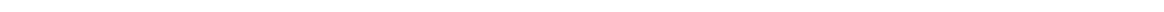


New Millennium Capital Corp.

THIRD QUARTER REPORT
2005



MESSAGE TO SHAREHOLDERS

New Millennium Capital Corp. (“NML” or the “Company”) is pleased to report its unaudited financial and operational results for the three and six-month periods ended September 30, 2005.

The significant third quarter activities were:

- The establishment of a \$2,000,000 credit facility and the issuance of warrants.
- The launching of a Private Placement Financing to fund the Corporation’s Phase 2 (Pre-feasibility) work program.
- The completion of 8,659 meters of 2005 drilling on the LabMag Property.
- The completion of a 200 tonne bulk sampling program for pilot plant testing and process flow sheet confirmation.
- The completion of exploration and mapping activities on various taconite and soft-iron ore deposits in the Schefferville area.
- The initiation of environmental base-line field studies to prepare for the Environmental Impact Assessment Reports which are needed for project permitting and approval.
- The completion of ocean drilling activities to locate a suitable deep water port in the Bay of Sept-Iles
- The commencement of work on the pre-feasibility study.

MANAGEMENT’S DISCUSSION AND ANALYSIS

The following discussion and analysis of the financial results for the interim period ended September 30, 2005 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, 2004. This interim MD&A is dated November 11, 2005.

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.

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 report.

RESULTS OF OPERATIONS

Financial Results

The Interim Consolidated Statement of Loss and Deficit indicates a net loss for the three months ended September 30, 2005 of \$214,301. This loss represents expenses of \$346,622 net of interest revenue of \$11,321 and income taxes recoverable of \$121,000. The most significant expense items were general and administrative (\$168,000), market development (\$59,000) and professional fees (\$83,000).

General and administrative expenses for the three months ended September 30, 2005 include salaries and consultants (\$81,000), office rent and supplies (\$52,000) and travel expenses (\$18,000). Market development expenses include marketing consultant fees (\$26,000), travel (\$25,000) and promotional expenses (\$8,000) and professional fees are mainly accounting (\$41,000) and legal services (\$41,000).

The net loss for the nine-month period ended September 30, 2005 was \$778,224. This loss represents expenses of \$1,209,591 net of interest revenue of \$53,648 and income taxes recoverable of \$427,719. Again the most significant expense items were general and administrative (\$608,000), market development (\$324,000) and professional fees (\$225,000).

General and administrative expenses for the nine-month period ended September 30, 2005 include salaries and consultants (\$284,000), office rent and supplies (\$111,000) and travel expenses (\$61,000). Market development expenses include marketing consultant fees (\$180,000), travel (\$133,000) and promotional expenses (\$11,000) and professional fees are mainly accounting (\$99,000) and legal services (\$114,000).

The Interim Consolidated Balance Sheet as of September 30, 2005, indicates that the value of mineral properties increased to \$7,801,459 from \$4,529,538 as of December 31, 2004 or by \$3,271,921. The main components of this increase were prefeasibility engineering (\$568,000), environmental (\$641,000), drilling (\$1,153,000), laboratory analysis (\$403,000), exploration, other properties (\$192,000), site infrastructure (\$133,000), field labour & supplies (\$162,000) and mineral licences of other properties (\$25,000) offset by a decrease in the LabMag mineral licence (-\$5,000).

Capital stock increased by \$2,624,542 to \$8,679,733 due to the issuance of 6,792,166 common shares purchased through the exercise of 600,000 stock options held by a broker and 6,192,166 warrants.

The Company renounced Canadian Exploration Expense (CEE) of \$4,485,000 through the issuance of flow-through shares in 2004. As of September 30, 2005, the Company has incurred CEE in excess of \$3,690,000 and expects to incur the remaining \$795,000 by December 31, 2005.

Credit Facility and Issuance of Warrants

The Company announced on September 2, 2005 (News Release 05-12) that it had entered into a loan agreement with Middlemarch Partners Limited ("Middlemarch") for a \$2,000,000 credit facility. The first \$1,000,000 instalment was drawn down on September 1, 2005 and the second \$1,000,000 instalment was drawn down on September 19, 2005 (News Release 05-14). The credit facility does not bear interest and is repayable in full on March 15, 2006. As consideration for advancing the credit facility, NML has issued to Middlemarch 1,000,000 common share purchase warrants. Each warrant is exercisable into one common share of NML at an exercise price of \$0.75 per share until August 15, 2007.

The Company considered it prudent to enter into this credit facility to ensure that it would have sufficient cash to continue its field programs in the event that its forthcoming private placement was delayed due to factors beyond its control. The two instalments were drawn down as soon as permitted by the loan agreement in order to collect interest on the loaned amount until March 15, 2006.

Private Placement Financing

On September 8, 2005 (News Release 05-13) the Company announced that it had entered into an engagement agreement with Raymond James Ltd. and Investpro Securities Inc. (collectively "the Agents") in connection with a proposed private placement financing (the "Financing") of a minimum of \$3.5 million to a maximum of \$7.0 million. The Financing was composed of a combination of common share units and flow-through share units both issued at a price of \$0.50. A maximum of \$4 million of flow-through shares were authorized for issue. Each common share unit was composed of one common share and one-half common share warrant. Each whole common share warrant entitled the holder to acquire one common share at a price of \$0.75 for a period of 24 months following the closing of the Financing.

As consideration for their services in connection to the Financing, the Agents received an Agency fee of \$15,000, a marketing commission of 7% of gross proceeds of the Financing and an agents option to purchase common shares representing a number equal to 10% of the common share units and flow-through share units issued pursuant to the Financing, exercisable at a price of \$0.50 for a period of 18 months following the closing of the Financing.

The net proceeds of the Financing will be used to fund the Corporation's 2005 drilling and bulk sampling program on the LabMag Project and to fund its pre-feasibility engineering, base-line environmental and marketing studies and for general working capital purposes.

Subsequent to the end of the third quarter, on October 6, 2005 (News Release 05-16), NML announced the completion of a first closing of the private placement financing with gross proceeds of \$5,055,000. A second closing is now expected in November.

Drilling

A total of 8,659 meters of diamond drilling were completed on the LabMag Iron Ore property for resource estimation purposes during the 2005 field season from June 29 to October 3. This brings the total drilling on the property to 20,135 meters (6,068 by Iron Ore Company of Canada and 14,067 by NML).

In addition to the resource estimation drilling program an additional four shallow vertical holes (119 meters) were drilled at the western edge of the property between Blocks A and B for geotechnical evaluation. This location is likely to be the site of the initial tailings containment area.

Core sample analysis on the 2005 drilling has commenced at the Midland Research Laboratory in Nashwauk, Minnesota. Preliminary results are expected by the end of November and a revised resource estimate is expected by the end of January 2006.

Bulk Sampling

A 200 tonne bulk sample was collected from the property in September and shipped to the Midland Research Center for pilot plant testing in October. The results of this work will be used for flowsheet confirmation and for the preparation of concentrate samples. These concentrate samples will be used for pelletizing tests and for shipment to potential customers. The final report on this work is expected to be completed in February 2006.

Geological Exploration and Mapping

Geological exploration and mapping by two senior geologists supported by a team of four field geologists was completed on the corporation's various taconite and soft iron-bearing exploration licences during the summer field season. A report on this work is expected to be completed in December 2005.

Environmental Base-Line Studies

Environmental base-line studies were conducted by approximately 25 specialists during the summer field season to prepare for the environmental impact assessment report that is required for project permitting and approval. These studies included social, archaeological, historical, air quality, water quality, aquatic inventory, vegetation, mammals and other fauna. It is anticipated that the environmental approval process will be completed in early 2008.

Ocean Drilling

Ocean drilling activities to locate a suitable deep water dock site in the Bay of Sept-Iles on the St. Lawrence River were completed in September and a location on the west side of the Bay has been identified.

Pre-feasibility Study

Work on the pre-feasibility study is now in full force with a team of approximately ten experts in the development of iron ore deposits. This group will work with a third party engineering firm in respect of a report providing basic capital and operating cost estimates, expected to be completed by March 31, 2006. The successful completion of this study and additional financing will lead to the commencement of a bankable feasibility study, expected during the second quarter of 2006.

ANNUAL INFORMATION

The following table shows selected annual information for the Company (in CDN dollars) derived from the Company's Audited Annual Financial Statements for the financial years completed since incorporation:

Item	December 31, 2003	December 31, 2004
Total Revenue	Nil	22,157
Net Loss	(3,992)	(972,729)
Loss Per Share	(0.00)	(0.06)
Total Assets	760,825	8,178,040
Long-Term Debt	Nil	2,079,396
Dividends	Nil	Nil

SUMMARY OF QUARTERLY RESULTS

The following table highlights (in CDN dollars) revenue, net income and loss per share for the eight quarters ending September 30, 2005:

	Sept-05	Jun-05	Mar-05	Dec-04	Sep-04	Jun-04	Mar-04	Dec-03
Revenue	11,321	18,034	24,293	15,159	2,212	2,310	2,476	Nil
Net Loss	(214,301)	(275,651)	(238,272)	(922,062)	(1,566)	(17,175)	(31,926)	(3,992)
Loss Per Share	(0.01)	(0.01)	(0.01)	(0.06)	(0.00)	(0.00)	(0.00)	(0.00)

LIQUIDITY AND CAPITAL RESOURCES

The capital requirements of NML consist primarily of the funding of the Phase 1 and Phase 2 work programs and working capital. The source of funds available to satisfy these capital requirements includes the existing cash balance, external debt financing and the equity markets.

Working Capital

The Company's working capital, at September 30, 2005, is \$1,577,191. This consists of cash and cash equivalents and receivables net of accounts payable, accrued liabilities and loan payable.

Capital Expenditures

There were capital expenditures of \$17,859 during the third quarter of 2005. The main categories of this capital expense were computers, software and electronic equipment (\$11,522), office furniture and communications equipment (\$6,072) and machinery (\$235).

Capital expenditures for the nine-month period ended September 30, 2005 were \$56,522. The main categories of this capital expense were computers, software and electronic equipment (\$44,420), office furniture and communications equipment (\$11,742) and machinery (\$360).

TRANSACTIONS WITH RELATED PARTIES

During the third quarter, NML incurred costs of \$76,294 in consulting fees to five businesses owned by directors and \$39,473 in legal fees to a law firm with a partner who is a director.

During the nine-month period ending September 30, 2005, NML incurred costs of \$209,954 in consulting fees to five businesses owned by directors and \$91,807 in legal fees to a law firm with a partner who is a director.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Additional disclosure concerning the Company's general and administrative expenses and resource property costs is provided in the Company's Consolidated Statement of Loss and Deficit and the Consolidated Schedule of Resource Property Costs contained in its Consolidated Financial Statements for December 31, 2004 and 2003, and in the Interim Financial Statements for Q1, Q2 and Q3 of the year 2005, that are available on New Millennium's website at <http://www.nmlresources.com/library/financialstatements.asp> or on its SEDAR Page Site accessed through www.sedar.com.

OUTLOOK

The Company holds an 80% interest in the Howells River taconite resource which is located in the province of Newfoundland and Labrador about 30 km northwest of Schefferville, Quebec. The development of this resource, which is called the LabMag Iron Ore Project, is the Company's main focus. The development contemplates the construction and operation of a mine, crusher, concentrator, slurry pipeline, pellet plant, shiploading facilities and related infrastructure. Subject to positive feasibility studies and project financing, it is expected that the final pellet product would be shipped by ocean vessels to markets in Canada, the United States, Western Europe and Asia.

BUSINESS RISKS

The Company is engaged in the exploration and development of mineral properties. These activities involve a high degree of risk which, even with a combination of experience, knowledge and careful evaluation, may not be overcome. Consequently, no assurance can be given that commercial quantities of minerals will be successfully found or produced.

DISCLOSURE OF OUTSTANDING SHARE DATA

The following information relates to share data of the Company as at the date of this report.

1. Share capital

(a) Authorized:

Unlimited number of common voting shares.

Unlimited number of preferred shares, without nominal or par value, issuable in series.

(b) Issued:

Common shares	<u>Number</u>	<u>Amount</u>
Balance, December 31, 2004	36,200,000	\$6,055,191
Issued on exercise of options	600,000	60,000
Issued on exercise of warrants	6,192,166	2,631,333
Share issue costs		(54,791)
Tax effect of share issuance cost	-	(12,000)
Balance, September 30, 2005	<u>\$42,992,166</u>	<u>\$8,679,733</u>

2. 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 to the Company with shares reserved for issuance as options not to exceed 10% of the issued and outstanding common shares.

The Company granted 75,000 stock options pursuant to this plan during the nine months ended September 30, 2005.

3. Warrants

The Company issued the following warrants which expired August 10, 2005: 5,000,000 at an exercise price of \$0.40 and 15,000,000 at an exercise price of \$0.50. The following common shares were issued pursuant to the exercise of warrants during the nine months ended September 30, 2005.

- 1,544,666 at an exercise price of \$0.50 per share
- 4,647,500 at an exercise price of \$0.40 per share

Additionally, the Company has issued 1,000,000 warrants to a lender, expiring on August 15, 2007, at an exercise price of \$0.75 per share.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com

New Millennium Capital Corp.
Interim Consolidated Financial statements
September 30, 2005



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Notice to Reader

The accompanying unaudited interim consolidated financial statements of New Millennium Capital Corp. for the three months and nine months ended September 30, 2005 and 2004 have been prepared by management and approved by the Audit Committee and Board of Directors of the Company. These statements have not been reviewed by the Company's external auditors.

DATED the 29th day of November, 2005.

Robert Martin
President & Chief Executive Officer

New Millennium Capital Corp.
Interim Consolidated Statements of Loss and Deficit
(Unaudited)

	3 months ended September 30		9 months ended September 30	
	2005	2004	2005	2004
Revenue				
Interest	\$ 11,321	\$ 2,212	\$ 53,648	\$ 6,998
Expenses				
General and administrative	167,684	4,655	608,211	41,668
Market development	59,352	-	324,326	-
Professional fees	82,868	-	224,866	-
Depreciation	11,718	-	27,188	-
Evaluation expenses	-	(877)	-	15,997
Stock-based compensation	25,000	-	25,000	-
	<u>346,622</u>	<u>3,778</u>	<u>1,209,591</u>	<u>57,665</u>
Loss before income taxes	<u>(335,301)</u>	<u>(1,566)</u>	<u>(1,155,943)</u>	<u>(50,667)</u>
Income tax expense - current	-	-	1,281	-
Income tax recovery - future	<u>(121,000)</u>	<u>-</u>	<u>(429,000)</u>	<u>-</u>
Income taxes	<u>(121,000)</u>	<u>-</u>	<u>(427,719)</u>	<u>-</u>
Net loss	\$ <u>(214,301)</u>	\$ <u>(1,566)</u>	\$ <u>(728,224)</u>	\$ <u>(50,667)</u>
Loss per share - basic and diluted	\$ <u>(0.01)</u>	\$ 0.00	\$ <u>(0.02)</u>	\$ (0.00)
Weighted average number of shares outstanding	<u>41,521,077</u>	<u>24,444,444</u>	<u>38,528,688</u>	<u>14,744,526</u>
Deficit, beginning of period				
	\$ (1,490,644)	\$ (53,093)	\$ (976,721)	\$ (3,992)
Net loss				
	<u>(214,301)</u>	<u>(1,566)</u>	<u>(728,224)</u>	<u>(50,667)</u>
Deficit, end of period				
	\$ <u>(1,704,945)</u>	\$ <u>(54,659)</u>	\$ <u>(1,704,945)</u>	\$ <u>(54,659)</u>

See accompanying notes to the unaudited interim consolidated financial statements.

**New Millennium Capital Corp.
Interim Consolidated Balance Sheets
(Unaudited)**

September 30, 2005

Dec 31, 2004

Assets

Current

Cash and cash equivalents	\$ 4,097,770	\$ 3,317,664
Receivables	483,492	280,138
	<u>4,581,262</u>	<u>3,597,802</u>

Property and equipment

80,034

50,700

Mineral properties *[note 3]*

7,801,459

4,529,538

7,881,493

4,580,238

\$ 12,462,755

\$ 8,178,040

Liabilities

Current

Payables and accruals	\$ 1,004,071	\$ 223,674
Loan payable <i>[note 4]</i>	2,000,000	-
	<u>3,004,071</u>	<u>-</u>

Future income taxes

1,662,396

2,079,396

4,666,467

2,303,070

Shareholders' equity

Capital stock *[note 5]* 8,679,733 6,055,191

Contributed surplus 821,500 796,500

Deficit (1,704,945) (976,721)

7,796,288

5,874,970

\$ 12,462,755

\$ 8,178,040

See accompanying notes to the unaudited interim consolidated financial statements.

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

	3 months ended September 30		9 months ended September 30	
	2005	2004	2005	2004
Increase (decrease) in cash and cash equivalents				
Operating				
Net loss	\$ (214,301)	\$ (1,566)	\$ (728,224)	\$ (50,667)
Future income tax recovery	(121,000)	-	(429,000)	-
Depreciation	11,718	-	27,188	-
Stock-based compensation	25,000	-	25,000	-
	<u>(298,583)</u>	<u>(1,566)</u>	<u>(1,105,036)</u>	<u>(50,667)</u>
Change in non-cash working capital	66,933	109,838	577,043	14,073
	<u>(231,650)</u>	<u>108,272</u>	<u>(527,993)</u>	<u>(36,594)</u>
Financing				
Proceeds from loan payable	2,000,000	-	2,000,000	-
Issuance of common shares	1,342,367	5,750,000	2,691,333	5,750,000
Share issue costs	(54,791)	(549,960)	(54,791)	(549,960)
	<u>3,287,576</u>	<u>5,200,040</u>	<u>4,636,542</u>	<u>5,200,040</u>
Investing				
Purchase of property and equipment	(17,859)	(34,623)	(56,522)	(34,623)
Additions to mineral properties	(2,355,057)	(1,158,066)	(3,271,921)	(1,158,066)
	<u>(2,372,916)</u>	<u>(1,192,689)</u>	<u>(3,328,443)</u>	<u>(1,192,689)</u>
Net increase in cash and cash equivalents	683,010	4,115,623	780,106	3,970,757
Cash and cash equivalents, beginning of the period	3,414,760	615,959	3,317,664	760,825
Cash and cash equivalents, end of the period	\$ 4,097,770	\$ 4,731,582	\$ 4,097,770	\$ 4,731,582

See accompanying notes to the unaudited interim consolidated financial statements.

New Millennium Capital Corp.
Notes to the Interim Consolidated Financial Statements
(Unaudited)
September 30, 2005

1. Nature of operations

New Millennium Capital Corp. (the "Company") was incorporated pursuant to the provisions of the Alberta Business Corporations Act on August 8, 2003. The Company was classified as a capital pool company as defined pursuant to TSX Venture Exchange Policy 2.4. During 2004, the Company completed its Qualifying Transaction.

The Company is in the process of exploring and evaluating its mineral properties and projects and has not yet determined whether its properties and projects contain ore reserves that are economically recoverable. The recoverability of amounts shown for mineral properties and deferred exploration costs is dependent upon the ability of the Company to obtain necessary financing to complete the exploration, development and discovery of economically recoverable reserves in the mineral property, renewal of the underlying mineral claims, and future profitable production of these reserves or sufficient proceeds from the disposition thereof.

The Company holds an 80% interest in the Howells River taconite resource which is located in the province of Newfoundland and Labrador about 30 km northwest of Schefferville, Quebec. The development of this resource, which is called the LabMag Iron Ore Project, is the Company's main focus. The development contemplates the construction and operation of a mine, crusher, concentrator, slurry pipeline, pellet plant, shiploading facilities and related infrastructure. Subject to positive feasibility studies and project financing, it is expected that the final pellet product would be shipped by ocean vessels to markets in Canada, the United States, Western Europe and Asia.

2. Summary of significant accounting policies

The unaudited interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles for 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 year ended December 31, 2004.

In the opinion of management, all adjustments considered necessary for the fair presentation of results for the periods presented have been reflected in these 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 year ended December 31, 2004.

Use of estimates

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial

New Millennium Capital Corp.
Notes to the Interim Consolidated Financial Statements
(Unaudited)
September 30, 2005

statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from and affect the results reported in these financial statements

Principles of consolidation

These consolidated financial statements include the accounts of the Company, its wholly-owned subsidiary Labmag Services Inc., 80% owned subsidiary, Labmag GP Inc. and its 80% interest in Labmag Limited Partnership.

New Millennium Capital Corp.
Notes to the Interim Consolidated Financial Statements
(Unaudited)
September 30, 2005

3. Mineral properties	2005	2004
Mineral licenses, LabMag property	\$ 2,738,600	\$ 2,743,750
Mineral licenses, other properties	45,094	20,586
	<u>2,783,694</u>	<u>2,764,336</u>
Drilling	2,052,044	899,006
Prefeasibility engineering	657,017	88,620
Site infrastructure	346,064	212,660
Environmental	650,667	9,216
Field labour and supplies	336,758	174,931
Analysis	496,096	93,272
Legal fees	181,309	181,309
Geological and evaluation	93,146	93,146
Exploration other properties	204,664	13,042
	<u>5,017,765</u>	<u>1,765,202</u>
	<u>\$ 7,801,459</u>	<u>\$ 4,529,538</u>

4. Loan payable

This loan is non-interest bearing and repayable in full on or before March 15, 2006. In consideration for the loan, the Company has issued the lender 1,000,000 warrants at an exercise price of \$0.75 per share and expiring August 15, 2007.

5. Share capital

a) Authorized:

Unlimited number of common shares

Unlimited number of preferred shares, without nominal or par value, issuable in series

b) Issued:

Common shares	Number	Amount
Balance, December 31, 2004	36,200,000	\$ 6,055,191
Issued on exercise of stock options	600,000	60,000
Issued on exercise of purchase warrants	6,192,166	2,631,333
Share issue costs	-	(54,791)
Tax effect of share issuance costs	-	(12,000)
Balance, September 30, 2005	<u>42,992,166</u>	<u>8,679,733</u>

New Millennium Capital Corp.
Notes to the Interim Consolidated Financial Statements
(Unaudited)
September 30, 2005

c) 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 to the Company with shares reserved for issuance as options not to exceed 10% of the issued and outstanding common shares.

The Company granted 75,000 stock options pursuant to this plan during the nine months ended September 30, 2005.

d) Escrow

Pursuant to escrow agreements, 4,800,000 common shares are held in escrow at September 30, 2005. 1,200,000 common shares will be released each six-month anniversary of the final exchange bulletin of the Company's qualifying transaction until all common shares have been released from escrow.

6. Contingency and commitments

After undertaking the issuance of flow-through shares in 2004, the Company fulfilled its spending commitments by incurring in excess of \$3,690,000 on Canadian properties by September 30, 2005. The Company has commitments of an additional \$795,000 of flow through expenditures by December 31, 2005.

The Company is committed through Labmag Limited Partnership to pay a royalty of 2.33% of gross revenues from the mineral interests acquired in its qualifying transaction. Under certain conditions this royalty may be reduced to 2.0% by August, 2006.