020 in order to create shareholder value. A Special Committee of independent directors was formed to assist management and the appointed advisors in reviewing opportunities and to make recommendations to the Board.

TSMC'S DSO PROJECT

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

During the 2019 season, shipments of crushed and screened ore to Europe totalled approximately 1.046 million metric tons (wet basis). No DSO shipments were undertaken from January to March 2020.

TSMC completed, in early 2019, its enclosed beneficiation plant that, when fully operational, will increase the DSO Project's scale while adding higher quality fines to the saleable product mix. Shipping activity from the plant commenced in mid-2019. The plant is currently in a startup mode.

Due to COVID-19, the Quebec Government mandated the closure of all non-essential businesses on March 25, 2020, which included the DSO project. Further to this, it announced on April 13, 2020, that the mining industry could resume its normal activities on April 15, 2020.

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

In conformance with a new accounting standard for the classification and measurement of financial assets effective January 1, 2018, NML has begun to measure its investment in TSMC at fair value (see **Financial Condition** section below). The new accounting standard calls for the fair value to be calculated and reported quarterly. A discounted cash flow model was used incorporating TSMC's business assumptions and other factors to arrive at the estimated present value of net cash flow available for projected dividends to the Company as an equity investor. The discounted cash flow model and the related business assumptions and other factors, which include market conditions are more fully described in Note 2.6 and Note 19 of the 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

audited consolidated financial statements, and are reviewed quarterly (see Note 15 of the condensed interim consolidated financial statements for the three-month ended March 31, 2020).

As at March 31, 2020, the Company determined the fair value of its investment in TSMC to be \$3,050,000, resulting in a decrease of \$413,000 for the three-month period then ended. The decrease is based on estimating the same financial metrics that were used to evaluate the fair value in prior quarters. The main factors and changes to the model include the:

- Funding requirements of TSMC which have been principally in debt and preferred shares and resulting in increased carrying costs until the repayment of such instruments;
- Cost of capital that is used for the current market rate of return;
- Market price of iron ore;
- The amount and timing of payment of dividends by TSMC which are affected by the outcome of the above factors;
- US dollar exchange rate; and,
- Internal and external factors that may affect production and logistics, such as production volume levels and cost to produce.

FINANCIAL CONDITION

IFRS Accounting policies

The Company's significant accounting policies under IFRS are disclosed in Note 4 in the audited annual consolidated financial statements for the year ended December 31, 2019.

Use of estimates and judgments

Please refer to Note 2.6 of the 2019 audited annual consolidated financial statements for an extended description of the information concerning the Company's significant judgments, estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses.

Reporting global event

During the three-month period ended March 31, 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy, capital markets and the Company's financial position cannot be reasonably estimated at this time. The Company is monitoring developments and will adapt its business plans accordingly. The actual and threatened spread of COVID-19 globally could adversely impact the Company's ability to carry out its plans and raise capital.

Changes in accounting policies

The Company's changes to accounting policies are disclosed in Note 3 in the audited annual consolidated financial statements for the year ended December 31, 2019.

Adoption of new accounting standards

The information is provided in Note 3.1 of the condensed interim consolidated financial statements for the three-month ended March 31, 2020.

New standards and interpretations that have not yet been adopted

The information is provided in Note 3.2 of the condensed interim consolidated financial statements for the three-month ended March 31, 2020.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 15 of the condensed interim consolidated financial statements for the three-month period ended March 31, 2020.

Selected quarterly financial information

New Millennium anticipates that the quarterly and annual results of operations will primarily be impacted for the near future by several factors, including the timing and efforts of the exploration's expenditures and efforts related to the development of the Company. Due to these fluctuations, the Company believes that the quarter to quarter and the year-to-year comparisons of the operating results may not be a good indication of its future performance.

The following selected quarterly financial information is derived from our unaudited condensed interim financial statements for each of the two most recently completed financial years.

MANAGEMENT'S DISCUSSION AND ANALYSIS

NEW MILLENNIUM IRON CORP. SELECTED QUARTERLY FINANCIAL INFORMATION

	2020				2019			2018
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
	\$	\$	\$	\$	\$	\$	\$	\$
CONSOLIDATED STATEMENTS OF								
INCOME (LOSS) AND COMPREHENSIVE (LOSS) INCOME								
Expenses								
General and administrative expenses	307,365	298,801	201,559	296,676	356,158	300,864	210,623	317,635
Mineral exploration and evaluation	274	31,890	-	7,665	20,220	(2,249,612)	(58,232)	1,428
Reversal of impairment of other assets	-	-	-	-	-	(4,299,049)	(85,196)	-
Change in fair value of long-term investment	413,000	767,000	5,918,000	(40,000)	(523,000)	(1,783,000)	148,000	461,000
(Recovery) wWrite-down of tax credits and mining duties receivable	-	(19,295)	-	-	-	4,445,369	-	-
Write-off of R&D tax credits payable	-	(33,893)	-	-	-	-	-	-
Write-down of due from Tata Steel	-	-	-	-	-	3,843,972	-	-
Derecognition of mining duties payable	-	-	-	-	-	(1,285,049)	-	-
	720,639	1,044,503	6,119,559	264,341	(146,622)	(1,026,505)	215,195	780,063
Other items								
Investment income	253,569	294,206	261,909	269,389	230,934	241,260	211,323	202,981
Finance expense	(1,499)	(1,172)	(1,201)	(1,264)	(1,317)	-	-	-
Change in fair value of marketable securities	(1,147,815)	284,004	32,552	157,221	305,211	(116,485)	(315,437)	153,952
Revenue from use of wharf	40,692	62,211	29,529	-	-	-	-	-
	(855,053)	639,249	322,789	425,346	534,828	124,775	(104,114)	356,933
Net income (loss)	(1,575,692)	(405,254)	(5,796,770)	161,005	681,450	1,151,280	(319,309)	(423,130)
Other comprehensive (loss) income								
Change in fair value of fixed rate investments	(578,100)	(459,062)	(359,771)	(2,897,170)	370,420	(1,735,900)	(575,500)	306,600
	(578,100)	(459,062)	(359,771)	(2,897,170)	370,420	(1,735,900)	(575,500)	306,600
Total comprehensive (loss) income	(2,153,792)	(864,316)	(6,156,541)	(2,736,165)	1,051,870	(584,620)	(894,809)	(116,530)
Net income (loss) attributable to:								
Shareholders of New millennium Iron Corp.	(1,575,692)	(405,254)	(5,796,770)	161,005	681,450	1,151,280	(319,309)	(423,130)
Non-controlling interests	-	-	-	-	-	-	-	-
Other comprehensive (loss) income attributable to:								
Shareholders of New millennium Iron Corp.	(578,100)	(459,062)	(359,771)	(2,897,170)	370,420	(1,735,900)	(575,500)	306,600
Non-controlling interests	-	-	-	-	-	-	-	-
Total comprehensive (loss) income attributable to:								
Shareholders of New millennium Iron Corp.	(2,153,792)	(864,316)	(6,156,541)	(2,736,165)	1,051,870	(584,620)	(894,809)	(116,530)
Non-controlling interests	-	-	-	-	-	-	-	-
Basic and diluted earnings (loss) per share:	(0.01)	(0.00)	(0.03)	0.00	0.00	0.01	(0.00)	(0.00)

	2020				2019			2018
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
	\$	\$	\$	\$	\$	\$	\$	\$
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION								
Cash	7,275,120	7,319,439	6,807,652	6,890,926	7,373,601	6,997,065	2,919,852	3,823,753
Marketable securities	5,330,853	6,873,931	7,086,155	7,374,330	9,711,548	9,411,009	10,833,079	10,673,844
Total current assets	12,684,667	14,325,072	13,974,868	14,330,991	17,109,975	16,466,673	13,793,130	14,552,009
Due from Tata Steel (non-current assets)	-	-	-	-	-	-	1,821,369	1,763,137
Tax credits and mining duties receivable	-	-	428,384	428,384	428,384	428,384	4,840,454	4,840,454
Long-term investment	3,050,000	3,463,000	4,230,000	10,148,000	10,108,000	9,585,000	8,416,000	8,564,000
Total non-current assets	3,393,371	3,806,371	5,001,755	10,919,755	10,879,755	10,356,755	15,421,194	15,510,962
Total current liabilities	401,095	300,708	193,131	310,713	313,532	199,100	106,327	60,163
Total non-current liabilities	716,527	716,527	804,968	804,968	804,968	804,968	2,090,016	2,090,017
Non-controlling interest	238,351	238,351	238,351	238,351	238,351	238,351	238,351	238,351
Equity	14,960,416	17,114,208	17,978,524	24,135,065	26,871,230	25,819,360	27,017,981	27,912,791

The total comprehensive loss of \$2,153,792 for Q1-2020 is mostly attributable to a decrease in fair value of marketable securities of \$1,147,815 combined with a decrease in fair value of long-term investment of \$413,000 and a decrease of \$ 578,100 in change in fair value of fixed rate investments.

The total comprehensive loss of \$864,316 for Q4-2019 is mostly attributable to a decrease in fair value of long-term investment of \$767,000.

The total comprehensive loss of \$6,156,541 for Q3-2019 is mostly attributable to a decrease in fair value of long-term investment of \$5,918,000.

The total comprehensive loss of \$2,736,165 for Q2-2019 is mostly attributable to a decrease in fair value of fixed rate investments of \$2,897,170.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The total comprehensive income of \$1,051,870 for Q1-2019 is mostly attributable to an increase in fair value of marketable securities of \$305,211 combined with an increase in fair value of long-term investment of \$523,000.

The total comprehensive loss of \$584,620 for Q4-2018 is mostly attributable to a write-down of tax credits and mining duties receivable of \$4,445,369 and a write-down of due from Tata Steel of \$3,843,972 combined with an increase in fair value of long-term investment of \$1,783,000, a reversal of impairment of other assets of \$4,299,049, a derecognition of mining duties payable of \$1,285,049 and a recovery of mineral exploration and evaluation expenses of \$2,249,612.

Results of operations for the three-month period ended March 31, 2020

Total comprehensive (loss) income

The basic and diluted loss per share for the three-month period ended March 31, 2020 is (\$0.01) as compared to a basic and diluted earnings per share \$0.00 for the three-month period ended March 31, 2019.

During the three-month period ended March 31, 2020, the Company realized a total comprehensive loss of \$2,153,792 as compared to a total comprehensive income of \$1,051,870 for the three-month period ended March 31, 2019.

The decrease of \$3,205,662 for the three-month period ended March 31, 2020 in total comprehensive loss as compared to the three-month period ended March 31, 2019 is mostly attributable to an increase in operating expenses of \$867,261 (operating expenses of \$720,639 for Q1-2020 as compared to operating expenses recovery of \$146,622 for Q1-2019) combined with an increase in other items (expenses) of \$1,389,881 (other items (expenses) of \$855,053 for Q1-2020 as compared to other items (revenues) of \$534,828 for Q1-2019) and an increase of \$948,520 in other comprehensive loss (other comprehensive loss of \$578,100 for Q1-2020 as compared to other comprehensive income of \$370,420 for Q1-2019).

Operating expenses

During the three-month period ended March 31, 2020, operating expenses were \$720,639 as compared to operating expenses recovery of \$146,622 for the three-month period ended March 31, 2019. The significant increase of \$867,261 in operating expenses for the three-month period ended March 31, 2020 as compared to the three-month period ended March 31, 2019 is due to a markdown in fair value of long-term investment of \$413,000 in Q1-2020 as compared to a markup of \$523,000 in fair value of long-term investment in Q1-2019.

Other items

During the three-month period ended March 31, 2020, the other items (expenses) were \$855,053 as compared to other items (revenues) of \$534,828 for the three-month period ended March 31, 2019. The increase of \$1,389,881 in other items (expenses) is mainly due to a decrease in fair value of marketable securities of \$1,453,026 (markdown of \$1,147,815 for Q1-2020 as compared to a markup of \$305,211 for Q1-2019).

Other comprehensive (loss) income

During the three-month period ended March 31, 2020, the other comprehensive loss were \$578,100 as compared to other comprehensive income of \$370,420 for the three-month period ended March 31, 2019. The decrease of \$948,520 in other comprehensive loss is due to a markdown in fair value of marketable securities (fixed rate investments) of \$578,100 in Q1-2020 as compared to a markup of \$370,420 in fair value of marketable securities (fixed rate investments) in Q1-2019.

Cash Flows

Cash flows used for operating activities

Cash flows used for operating activities were \$115,050 during the three-month period ended March 31, 2020, a decrease of \$114,440 as compared to cash flows of \$229,490 used for operating activities during the three-month period ended March 31, 2019. The decrease of \$114,440 is mostly explained by a decrease of

MANAGEMENT'S DISCUSSION AND ANALYSIS

\$109,249 of cash flows used for operating activities before changes in working capital (negative cash flows of \$268,446 for the three-month period ended March 31, 2020 as compared to negative cash flows of \$377,695 for the three-month period ended March 31, 2019).

Cash flows from investing activities

Cash flows from investing activities were \$70,731 during the three-month period ended March 31, 2020, a decrease of \$535,295 as compared to cash flows of \$606,026 from investing activities during the three-month period ended March 31, 2019.

The decrease of \$535,295 is mainly due to a favorable variance of \$Nil between proceeds on disposal of marketable securities and purchases of marketable securities during the three-month period ended March 31, 2020 (\$Nil from proceeds on disposal versus \$Nil of purchases) compared to a favorable variance of \$430,050 between proceeds on disposal of marketable securities and purchases of marketable securities during the three-month period ended March 31, 2019 (\$512,050 from proceeds on disposal versus \$82,000 of purchases).

Related party transactions

Please refer to Note 14 of the condensed interim consolidated financial statements for the three-month period ended March 31, 2020 for a summary of the Company's transactions with related parties period end balances.

Commitments and contingencies

Please refer to Note 18 of the condensed interim consolidated financial statements for the three-month period ended March 31, 2020 for a summary of the Company's commitments and contingencies.

Subsequent events

There are no subsequent events to report.

Off-financial position arrangements

As at March 31, 2020, the Company had no off-financial position arrangements.

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 16 and in the consolidated statement of changes in equity of the condensed interim consolidated financial statements for the three-month period ended March 31, 2020. 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. No changes were made in the objectives, policies and processes for managing capital during the year. The Company is not subject to any externally imposed capital requirements.

Liquidity and capital resources

Working capital as at March 31, 2020 of \$12,283,572 represents a decrease of \$1,740,792 as compared to the working capital of \$14,024,364 as at December 31, 2019. This decrease in working capital is mainly attributable to a decrease of \$1,543,078 in the value of marketable securities held in the consolidated statements of financial position (\$5,330,853 as at March 31, 2020 compared to \$6,873,931 as at December 31, 2019).

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Company's working capital has been invested in cash, debentures of a public corporation and equity investments in public corporations. These investments have been classified as current assets. The Company intends to use a portion of its cash and investment income to fulfill assessment work required to maintain claims and pay corporate operating expenses.

Since its incorporation, the Company has not paid any cash dividends on its outstanding common shares. Any future dividend payment will depend on the Company's financial needs to fund its exploration programs and its future growth, and any other factor that the Board may deem necessary to consider. It is highly unlikely that any dividends will be paid in the near future.

Capital expenditures

There were \$Nil of acquisitions of property and equipment during the three-month period ended March 31, 2020 and years ended December 31, 2019 and 2018.

Capital resources

As at March 31, 2020, NML has paid up capital of \$177,584,512 (\$177,584,512 as at December 31, 2019) representing 181,054,146 (181,054,146 as at December 31, 2019) common shares, contributed surplus of \$22,432,336 (\$22,432,336 as at December 31, 2019) a deficit of \$180,317,300 (\$178,741,608 for the year ended December 31, 2019) and an accumulated other comprehensive loss of \$4,977,483 (\$4,399,383 as at December 31, 2019) resulting in total equity attributable to shareholders of the Company of \$14,722,065 (\$16,875,587 as at December 31, 2019). In addition, there is a non-controlling interest of \$238,351 (\$238,351 as at December 31, 2019) resulting in total equity of \$14,960,416 (17,114,208 as at December 31, 2019).

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 March 31, 2020.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 March 31, 2020, 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 March 31, 2020, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

DISCLOSURE OF OUTSTANDING SHARE DATA

The following selected financial information is derived from our unaudited financial statements.

NEW MILLENNIUM IRON CORP.

Disclosure of outstanding share data (as at May 6, 2020)

Outstanding common shares:	181,054,146
Outstanding share options:	Nil
Outstanding warrants:	Nil

MARKET REVIEW

STEEL

Iron ore prices depend to a large extent on steel production. According to the World Steel Association's ("WSA") statistics released January 27, 2020, Global crude steel production reached 1,869.9 million tonnes (Mt) for the year 2019, up by 3.4% compared to 2018.

World crude steel production for the first 2 months of the year 2020 increased by 3.4 Mt, an increase of 1.2% over 2019 with China increasing by 4.6 Mt, indicating that the rest of the reporting countries decreased.

In January, the economy of China was severely impacted by the Coronavirus (Covid-19). China is reported to have already rebounded with production back to near 80% of capacity as of mid-April, not so for the rest of the world. With the impact of the Covid-19, steel production contracted in all other regions in March and April.

The longer-term effects of Covid-19 is still to be known with likely several months for demand and production to return.

MANAGEMENT'S DISCUSSION AND ANALYSIS

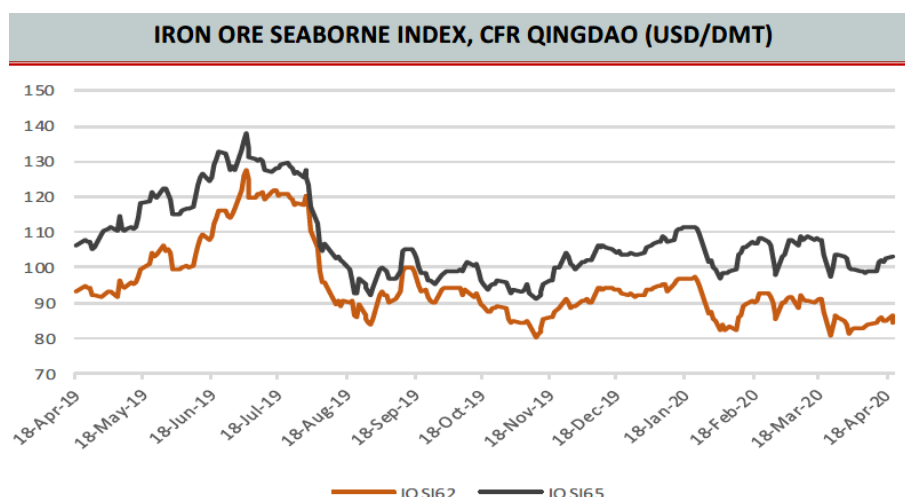
IRON ORE

Unexpected steel production growth in 2019, mainly in China and less so in India, along with iron ore supply constraints due to weather conditions in Australia and Brazil, and tailings dam constraints in Brazil, created unexpected iron ore price increases.

Again, characterized by volatility in 2019, the average price was US\$94 per tonne as measured by the 62% Fe Fines CFR North China compared to 2018, when the iron ore price averaged US\$69 per tonne for the year, versus US\$71 per tonne in 2017.

In Q1 2020, prices have plateaued in the mid 80's.

20200421 MMI Iron Ore Seaborne Index CFR Qingdao USD/DMT one year chart



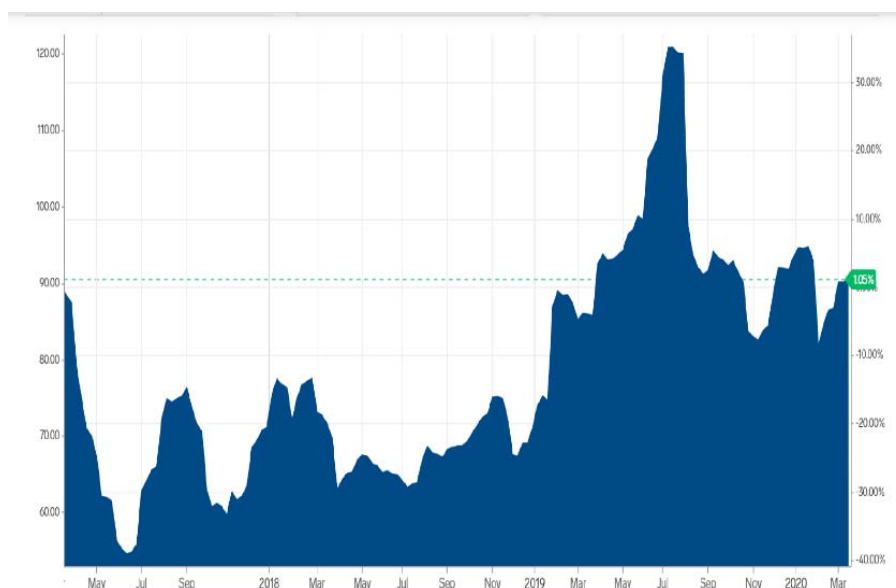
The demand for pellets has reduced with the result that Iron Ore Company of Canada has reduced pellet production to allow for higher concentrate sales.

The iron ore industry has recovered from weather events in early Q1. The Covid-19 tragedy has impacted production with producers taking precautions to reduce its impact.

The Vale situation continues to be problematic with several ongoing tailings dam stability investigations. Vale is switching rapidly to dry processing to reduce the need for dams, but this will take time.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Iron Ore Spot Price 62% Fe CFR China 3 years Source Market Insider 20200319



Global iron ore production will grow modestly over the years due to mine expansions in Brazil and increasing output from India, *Fitch Solutions'* latest industry trend analysis found. Source [MINING.com Editor](#) | February 13, 2020 | 2:18 pm [Intelligence](#) [Top Companies](#) [Australia](#) [China](#) [Latin America](#) [Iron Ore](#)

Meanwhile, analysts say iron ore output growth in China will decline on the back of falling ore grades and high costs of production.

Global iron ore production will grow from 2,896mnt in 2019 to 3,147mnt by 2029, *Fitch forecasts*.

This represents an average annual growth rate of 0.8% during 2020-2029, which is a significant slowdown from an average growth rate of 3.0% during 2010-2019.

Fitch forecasts iron ore production in Australia to grow minimally over 2020-2029, averaging an annual 0.7% growth, compared with 8.7% growth over the previous 10-year period.

Supply growth will be primarily driven by India and Brazil, where Vale is planning to expand output to 390-400 mt by 2022.

In June 2018, BHP approved the A\$2.9 billion development of its South Flank iron ore project in Western Australia to replace existing mines. These projects continue to be built.

The world's number one miner, BHP expects production to start in 2021 at the project.

In the same month, Rio Tinto announced plans to start developing its Koodaideri iron ore mine in Western Australia's Pilbara region in 2019, claiming it is one of the most technologically advanced in the world. It will maintain iron ore grades and replace other depleting mines.

The company will mine its first tonnes from the project in 2021.

In May 2018, Fortescue Metals Group approved the development of a A\$1.3 billion iron ore project, Eliwana, which will come online in 2020. It will increase Fortescue's iron ore grade.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Development of its \$2.6 Billion IRON BRIDGE Magnetite project continues. The project is practically a mirror of either of NML's LabMag and KéMag projects but without pelletizing.

This is the second major mine development that Fortescue is carrying out in less than a year.

The world's No. 4 iron ore miner said the mine, in which Taiwan's Formosa and China's Baosteel Resources also hold a stake, is expected to produce 22 million tonnes a year of 67% iron magnetite concentrate by mid-2022 — at a fraction of the relative capital cost of other high-profile magnetite projects in Western Australia.

NML believes the outlook for high quality iron ore will continue to be strong as steel producers continue their efforts to reduce CO2 emissions and increase productivity, even if global steel growth slows.

Chinese iron ore stockpiles are at a low having increased marginally in the last month..

The longer-term impact of the virus on world steel consumption is very hard to predict at this time.

COMPETITIVE CONDITIONS

The iron ore mineral exploration and mining business is a competitive business. The ability of the Company to acquire iron ore and other mineral properties in the future will depend not only on its ability to operate and develop its present properties, but also on its ability to select and acquire suitable producing properties or prospects for exploration and development.

There are many brownfield and new iron ore projects being proposed. Several projects are progressing mainly in Australia by Rio Tinto, BHP, and Fortescue are being developed to sustain existing volumes or improve declining Fe (iron) grades. The very large high-grade Guinean iron ore resources, mainly Simandou, are being discussed with ownership changes to Guinean and Chinese companies. The construction of the new 650 km rail line from Simandou to the Guinean coast and a new deep-water port are being discussed but no specific financing plans to go forward. If the challenges of financing and ownership are resolved, then these mines eventually could have an important impact on iron ore supplies. Vale in Brazil continues to struggle with its tailings dam issues and is instituting dry stacking storage methods.

The SAMARCO pellet plants continue to be shut down pending a restart of mining with no definite date as of now. Weather conditions in the early part of 2020 have caused a few production problems in Australia and in Brazil resulting in tight supplies.

The eventual effects of the coronavirus are currently unknown for steel production and the consequent effect on iron ore demand. China has recovered its steel production to nearly 80% of capacity. Various governments have made financial assistance available, and the impact of these changes are yet to be determined. Although the price for iron ore is currently in the mid \$80 per ton range, some analysts are predicting lower prices later in 2020 and 2021.

The trend to using higher quality iron ore continues, especially in the new larger blast furnaces. Lower grades are used in situations where steel producers cut back on production to take advantage of the lower iron ore price. Pellets continue to command a premium price.

BUSINESS RISKS

In the normal course of operations, the Company is exposed to various financial risks. Please refer to Note 17 of the condensed interim consolidated financial statements for the three-month period ended March 31, 2020 for an extended description of the Company's financial risk management, objectives and policies.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

evaluation, may not be overcome. Consequently, no assurance can be given that commercial quantities of minerals will be successfully found or produced.

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

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

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

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

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

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

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

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

The Company invests in debentures and equity instruments of public companies and consequently the Company's investments are exposed to all the business and market risks of the investees as well as the volatility of interest rates and the liquidity of the specific debentures on the market or at maturity. There is no certainty 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

MANAGEMENT'S DISCUSSION AND ANALYSIS

be purchased by persons who cannot afford the possibility of the loss of their entire investment. Furthermore, an investment in securities of the Company should not constitute a major part of an investor's portfolio.

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

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

The COVID-19 pandemic is causing significant financial market and social dislocation. The situation is dynamic with various cities and countries around the world responding in different ways to address the outbreak. The Company continues to monitor the investment portfolio and assess the impact COVID-19 will have on its business activities including the uncertainty of revenues from its investments and other assets. The extent of the effect of the COVID-19 pandemic on the Company is uncertain.

Additional risk factors are contained in the Company's Annual Information Form for the Financial Year ended December 31, 2019, which is dated March 25, 2020 and filed on SEDAR at www.sedar.com.

ADDITIONAL INFORMATION

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

Mr. H. Dean Journeaux, Eng., is the Qualified Person as defined in National Instrument 43-101 who has reviewed and verified the scientific and technical mining disclosure contained in this MD&A.