

New Millennium Capital Corp.

FIRST INTERIM REPORT

2004

Notice to Reader

The accompanying unaudited interim financial statements of New Millennium Capital Corp. for the quarter ended March 31, 2004 have been prepared by management and approved by the Audit Committee and/or the Board of Directors of the Corporation. These statements have not been reviewed by the Corporation's external auditors.

DATED the 28th day of May, 2004.

signed "*Robert Martin*"
Chief Executive Officer

signed "*William Almdal*"
Chief Financial Officer

MESSAGE TO SHAREHOLDERS

New Millennium Capital Corp. ("NML") is pleased to report its unaudited financial and operational results for the three month period ended March 31, 2004.

The significant first quarter activities were:

- The establishment of Guidelines for Investment
- The identification of a potential Qualifying Transaction
- The establishment of a Corporate Governance and Nominating/Assessment Committees

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis of the financial results for the interim periods ended March 31, 2004 should be read in conjunction with the Company's unaudited interim financial statements and related notes contained in this report and the audited financial statements and MD&A for the year ended December 31, 2003.

Certain statements included in this discussion may constitute forward-looking statements that involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include changes in government regulations, general economic conditions and business conditions, which among other things may affect demand for the Company's services and the ability of the Company to implement its business strategy.

RESULTS OF OPERATIONS

The Interim Statement of Earnings and Deficit indicates a net loss for the period of \$31,926. This loss represents evaluation expenses of \$22,228 related to the review and evaluation of potential Qualifying Transactions and general and administrative expenses of \$12,174 net of interest revenue of \$2,476.

In January 2004, the Company established specific Guidelines for Investment in order to aid the directors in the selection of a potential Qualifying Transaction. The controlling objective of these Guidelines was to ensure the selection of a Qualifying Transaction that would enhance shareholder value. In essence, these Guidelines require that any investment must have the potential to generate cash flow of US \$100 million over its life; have drill-ready targets with the potential to establish an immediate resource; be attractive to the financial community; have a low-level of political risk and be at least 70% controlled by NML following the Qualifying Transaction.

In February 2004, the Company identified a potential Qualifying Transaction that the directors believe fit the Investment Guidelines. Subsequent to preliminary due diligence in March 2004, NML entered into a non-binding agreement in principle, dated April 22, 2004, for the proposed acquisition from LabMag Mining Corp. ("LMC") and Naskapi Nation of Kawawachikamach ("NNK") of an 80% undivided interest in the LabMag magnetite iron ore property. This property is comprised of 256 mineral licences on 64 square kilometres located in the Howells River area of western Labrador.

Negotiations between the parties concerning the acquisition shall be terminated if the Purchase Agreement is not executed and delivered by the parties on or before June 1, 2004, unless agreed

otherwise by the parties. The purchase price for the property is \$1,900,000 comprised of a cash payment of \$400,000 and 6,000,000 common shares of NML at a deemed price of \$0.25 per share. All of the common shares forming part of the purchase price shall be issued to LMC and NNK shall retain the remaining 20% undivided interest in the property not acquired by NML. Watts, Griffs and McOuat, Consulting Geologists and Engineers, have agreed to prepare a National Instrument 43-101 compliant technical report and valuation in respect of the property.

A Corporate Governance Committee was established during the first quarter of 2004 to review Corporate Governance Rules, specifically Multilateral Instruments 52-108, 52-109 and 52-110 and to recommend to the Board a schedule for compliance and to set programs in motion to ensure compliance. The Company also established a Nominating and Assessment Committee to propose new directors and assess directors on an ongoing basis; and, to assess the effectiveness of the Board as a whole, the committees of the Board and the contribution of individual directors.

LIQUIDITY AND CAPITAL RESOURCES

The capital requirements of NML consist primarily of the funding of the major transaction. The source of funds available to satisfy these capital requirements includes existing cash balance, external debt financing and the equity markets.

Working Capital

The Company's working capital is \$708,035. This consists of cash and cash equivalents, interest receivables and prepaid expenses net of accounts payable and accrued liabilities.

Capital Expenditures

There were no capital expenditures during the first quarter of 2004.

BUSINESS RISKS AND OUTLOOK

The successful completion of the LabMag iron ore acquisition will depend upon the execution of a definitive purchase agreement; the execution of a partnership agreement between NML (80%) and NNK (20%); the execution of a royalty agreement whereby LMC and NNK shall have the right to receive royalties of 1.6666% and 0.6666%, respectively, of the gross revenue from the sale of iron ore products; the successful completion of due diligence by NML; the completion of a private placement or public financing to further develop the property not to exceed \$5,000,000 and the receipt of all applicable government, regulatory, Exchange and contractual approvals to complete the various transactions outlined above. There can be no assurance that the acquisition and financing will be completed as proposed or at all.

On Behalf of the Board of Directors

“Robert A. Martin”
Chief Executive Officer

“William Aldal”
Chief Financial Officer

May 26, 2004
Calgary, Alberta

NEW MILLENNIUM CAPITAL CORP.
INTERIM BALANCE SHEET

	As at March 31 2004 (unaudited)	As at December 31 2003 (audited)
ASSETS		
Current assets		
Cash and cash equivalents	\$ 710,216	\$ 760,825
Receivables	3,436	-
Prepays and deposit	25,000	-
	\$ 738,652	\$ 760,825
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	\$ 30,617	\$ 20,864
Shareholders' Equity		
Share capital (note 2)	743,953	743,953
Deficit	(35,918)	(3,992)
	708,035	739,961
	\$ 738,652	\$ 760,825

See accompanying notes to the interim financial statements

NEW MILLENNIUM CAPITAL CORP.
INTERIM STATEMENT OF LOSS AND DEFICIT
(Unaudited)

Three Months Ended
March 31, 2004

REVENUE

Interest	\$ 2,476
----------	----------

EXPENSES

General and administrative	12,174
Evaluation expenses	22,228

34,402

Net loss for the period **(31, 926)**

Deficit, beginning of period **(3,992)**

Deficit, end of period **\$(35,918)**

Net loss per share – Basic and Diluted **\$ 0.00**

See accompanying notes to the interim financial statements

NEW MILLENNIUM CAPITAL CORP.
INTERIM STATEMENT OF CASH FLOW
(Unaudited)

Three Months Ended
March 31, 2004

CASH PROVIDED BY (USED IN):

OPERATING ACTIVITIES

Net loss for the period	\$ (31,926)
Items not affecting working capital	
Net changes in non-cash working capital	<u>(18,683)</u>
	<u>(50,609)</u>

Increase (decrease) in cash and cash equivalents (50,609)

Cash and cash equivalents, beginning of period 760,825

Cash and cash equivalents, end of period \$ 710,216

See accompanying notes to the interim financial statements

NEW MILLENNIUM CAPITAL CORP.
Notes to the Interim Financial Statements
(Unaudited)

1. Basis of presentation

New Millennium Capital Corp. (the "Corporation") was incorporated pursuant to the provisions of the Alberta Business Corporations Act on August 8, 2003. The Corporation is classified as a capital pool company as defined pursuant to TSX Venture Exchange Policy 2.4. The Corporation proposes to identify and evaluate corporations, businesses or assets for acquisition and once identified, to negotiate an acquisition or participation subject to regulatory approval and in certain circumstances, shareholder approval.

The accounting policies used in the preparation of these interim financial statements conform to those used in the Company's annual audited financial statements. These interim financial statements do not include all of the disclosures included in the annual audited financial statements and accordingly, these interim financial statements should be read in conjunction with the annual audited financial statements.

2. Share capital

- (a) Authorized:
An unlimited number of common voting shares.
An unlimited number of preferred shares, without nominal or par value, issuable in series.

- (b) Issued:

Common shares	Number	Amount
Balance, December 31, 2002	-	\$ -
Issued by private placement under escrow	2,000,000	100,000
Initial public offering	8,000,000	800,000
Share issue costs	-	(156,047)
Balance, December 31, 2003 & March 31, 2004	10,000,000	\$ 743,953

- (c) Options
The Company follows the intrinsic value method of accounting for stock-based compensation and as a result no compensation cost has been recognized for its stock option plan.

The following table sets forth a reconciliation of stock options granted, exercised and cancelled during the periods ended March 31, 2004 and December 31, 2003.

Options	Issue Date	Name of Optionee	Number of Options	Exercise Price	Expiry Date
Issued	Dec 12, 2003	Robert Martin	352,857	\$ 0.10	Dec 11, 2008
Issued	Dec 12, 2003	Lee Nichols	133,809	\$ 0.10	Dec 11, 2008
Issued	Dec 12, 2003	William Almdal	155,715	\$ 0.10	Dec 11, 2008
Issued	Dec 12, 2003	Gerard Wood	133,809	\$ 0.10	Dec 11, 2008
Issued	Dec,12, 2003	Dean Journeaux	111,905	\$ 0.10	Dec 11, 2008
Issued	Dec 12, 2003	John Schindler	111,905	\$ 0.10	Dec 11, 2008
Issued	Dec 12, 2003	Investpro Securities	800,000	\$ 0.10	July 4, 2005
			<u>1,800,000</u>		

3. Subsequent event

On April 22, 2004 the Corporation entered into a non-binding agreement in principle for the proposed acquisition of an 80% undivided interest in a magnetite iron ore property comprised of 256 mineral licenses in western Labrador. This acquisition is intended to comprise the "Qualifying Transaction" of the Corporation for the purposes of Policy 2.4 of the TSX Venture Exchange.

CORPORATE INFORMATION

HEAD OFFICE

140, 2723 – 37 Avenue NE
Calgary, Alberta, T1Y 5R8

AUDITORS

Grant Thornton LLP
Chartered Accountants
Calgary, Alberta

DIRECTORS

Robert Martin
John Schindler
Dean Journeaux
William Almdal
Gerard Wood
Lee C. G. Nichols

OFFICERS

Robert Martin, Chief Executive Officer
William Almdal, Chief Financial Officer
Lee C. G. Nichols, President
Gerard Wood, Secretary

BANK

Royal Bank of Canada
333-5th Avenue S.W.
Calgary, Alberta

SOLICITORS

Borden Ladner Gervais LLP
Calgary, Alberta

TRANSFER AGENT

Computershare Trust Co. of Canada
Calgary, Alberta

LISTING INFORMATION

TSX Venture Exchange
Trading Symbol – “NML.P”