New Millennium Capital Corp.
Unaudited Interim Consolidated Financial Statements
March 31, 2010

Contents

New Millennium Capital Corp.
Interim Consolidated Balance Sheets

	March 31, 2010 (Unaudited) $	December 31, 2009 (Audited) $
Assets		
Current assets		
Cash and cash equivalents	7,219,659	9,650,874
Term deposits	171,903	171,903
Sales taxes receivable and prepaid expenses	276,259	367,892
Current portion of tax credits and mining duties receivable	1,571,837	1,571,837
	9,239,658	11,762,506
Tax credits and mining duties receivable	820,598	264,510
Long-term investments (Note 5)	2,846,734	2,680,519
Advances on contracts	-	36,582
Property and equipment	209,299	43,528
Mineral properties held for sale (Note 6)	14,574,173	-
Mineral properties (Note 6)	30,308,241	43,378,473
	57,998,703	58,166,118
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	1,330,549	1,108,923
Future income taxes	150,624	311,001
	1,481,173	1,419,924
Shareholders' equity		
Capital stock (Note 7)	64,933,800	64,859,075
Contributed surplus	5,671,037	5,392,037
Non-controlling interest (Note 3)	475,000	475,000
Deficit	(14,562,307)	(13,979,918)
	56,517,530	56,746,194
	57,998,703	58,166,118

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

New Millennium Capital Corp.
Interim Consolidated Loss and Comprehensive Loss
(Unaudited)

Three-month period ended March 31	2010 $	2009 $
Revenue	-	-
Expenses		
General and administrative	640,054	1,234,777
Professional fees	187,405	203,410
Market development	75,399	34,332
Foreign exchange loss	6,248	75,701
Amortization of property and equipment	5,893	7,597
	914,999	1,555,817
Loss before other items and income taxes	(914,999)	(1,555,817)
Other items		
Investment income	4,233	45,954
Change in fair value of long-term investments (Note 5)	168,000	(180,000)
	172,233	(134,046)
Loss before income taxes	(742,766)	(1,689,863)
Future income taxes	160,377	41,652
Net loss and comprehensive loss	(582,389)	(1,648,211)
Loss per share – basic and diluted	(0.00)	(0.01)
Weighted average number of shares outstanding	132,988,587	131,486,558

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

New Millennium Capital Corp.
Interim Consolidated Deficit
Interim Consolidated Contributed Surplus
(Unaudited)

Three-month period ended March 31	2010 $	2009 $
CONSOLIDATED DEFICIT		
Balance, beginning of period	13,979,918	11,671,655
Net loss	582,389	1,648,211
Balance, end of period	14,562,307	13,319,866
CONSOLIDATED CONTRIBUTED SURPLUS		
Balance, beginning of period	5,392,037	4,821,816
Stock-based compensation expense		
Employees and directors	220,200	710,700
Consultants	88,200	138,000
Transfer to capital stock upon exercise of stock options	(29,400)	-
Balance, end of period	5,671,037	5,670,516

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

New Millennium Capital Corp.
Interim Consolidated Cash Flows
(Unaudited)

Three-month period ended March 31	2010 $	2009 $
Operating activities		
Net loss	(582,389)	(1,648,211)
Interest received on long-term investments	-	151,096
Non-cash items		
Stock-based compensation expense		
Employees and directors	220,200	710,700
Consultants	88,200	138,000
Amortization of property and equipment	5,893	7,597
Change in fair value of long-term investments	(168,000)	180,000
Future income taxes	(160,377)	(41,652)
	(596,473)	(502,470)
Changes in working capital items (Note 8)	230,131	(2,275,757)
Cash flows used by operating activities	(366,342)	(2,778,227)
Investing activities		
Purchase of term deposits	-	(30,534)
Redemption of long-term investment	1,785	-
Advances on contracts	-	(50,892)
Acquisition of property and equipment	(176,867)	-
Additions to mineral properties	(1,935,116)	(1,798,479)
Cash flows used by investing activities	(2,110,198)	(1,879,905)
Financing activities		
Issuance of common shares	45,325	-
Cash flows provided by financing activities	45,325	-
Decrease in cash and cash equivalents	(2,431,215)	(4,658,132)
Cash and cash equivalents, beginning of the period	9,650,874	9,114,810
Cash and cash equivalents, end of the period	7,219,659	4,456,678

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

1. Governing statutes and nature of operations

New Millennium Capital Corp. (Company) was incorporated pursuant to the provisions of the Alberta Business Corporations Act on August 8, 2003.

The Company is in the process of exploring and evaluating its mineral properties. The recoverability of amounts shown for mineral properties is dependent upon the ability of the Company to obtain necessary financing to complete the exploration and development of economically recoverable reserves in the mineral properties, upon the renewal of the underlying mineral claims, maintaining of the Company's interest in the underlying mining titles and compliance with filing obligations, and upon future profitable production of these reserves or sufficient proceeds from the disposition thereof.

The unaudited interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP) applicable to a going concern, which assumes that the Company will be able to realize its assets, except within the limits described above, and discharge its liabilities in the normal course of operations. Management has assessed that at March 31, 2010 the Company requires additional financing in order to have sufficient liquidity. As described in Note 13, the Company has entered into a letter of intent with Tata Steel Global Minerals Holdings PTE Ltd. (Tata Steel) for a potential $20,000,000 private placement which, if completed, management believes will ensure that the Company has sufficient funds available to continue operations and development programs for at least the twelve months ending March 31, 2011.

2. Summary of significant accounting policies

The unaudited interim consolidated financial statements have been prepared in accordance with GAAP applicable to the preparation of interim financial information. Accordingly, these statements do not include all of the information and disclosures required in annual consolidated financial statements. The accounting policies used in the preparation of these unaudited interim consolidated financial statements are the same as those described in our audited consolidated financial statements and the notes thereto for the years ended December 31, 2009 and 2008, except for changes described in Note 3.

In the opinion of management, all adjustments considered necessary for the fair presentation of results for the periods presented have been reflected in these consolidated financial statements. These unaudited interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements and the notes thereto for the years ended December 31, 2009 and 2008.

3. Changes in accounting policies

Effective January 1, 2010 the Company adopted earlier than required, as permitted by the transitional provisions, the following new accounting standard issued by the Canadian Institute of Chartered Accountants (CICA).

Section 1602 "Non-Controlling Interest" which establishes standards for the accounting and presentation of non-controlling interests subsequent to a business combination. The effect of the change in accounting standards will be with regards to where non-controlling interest is presented on the balance sheet. Previously, non-controlling interest was shown outside of shareholders' equity. Upon adoption of the new standard it is included within shareholders' equity for the current period and the comparative period's figures were restated. Except for the inclusion of minority interest in the definition of capital, the new standard had no other impact on the Company's financial statements.

Upon adopting section 1602, the Company must also adopt section 1582, "Business Combinations" and section 1601 "Consolidated Financial Statements". These sections have no impact on the Company's financial statements.

4. Future accounting changes

International financial reporting standards

In 2008, the Canadian Accounting Standards Board announced that as of January 1, 2011, Canadian publicly accountable enterprises will be required to changeover to Canadian Generally Accepted Accounting Principles for Publicly Accountable Enterprises which will be equivalent to International Financial Reporting Standards as issued by the International Accounting Standards Board. The Company is currently assessing the impact of this change on its financial statements.

5 - Long-term investments

The Company owns long term asset backed notes (Notes) that were issued by Master Asset Vehicle II (MAV2) as a result of the restructuring of the Company's previous investment in Third Party Asset Backed Commercial Paper. The Notes have a face value of $4,405,792 and a fair value of $2,846,734 (December 31, 2009 – face value of $4,407,581 and fair value of $2,680,519).

The fair value of the Notes as of March 31, 2010, was determined using a methodology consistent with the one used as at December 31, 2009, which is based on management's judgment using available information and assumptions market participants would use in pricing such notes at the balance sheet date. The Company reviewed information provided by Dominion Bond Rating Service and BlackRock, the administrator of MAV2, including current and anticipated credit ratings, composition and valuation estimates of the underlying assets and general economic conditions in considering the fair value of the investments.

Based on the foregoing, the Company has estimated the fair market value of the Notes to be $2,846,734 (December 31, 2009 - $2,680,519) and recorded a gain on revaluation of the Notes in the amount of $168,000 for the three-month period ended March 31, 2010 (three-month period ended March 31, 2009 – impairment charge of $180,000).

The details of the Company's long-term investments are as follows:

Notes	Face Value ($)	Maturity Date (i)	Required Yield (ii)	Fair Value March 31, 2010 $	Fair Value December 31, 2009 $
MAV2					
A-1	2,936,039	January 22, 2017	9.00%	2,020,594	1,943,784
A-2	738,573	January 22, 2017	12.00%	417,968	402,645
B	134,071	January 22, 2017	30.00%	21,367	17,904
C	118,086	January 22, 2017	50.00%	6,911	6,745
IA Tracking Notes					
Class 15	479,023	December 20, 2013	9.00%	379,894	309,441
Total	4,405,792			2,846,734	2,680,519

5 - Long-term investments *(Continued)*

(i) The legal maturity dates for the MAV2 A-1, A-2, B and C Notes are in July 2056 but for valuation purposes a maturity date of January 2017 has been used based upon the maturities of the underlying assets.

(ii) The estimated yield to maturity required by prospective investors.

The above estimated fair values may not be indicative of the ultimate net realizable value of the Notes. While management believes that its valuation technique is appropriate in the circumstances, changes in significant assumptions, especially those relating to the probability of realization scenarios, returns, discount rates and attributes of underlying assets could significantly affect the value of the investments in subsequent periods. The resolution of these uncertainties could result in the value of these investments varying significantly from management's current estimates. For example, an increase of 1% in the required yield used in the valuation of the long-term investments value would result in a decrease in fair value of $145,000.

6. Mineral Properties

	Asset Held for Sale - Direct Shipping Ore-Holdings (DSO) Properties	LabMag Property	KéMag Property	Other Properties	Balance as at Mar. 31 2010 (Unaudited)	Balance as at Dec. 31 2009 (Audited)
	$	$	$	$	$	$
Beginning balance	12,931,637	21,498,329	8,345,928	602,579	-	-
Mineral licenses	3,967	(347)	15,374	(7,784)	3,583,984	3,572,774
Drilling	130,788	6,415	1,096	5,672	17,953,373	17,809,402
Resource evaluation	1,377,170	7,945	5,665	6,008	17,036,819	15,640,031
Environmental	502,858	-	-	-	10,789,776	10,286,918
Amortization of property and equipment	3,745	364	52	1,040	5,201	-
Other	-	-	-	-	274,715	274,715
	2,014,561	14,724	6,813	12,720	46,059,884	44,011,066
Tax credits and mining duties	(375,992)	-	(176,603)	(3,492)	(4,761,454)	(4,205,367)
Ending balance	14,574,173	21,512,706	8,191,512	604,023	44,882,414	43,378,473

Mineral Properties held for sale – DSO Properties	14,574,173
Mineral Properties not held for sale	30,308,241

6. Mineral Properties *(Continued)*

Overview

The Company holds interests in 3,166 claims distributed between properties in Newfoundland and Labrador (NL) and Québec (QC). Claims registered under New Millennium Capital Corp. (NML) are owned 100% by the Company. Claims registered under LabMag Limited Partnership (LLP) are owned 80% by the Company through its 80% interest in LLP. Claims registered jointly are owned 71.37% directly by NML and 28.63% directly by LLP.

Province	Ownership	DSO Properties	LabMag Property	KéMag Property	Other Properties	Total
Newfoundland & Labrador	NML	217 [54.3 km^2]	-	-	797 [199.3 km^2]	1,014 [253.6 km^2]
	LLP	32 [8 km^2]	619 [154.8 km^2]	-	20 [5 km^2]	671 [167.8 km^2]
	NML / LLP	8 [2 km^2]	-	-	-	8 [2 km^2]
Québec	NML	524 [239.1 km^2]	-	406 [194.9]	543 [257.7 km^2]	1,473 [691.7 km^2]
Total		**781** [303.4 km^2]	**619** [154.8 km^2]	**406** [194.9 km^2]	**1,360** [462 km^2]	**3,166** [1,115.1 km^2]

DSO Properties – Asset held for sale:

The Company's DSO Project involve exploration and development work on hematite deposits in Québec and Labrador which were previously held and/or mined by Iron Ore Company of Canada. The properties, located in isolated claim blocks, extend from 15 kms SE of Schefferville to the Goodwood area some 50 kms NW of Schefferville. A Feasibility Study was completed in February 2010 on this Project based on annual shipments of 4 million tones of lump and sinter fines ore. The resulting product will be composed of 80% sinter Fines and 20% super Fines.

The Company classifies the DSO Properties as an asset held for sale, as on March 17, 2010, the Company officially notified Tata Steel that the DSO Properties' Feasibility Study had been approved and delivered to Tata Steel pursuant to the terms of the joint venture agreement. This triggered the commencement of Tata Steel's 180 day option period on the DSO Properties, whereby Tata Steel has the option to acquire an 80% equity interest in the DSO Properties by paying the Company 80% of the Company's costs incurred to the exercise date to advance the DSO Properties. Once Tata Steel has acquired their 80% interest, all the DSO Properties will be transferred to a new company owned 80% by Tata Steel and 20% by NML. Tata Steel will fund the DSO operations of this new company up to $300 million and will commit to purchase, at world prices, 100% of DSO's iron ore production for the life of the mining operation.

LabMag Property:

The LabMag Iron Ore Project involves the exploration and development of a taconite deposit at Howells River, NL. The property is situated in western Labrador, in Elross Township, about 30 kms to the northwest of the Town of Schefferville, Québec. A Pre-feasibility Study completed in 2006 on this Project assumed a mining operation and concentrator, located at Howells River, with an annual production of 14.2 million tonnes of concentrate to be shipped by a pipeline to a 15 million tonnes per year pellet plant located at Emeril, near Wabush Township. The pellets produced are assumed in the study to be delivered via railway to a new dock at Pointe-Noire, near Sept-Îles for export overseas.

6. Mineral Properties *(Continued)*

KéMag Property:

The KéMag Iron Ore Project involves the exploration and development of a taconite deposit at Lac Harris, Québec. The property, situated in the Kativik Region in northern Québec, is centered about 50 kms to the northwest of the town of Schefferville, Québec. A Pre-Feasibility Study was completed in 2009 on this Project based on a mining operation and concentrator located at Lac Harris with an estimated annual production rate of 21.2 million tonnes of concentrate. The concentrate is proposed to be shipped by a pipeline to a 15 million tonnes per year pellet plant located in Sept-Îles, Québec, where it is estimated in the study to be sufficient to feed the pellet plant and provide 7 million tonnes per year of concentrate for export in addition to 15 million tonnes per year of pellets.

Other Properties:

The remaining claims include holdings of magnetic taconite and dolomite as well as the site of the potential Emeril plant.

Tata Steel also has an exclusive right to negotiate and settle a proposed transaction in respect of the LabMag and KéMag Properties until December 31, 2010, subject to early termination if Tata Steel does not exercise its option to participate in the DSO Project. The parties intend to work together to find an economically viable solution to advance these projects.

7. Capital stock

Authorized:

Unlimited number of shares

Common shares

Preferred shares, issuable in series, without nominal or par value

Issued and fully paid:

	Number of common shares	Amount $
Balance, as at December 31, 2009 (Audited)	132,901,559	64,859,075
Issued for cash on exercise of stock options	122,500	45,325
Transferred from contributed surplus upon exercise of stock options	-	29,400
Balance, as at March 31, 2010	133,024,059	64,933,800

Stock options

The Company has adopted an incentive stock option plan whereby options may be granted from time to time to directors, officers, employees and consultants of the Company with shares reserved for issuance as options not to exceed 10% of the issued and outstanding common shares.

During the three-month period ended March 31, 2010, 33,000 options were granted (2,570,000 for 2009).

7. Capital stock *(Continued)*

The weighted average fair value of stock options granted during the three-month period was $0.59 ($0.24 in 2009) per option. The fair value of each option was estimated on the date of grant using the Black-Scholes model. The following assumptions were used:

	2010	2009
Risk-free interest rate	2.47%	2.03%
Expected life (years)	5	5
Estimated volatility of the market price of the common shares	84.18%	79.16%
Dividend yield	Nil	Nil

8. Information included in interim consolidated cash flows

The changes in working capital items are detailed as follows:

	2010 $	2009 $
Sales taxes receivable and prepaid expenses	91,633	350,157
Accounts payable and accrued liabilities	138,498	(2,625,914)
	230,131	(2,275,757)

Included in the accounts payable and accrued liabilities is an amount of $873,513 ($584,182 in 2009) pertaining to additions to mineral properties. Included in the cash used in advances on contracts is $Nil, ($62,718 in 2009) pertaining to mineral properties.

Cash flows relating to income taxes and interest on operating activities for the three-month period are detailed as follows:

	2010 $	2009 $
Income taxes paid	-	-
Interest received	4,233	167,569

9. Capital management

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. The Company is not subject to any externally imposed capital requirements.

10. Commitments and Contingency

If Tata Steel exercises their option on either of the projects, then the Company is committed to pay financial advisors, pursuant to agreements with such advisors, the amount of $6,263,615 US ($6,362,581 CAD).

The Company has entered into long-term leases for premises, equipment and consulting agreements amounting to $792,009 and expiring by June 2012. The minimum payments for the next three years are $470,902 in the remainder of 2010, $231,107 in 2011, and $90,000 in 2012.

The Company is committed through LLP to pay aggregate royalties of 2% of LLP's gross revenues from the mineral interests acquired in 2004.

11. Related party transactions

The Company incurred the following transactions for the three-month period with the directors and companies under their control and partnerships in which a director and the interim chief financial officer are partners.

	2010 $	2009 $
Mineral properties	41,813	46,222
General and administrative expenses	11,032	6,100
Directors fees	11,500	11,500
Professional fees	142,732	138,530

These transactions, concluded in the normal course of operations, were measured at the exchange amount, which is the amount of consideration established and accepted by the parties.

The unpaid balance included in accounts payable and accrued liabilities resulting from the above transactions amount to $219,652 ($221,315 in 2009).

12. Financial Instruments

Fair value

Fair value is the amount that willing parties would accept to exchange a financial instrument based on the current market for instruments with similar risks and remaining maturity.

The fair value of accounts payable and accrued liabilities approximate their carrying value due to their short-term maturities.

The fair value of the long-term investments is estimated by management based on the assumptions disclosed in Note 5.

The fair value of the GIC's is determined by discounting expected future cash flows using interest rates of 0.2% (2009 - 0.2%), which represent the rate that the Company can use for GIC with similar terms and conditions and maturity dates.

Sensitivity to an increase of 1% in rates for the GIC's would not have a material effect on the consolidated net loss and comprehensive loss for the period ended March 31, 2010.

12. Financial Instruments *(Continued)*

Fair Value Hierarchy

Financial instruments recorded at fair value on the Consolidated Balance Sheet are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurement. The fair value hierarchy has the following levels:

– Level 1 – valuation based on quoted prices (unadjusted) observed in active markets for identical assets or liabilities;

– Level 2 – valuation techniques based on inputs that are quoted prices of similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; inputs other than quoted prices used in a valuation model that are observable for that instrument; and inputs that are derived principally from or corroborated by observable market data by correlation or other means;

– Level 3 – valuation techniques with significant unobservable market inputs.

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

The following table presents the financial instruments recorded at fair value in the Unaudited Consolidated Balance Sheet classified using the fair value hierarchy described above.

	Level 1	Level 2	Level 3	Total financial instruments at fair value
	$	$	$	$
Cash and cash equivalents	7,219,659	-	-	7,219,659
Term deposits	-	171,903	-	171,903
Long-term investments	-	-	2,846,734	2,846,734
Total financial instruments	7,219,659	171,903	2,846,734	10,238,296

The financial instruments whose fair values are classified in Level 3 are held for trading investments in the Notes. The Company performs sensitivity analyses for the fair value measurement of the Notes, substituting the unobservable inputs with one or more reasonably possible alternative assumptions. (see Note 5 for additional information).

12. Financial Instruments *(Continued)*

The following table summarizes the changes in the fair value of the MAV2 Notes.

	March 31, 2010	December 31, 2009
	$	$
Fair value as at December 31, 2009 (December 31, 2008)	2,680,519	2,400,283
Payments received pursuant to restructuring of ABCP notes	-	(172,113)
Derecognition of ABCP	-	(2,228,170)
Recognition of MAV2 Notes	-	2,228,170
Change in fair value	168,000	460,000
Redemption of class A-I Notes	(1,785)	(7,651)
Fair value as at March 31, 2010 (December 31, 2009)	2,846,734	2,680,519

Financial risk management objectives and policies

In the normal course of operations, the Company is exposed to various financial risks. The Company's management manages financial risks. The Company does not enter into financial instrument agreements including derivative financial instruments for speculative purposes.

The Company's main financial risks and policies are as follows:

Exchange risk

The Company’s functional currency is the Canadian dollar and most expenditures are transacted in Canadian dollars. The Company funds certain foreign currency transactions by buying the foreign currency at the spot rate when required.

At March 31, 2010, the Company had €37,775, $51,559 CAD (€112,501, $170,822 CAD at December 31, 2009) in accounts payable and accrued liabilities which have been translated to Canadian dollars at the exchange rate on March 31, 2010. A $0.01 increase or decrease in the EUR/CAD exchange rate would result in a change to net loss of $378.

At March 31, 2010, the Company had $10,800 US, $11,154 CAD (nil at December 31, 2009) in accounts payable and accrued liabilities, which has been translated to Canadian dollars at the exchange rate on March 31, 2010. A $0.01 increase or decrease in the USD/CAD exchange rate would result in a change to net loss of $108.

At March 31, 2010, the Company had 720,000 Indian Rupees (INR), $20,000 CAD (nil at December 31, 2009) in accounts payable and accrued liabilities, which has been translated to Canadian dollars at the exchange rate on March 31, 2010. A $0.001 increase or decrease in the INR/CAD exchange rate would result in a change to net loss of $720.

Interest rate risk

The cash equivalents and term deposits bear interest at fixed rates and the Company is therefore exposed to the risk of changes in fair value resulting from interest rate fluctuations. The Company does not use derivative financial instruments to reduce its interest rate exposure.

12. Financial Instruments *(Continued)*

Liquidity risk

Management maintains sufficient amounts of cash and cash equivalents to meet commitments. The Company establishes budgets and cash flow requirements monthly to ensure that it has the necessary funds to fulfill its obligations. The contractual maturities of accounts payable and accrued liabilities are less than three months.

Credit risk

The Company manages credit risk through an emphasis on quality in its investment portfolio. Cash and cash equivalents and term deposits are held through two Canadian chartered banks and management believes the risk of loss to be remote. The Company's credit risk is presently attributable to the long-term investments (see Note 5).

Price risk

The Company is exposed to price risk with respect to iron ore prices. The price of iron ore has declined somewhat during the most recent economic downturn which commenced in the third quarter of 2008. While future significant price declines could cause continued exploration and development to become uneconomical, commodity prices, particularly iron ore began to recover by the end of 2009 and through the first quarter of 2010.

13. Subsequent event

On May 17, 2010, the Company announced it had entered into a letter of intent with Tata Steel pursuant to which Tata Steel has indicated its intention to consider a subscription for 14,285,714 common shares of the Company at a subscription price of $1.40 per common share for an aggregate subscription price of $20,000,000, with expected net proceeds to the Company of approximately $19,500,000. The placement is expected to be completed on or before May 31, 2010. If the offering is completed, Tata Steel would own 40,429,270 common shares representing 27.4% of the outstanding common shares of the Company.

14. Comparative figures

Certain comparative figures have been reclassified to conform to the presentation adopted in the current period.