

New Millennium Capital Corp.
SECOND QUARTER REPORT
2007

MESSAGE TO SHAREHOLDERS

New Millennium Capital Corp. (“NML” or the “Company”) is pleased to report its unaudited financial and operational results for the six month period ended June 30, 2007.

The significant second quarter event was a private placement financing announced on May 28 and May 29, 2007, that was successfully completed on June 12, 2007 for gross proceeds of \$8,999,800.

MANAGEMENT’S DISCUSSION AND ANALYSIS

The following discussion and analysis of the financial results for the interim period ended June 30, 2007 should be read in conjunction with the Company’s unaudited interim consolidated financial statements and related notes contained in this report and the audited consolidated financial statements and MD&A for the year ended December 31, 2006 and 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.

RESULTS OF OPERATIONS

Private Placement (News releases 0707, 0708 and 0710)

A private placement financing announced on May 28 and May 29, 2007 was successfully completed on June 12, 2007 for gross proceeds of \$8,999,800.

The Corporation issued 11,290,000 common shares of the Corporation at a price of \$0.62 per Common Share and 2,666,667 flow-through shares at \$0.75 per Flow-Through Share.

As consideration for their services in connection with the financing, Raymond James Ltd. received a cash commission of 6% of the gross proceeds of the financing and agent’s warrants, permitting the Agent to purchase Common Shares representing a number equal to 6% of the Common Shares and Flow-Through Shares issued pursuant to the financing.

The net proceeds of the issue will be used primarily to fund exploration and development of the Corporation’s iron ore projects and for general working capital purposes.

SUBSEQUENT EVENTS

The significant activities subsequent to the second quarter were

Increase of LabMag Resources and Production of DR Pellets

On July 17, 2007, NML provided an update about several corporate initiatives and activities, including the increase of LabMag Resources by 25% and the Company’s ability to produce DR Pellets.

The total addition to Measured and Indicated Resources as a result of the 2006 LabMag drill program is 925 million tonnes. Based on the previously reported¹ total Measured and Indicated Resources of 3,665 million tonnes, this represents a total increase of 25%.

The addition of the Block C resource to the previously defined LabMag resource, coupled with the KéMag resource, bring NML's total Measured and Indicated Resources in the Millennium Iron Range to 5.9 billion tonnes². This includes 3.5 billion tonnes³ of Proven and Probable Reserves. In addition, the two deposits include a further 2.1 billion tonnes⁴ which are classified as Inferred Mineral Resources.

Midrex Technologies Inc. ("Midrex"), the world's largest supplier of direct reduced iron ("DRI") plants, conducted tests at its Charlotte, North Carolina facility on laboratory produced NML DR pellets. They concluded that these pellets perform well in standard Midrex tests and, as a consequence, Midrex expects that commercially produced pellets made from NML concentrates will be a suitable feedstock for the Midrex DR Process®. DRI is the fastest growing sector in the steel industry.

Engagement of Credit Suisse as Lead Financial Advisor

On July 19, 2007 NML announced the engagement of Credit Suisse Securities (Canada) Inc. as its lead financial advisor with respect to the commercial development of its world class LabMag and KéMag properties. Credit Suisse will be working in conjunction with Miller Mathis & Co., LLC, previously engaged to assist in the projects' development.

Positive KéMag Preliminary Assessment Study Results

On July 30, 2007 NML announced the results of the Preliminary Assessment undertaken on its 100% owned KéMag property and its intention to advance the KeMag Project feasibility and environmental studies. The highlights of the KéMag Study are:

- Production Assumption of 15 million tonnes per year ("mtpy") pellets and 7 mtpy concentrate
- Indicated Mineral Resources of 1.349 billion tonnes
- Inferred Mineral Resources of 992 million tonnes
- Total capital cost, including working capital, of US \$3.6 billion
- Internal rate of return ("IRR") of 19% (unleveraged and before corporate taxes and mining taxes)
- Return on equity ("ROE") of 30% (before corporate taxes and mining taxes)⁵
- Net present value ("NPV") of US\$ 7.3 billion (before corporate taxes and mining taxes)⁶
- 5 year payback after the start of commercial production
- Minimum 30 year mine life
- 1,091 direct jobs at the mine, concentrator, pipeline, pellet plant and shiploading facility

¹ News releases 06-07 (April 13, 2006), 06-13 (July 5, 2006) and 07-03 (February 6, 2007).

² Measured: 3.768 billion tonnes; indicated: 2.171 billion tonnes.

³ Proven: 2.981 billion tonnes; probable: 0.564 billion tonnes.

⁴ Inferred: 2.143 billion tonnes.

⁵ Based on a 30/70 equity/debt ratio

⁶ Based on a 5% discount rate

The study being a Preliminary Assessment in accordance with NI 43-101 is preliminary in nature and includes Inferred Mineral Resources that are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that results of the study will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

Exposure to Asset-Backed Commercial Paper Market

The Company invested \$4,400,283 on June 15, 2007 in Structured Investment Trust III, Series A ("SIT"). This asset-backed commercial paper ("ABCP") had a credit rating of R-1 High (highest rating available for short-term commercial paper) by Dominion Bond Rating Service ("DBRS"). The SIT is administered by Coventree Capital Group Inc. ("Coventree") and is due and payable on September 13, 2007.

Coventree announced in mid August that it was unable to meet its current repayment obligations of its then maturing ABCP owing to market disruptions that were precipitated by the sub-prime mortgage problem in the U.S. To mitigate this problem a number of major players in Canada's financial markets met in Montreal on August 16, 2007 to work out a solution to the liquidity problem affecting ABCPs.

Repayment of NML's SIT on September 13, 2007 will depend upon the ability of Coventree's liquidity providers to fund such repayments or some other short-term solution currently being considered by the Canadian banks and financial institutions to mitigate the ABCP problem.

The company has sufficient cash to continue its 2007 work program, but will reassess its situation if the September 13, 2007 SIT maturity date is deferred.

NML also has \$1.3 million in other ABCPs backed by natural gas giant EnCana Corporation and Transcanada Pipelines Ltd. These notes are not considered problematical owing to the high quality assets backing the securities. As of August 17, 2007 a total of about \$5.7 million of New Millennium's \$10.4 million in cash and cash equivalents and term deposits was invested in Canadian ABCP.

FINANCIAL RESULTS

The following discussion of the Company's financial performance is based on the Interim Consolidated Financial Statements set forth herein. As discussed in Note 2 to the Interim Consolidated Financial Statements, these statements are prepared in accordance with Canadian Generally Accepted Accounting Principles (GAAP). Management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and revenue and expenses for the period then ended.

The Interim Consolidated Balance Sheet as of June 30, 2007 indicates a cash position of \$10,112,237, term deposits of \$1,415,865, sales taxes and other receivables of \$299,867 and tax credits and mining duties receivable of \$591,152 resulting in total current assets of \$12,419,121, an increase of \$4,968,869 from December 31, 2006. The long-term assets are comprised of mineral properties of \$22,649,281, property and equipment of \$54,361 and advances on contracts of \$34,337. The total assets are \$35,157,100 which is an increase of \$6,199,613 from December 31, 2006.

Current liabilities at June 30, 2007 are composed of accounts payables and accrued liabilities of \$992,534, with the only long-term liability being future income taxes of \$1,572,023 for total liabilities of \$2,564,557, a decrease of \$957,844 from December 31, 2006. Shareholders' equity

of \$32,592,543 increased by \$7,157,457 from December 31, 2006, and is comprised of capital stock of \$32,193,427 and the contributed surplus of \$5,275,030 less the deficit of \$4,875,914.

Working capital, at June 30, 2007 of \$11,426,587, is an increase of \$6,275,835 from the December 31, 2006 total of \$5,150,752.

These changes in the balance sheet are mainly due to the Corporation having increased shareholder's equity by \$7,157,457 during the year resulting from several transactions, the main one being the private placement financing completed on June 12, 2007 for net proceeds of \$8,357,219 less the \$990,165 future income tax effect of the renunciation of \$3,000,500 of Canadian exploration expenses (CEE) in favor of the purchasers which resulted in an equivalent decrease in capital stock. The Company used its term deposits and cash and cash equivalents to fund its operating loss for the year to date of \$825,505, pay for its accounts payable from December 31, 2006 and fund its continuing investment in mineral properties. The cash and cash equivalents and term deposits represent the funds that remain from the last equity financing and will continue to be used to pay for current liabilities, continue the pre-feasibility study of the KéMag property and cover future corporate operating expenses. During the first two quarters of 2007, \$1,387,456 of the Company's expenditures were related to the initial work on the KéMag property and on the LabMag property feasibility study. These expenditures were recorded as mineral properties on the balance sheet. The future income taxes continue to be mainly comprised of the future tax liability that arises from the renunciation of CEE which are partially offset by the Company's operating losses.

For the three months ended June 30, 2007 NML realized a net loss of \$430,046 or \$0.01 per share, compared to a net loss of \$206,856 or less than \$0.01 loss per share for the corresponding period in 2006. This loss represents operating expenses of \$758,071 (2006 - \$618,169) net of interest revenue of \$59,977 (2006 - \$56,554) and future income taxes recoverable of \$268,048 (2006- \$354,759). This quarter's loss is approximately double the same quarter from 2006, due to higher general and administrative and professional fees expenses and significantly less future income taxes recoverable.

The Company expects to continue incurring operating losses until it is operating a revenue-producing project. These losses are expected to be funded through the completion of the feasibility study, by equity financing or investments by strategic partners.

All costs associated with mineral properties, totaling \$22,649,281, as outlined in Note 4 to the June 30, 2007 interim consolidated financial statements, have been classified as mineral properties. The expenditures are divided between the properties as follows: LabMag Property \$20,396,375, KéMag Property \$1,947,824, and Other Properties \$305,082. The cost centers for these capitalized expenditures are: mineral licenses \$2,850,302, resource evaluation \$7,321,037, drilling \$5,364,895, environmental \$6,226,574, field labour and supplies \$987,576, exploration \$215,334, legal \$181,309, and geological and evaluation \$93,406. These expenditures are partially offset by tax credits and mining duties of \$591,152. The carrying value of the mineral properties are reviewed by the Company on a quarterly basis by reference to the project economics, including the timing of the exploration and/or development work, the work programs and exploration results experienced by the Company and others. At June 30, 2007 the Company believes that the carrying values of the properties are less than their net recoverable amounts and as such there has been no impairment of value on any of these properties.

In 2006, the Company renounced Canadian Exploration Expenses (CEE) of \$3,000,500 in favour of the purchasers of the 2006 flow-through shares for which the renunciation documents were filed with the Canadian Revenue Agency (CRA) in February 2007. As of June 30, 2007, the Company has fulfilled its spending commitment related to this renunciation. This renunciation also resulted in the Company recording a \$990,165 decrease in its capital stock for the future income tax effect of the renouncement.

SUMMARY OF QUARTERLY RESULTS

The following table sets out selected unaudited quarterly financial information of the Company for the eight quarters ended June 30, 2007. The Company's interim consolidated financial statements are prepared in accordance with Canadian GAAP and expressed in Canadian dollars.

	Jun-07	Mar-07	Dec-06	Sept-06	Jun-06	Mar-06	Dec-05	Sept-05
Interest Income	59,977	46,292	87,446	73,304	56,554	92,817	39,983	11,321
Net Loss	(430,046)	(395,459)	(765,541)	(661,905)	(206,856)	(397,302)	(575,460)	(214,301)
Loss Per Share (1)	(0.01)	(0.01)	(0.01)	(0.01)	(0.00)	(0.01)	(0.01)	(0.01)

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

SECOND QUARTER RESULTS

For the three months ended June 30, 2007, general and administrative expenses, market development and professional fees and other expenses were \$758,071 compared to \$618,169 for the corresponding period in 2006. Included in the second quarter of 2007 expenses is a stock-based compensation charge of \$79,725 compared to \$115,350 for the corresponding period in 2006. These expenses were partially offset by future income taxes recoverable of \$268,048 for which there was \$354,759 recovered in the second quarter of 2006. As a result NML's loss for the second quarter ended June 30, 2007 totalled \$430,046 or \$0.01 per share compared to a loss of \$206,856 or \$0.00 per share for the comparative period in 2006.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

During the first quarter of 2007, the Company adopted new accounting policies concerning financial instruments and comprehensive income. These changes are discussed in Note 3 to the Interim Consolidated Financial Statements.

LIQUIDITY AND CAPITAL RESOURCES

Working Capital

The Company's working capital at June 30, 2007 increased from December 31, 2006 by \$6,275,835 to \$11,426,587 mainly due to the private placement offering completed on June 12, 2007 for net proceeds of \$8,357,219 less the continued use of the Company's funds to explore and develop its mineral properties and cover operating expenses. The working capital consists of cash and cash equivalents, term deposits, sales taxes and other receivables and tax credits and mining duties receivable net of accounts payable and accrued liabilities.

Capital Expenditures

There were capital expenditures of \$6,169 (2006 - \$26,575) during the first six months of 2007, all for the acquisition of computer hardware and software and electronic instruments.

Capital Resources

At June 30, 2007, NML has paid up capital of \$32,193,427 (December 31, 2006 - \$24,469,752)

representing 92,191,166 (December 31, 2006 – 77,711,690) common shares and a deficit of \$4,875,914 (December 31, 2006 - \$4,050,409) that is offset by contributed surplus of \$5,275,030 (December 31, 2006 - \$5,015,743) resulting in shareholders' equity of \$32,592,543 (December 31, 2006 - \$25,435,086).

COMMITMENTS

At June 30, 2007, the Company had entered into long term agreements expiring by October 2011 where by it has committed to paying \$97,722 in the remainder of 2007, \$134,674 in 2008, \$35,234 in 2009, \$20,300 in 2010 and \$16,917 in 2011.

Pursuant to the private offering completed on June 12, 2007, the Company has issued \$2,000,000 of flow-through common shares for which it is obligated to renounce, effective in 2007, CEE to subscribers of the flow-through common shares in the amount of \$2,000,000. The Company partially fulfilled the expected spending commitment by incurring in excess of \$365,000 on Canadian properties by June 30, 2007. The Company has spending commitments of an additional \$1,635,000 by December 31, 2008. If the Company is not able to fulfill these commitments, the Company will be required to indemnify the subscribers of the flow-through common shares for losses suffered as a result. The Company expects to file the renunciation documents by February 2008 and to fulfill the spending commitments by the end of 2008.

TRANSACTIONS WITH RELATED PARTIES

During the quarter, NML incurred directors' fees of \$5,000 (2006 - \$9,500), consulting fees included in mineral properties and expenses of \$82,000 (2006 - \$33,000) to businesses owned by directors and \$89,000 (2006 - \$58,000) in legal fees included in share issuance costs and professional fees to a law firm with a partner who is a director.

During the six months period ending June 30, 2007, the Company incurred directors' fees of \$12,000 (2006 - \$17,000), consulting fees included in mineral properties and expenses of \$115,000 (2006 - \$69,000) to businesses owned by directors and \$155,000 (2006 - \$106,000) in legal expenses included in share issuance of costs and professional fees to a law firm with a partner who is a director. Of these amounts, \$174,000 is payable at June 30, 2007.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Additional disclosure concerning the Company's expenditures for mineral properties are provided in Note 4 of the Interim Consolidated Financial Statements for the period ended June 30, 2007 that is available on New Millennium's website at http://www.nmlresources.com/library/financial_statements.asp or on its SEDAR Page Site accessed through www.sedar.com

Included in the Corporation's Interim Consolidated Financial Statements were general and administration expenses of \$376,849 (2006 – \$259,151) for the three months ended June 30, 2007, comprised as follows: salaries and benefits \$204,026 (2006 - \$111,187), office and administration \$146,899 (2006 – \$107,973), consultants \$9,225 (2006 – \$24,597) and office rent \$16,699 (2006 - \$15,394).

OUTLOOK

New Millennium holds a 100% interest in the KéMag Project (Quebec) and an 80% interest in the LabMag Project (Newfoundland and Labrador). Both properties are located within the Millennium Iron Range, the centre of which is located approximately 230 km north of Labrador City, NF and 40 km northwest of Schefferville, QC. The development of this resource is the Corporation'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.

The overriding objective for the remainder of this year is to secure a strategic investor by December 31, 2007. A strategic investor will be expected to assume an equity and/or pellet off-take position which would include the funding of a feasibility study for the selected project and reactivation of the environmental approval process.

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 June 30, 2007.

1. Share capital

(a) Authorized:

Unlimited number of common voting shares.

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

(b) Issued as of June 30, 2007: The Corporation has 92,191,166 common shares issued (\$32,193,427).

(c) Issued as of August 23, 2007: The Corporation has 92,191,166 common shares issued (\$32,193,427).

2. Options

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

At August, 23, 2007, there were 7,221,667 common shares reserved for issuance pursuant to the exercise of stock option (June 30, 2007 – 6,336,667) as follows:

Number of Outstanding Options	Exercise Price	Expiry Date
576,667	\$0.10	December 12, 2008
2,080,000	\$0.30	August 11, 2009
225,000	\$0.36	September 13, 2009
215,000	\$0.47	November 1, 2009
25,000	\$0.45	August 19, 2010

300,000	\$0.50	October 7, 2010
25,000	\$0.52	September 27, 2010
190,000	\$0.55	October 19, 2010
675,000	\$0.55	October 19, 2010
40,000	\$0.76	April 6, 2011
1,500,000	\$0.75	September 13, 2011
90,000	\$0.75	November 2, 2011
375,000	\$0.50	February 1, 2011
905,000	\$0.75	August 2, 2012

3. Warrants

At August 23, 2007, there were 12,097,200 common shares reserved for issuance pursuant to the exercise of outstanding warrants (June 30, 2007 –13,097,200) as follows:

Number of Common Shares	Exercise Price	Expiry Date
1,055,000	\$0.75	October 6, 2007
1,945,000	\$0.75	December 1, 2007
859,800	\$0.75	February 22, 2008
2,000,000	\$1.25	March 24, 2008
5,400,000	\$1.00	August 22, 2008
837,400	\$0.75	December 11, 2008

DISCLOSURE CONTROLS AND PROCEDURES

Management has evaluated the effectiveness of the Company's disclosure controls and procedures as of June 30, 2007. Based on this evaluation some improvements were introduced to existing controls to conclude that the Company's disclosure controls and procedures, as defined in Multilateral Instrument 52-109, are effective to ensure that the information required to be disclosed in reports that are filed or submitted under Canadian securities legislation are recorded, processed, summarized and reported within the time period specified in those rules.

MANAGEMENT'S ASSESSMENT OF INTERNAL CONTROLS

Management completed an assessment of the design of internal controls over financial reporting. During the process of management's assessment, it was determined that certain weaknesses existed in the complex areas of financial reporting and taxation accounting. As is indicative of many small companies, segregation of duties and the existence of full competences in a changing regulatory environment were identified as areas where weaknesses existed. The existence of these weaknesses has been addressed by implementation of alternate cost-effective controls and by the continuation of senior management monitoring and in the case of complex transactions, consulting with external experts to assist management in their analysis.

ADDITIONAL INFORMATION

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

On Behalf of the Board of Directors

signed "Robert Martin"

President & Chief Executive Officer

August 23, 2007 Calgary, Alberta

signed "William Almdal"

Chief Financial Officer

New Millennium Capital Corp.
Interim Consolidated Financial Statements
June 30, 2007 and 2006

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

	June 30, 2007	Dec 31, 2006
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	10,112,237	3,414,039
Term deposits	1,415,865	2,581,816
Sales taxes and other receivables	299,867	1,083,019
Tax credits and mining duties receivable	591,152	371,378
	<u>12,419,121</u>	<u>7,450,252</u>
Advances on contracts	34,337	20,500
Property and equipment	54,361	71,973
Mineral properties (Note 4)	22,649,281	21,414,762
	<u>35,157,100</u>	<u>28,957,487</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	992,534	2,299,500
Future income taxes	1,572,023	1,222,901
	<u>2,564,557</u>	<u>3,522,401</u>
Shareholders' equity		
Capital stock (Note 5)	32,193,427	24,469,752
Contributed surplus	5,275,030	5,015,743
Deficit	(4,875,914)	(4,050,409)
	<u>32,592,543</u>	<u>25,435,086</u>
	<u>35,157,100</u>	<u>28,957,487</u>

See accompanying notes to the unaudited interim consolidated financial statements.

On behalf of the Board,

/S/ Robert Martin

Director

/S/ William Almdal

Director

**New Millennium Capital Corp.
Interim Consolidated Earnings
(Unaudited)**

	3 months ended June 30		6 months ended June 30	
	2007 \$	2006 \$	2007 \$	2006 \$
Interest revenue	59,977	56,554	106,270	149,371
<i>Expenses</i>				
General and administrative	376,849	259,151	612,324	541,608
Professional fees	190,290	123,192	362,664	268,771
Market development	99,867	107,457	166,021	160,552
Stock-based compensation				
Employees and directors	75,225	95,850	75,225	95,850
Consultants	4,500	19,500	120,750	108,500
Amortization of property and equipment	11,340	13,019	23,782	26,371
Amortization of deferred financing costs	-	-	-	46,429
	758,071	618,169	1,360,766	1,248,081
Loss before income taxes	(698,094)	(561,615)	(1,254,496)	(1,098,710)
Future income taxes	268,048	354,759	428,991	494,552
Net loss	(430,046)	(206,856)	(825,505)	(604,158)
Loss per share – basic and diluted	(0.01)	(0.00)	(0.01)	(0.01)
Weighted average number of shares outstanding	81,022,923	63,343,229	79,299,554	61,048,991

See accompanying notes to the unaudited interim consolidated financial statements.

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

	3 months ended June 30		6 months ended June 30	
	2007	2006	2007	2006
	\$	\$	\$	\$

CONSOLIDATED STATEMENTS OF DEFICIT

Balance, beginning of period	(4,445,868)	(2,416,107)	(4,050,409)	(2,018,805)
Net loss	(430,046)	(206,856)	(825,505)	(604,158)
Balance, end of period	(4,875,914)	(2,622,963)	(4,875,914)	(2,622,963)

CONSOLIDATED STATEMENTS OF CONTRIBUTED SURPLUS

Balance, beginning of period	5,131,993	1,359,310	5,015,743	1,531,910
Stock-based compensation expense				
Employees and directors	75,225	95,850	75,225	95,850
Consultants	4,500	19,500	120,750	108,500
Agents' warrants	234,472	-	234,472	-
Transfer to capital stock on exercise of agents' warrants	(171,160)	(37,000)	(171,160)	(298,600)
Balance, end of period	5,275,030	1,437,660	5,275,030	1,437,660

See accompanying notes to the unaudited interim consolidated financial statements.

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

	3 months ended June 30		6 months ended June 30	
	2007	2006	2007	2006
	\$	\$	\$	\$
Operating				
Net loss	(430,046)	(206,856)	(825,505)	(604,158)
Stock-based compensation				
Employees and directors	75,225	95,850	75,225	95,850
Consultants	4,500	19,500	120,750	108,500
Amortization of property and equipment	11,340	13,019	23,782	26,371
Amortization of deferred financing costs	-	-	-	46,429
Future income taxes	(268,048)	(354,759)	(428,991)	(494,552)
	<u>(607,029)</u>	<u>(433,246)</u>	<u>(1,034,739)</u>	<u>(821,560)</u>
Change in non-cash working capital	1,238,207	11,107	715,923	(244,856)
	<u>631,178</u>	<u>(422,139)</u>	<u>(318,816)</u>	<u>(1,066,416)</u>
Financing				
Repayment of loan payable	-	-	-	(2,000,000)
Share issue costs	(610,830)	-	(698,993)	-
Issuance of common shares	9,194,300	50,000	9,207,681	3,678,953
	<u>8,583,470</u>	<u>50,000</u>	<u>8,508,688</u>	<u>1,678,953</u>
Investing				
Repayments of term deposits	42,212	25,568	2,541,512	4,282,990
Purchase of term deposits	(1,375,561)	-	(1,375,561)	-
Advances on contracts	(34,337)	(500)	(34,337)	(42,100)
Purchase of property and equipment	(5,000)	(10,098)	(6,169)	(26,575)
Additions to mineral properties	(834,557)	(1,847,190)	(2,617,119)	(3,709,212)
	<u>(2,207,243)</u>	<u>(1,832,220)</u>	<u>(1,491,674)</u>	<u>505,103</u>
Net increase (decrease) in cash and cash equivalents	7,007,405	(2,204,359)	6,698,198	1,117,640
Cash and cash equivalents, beginning of the period	<u>3,104,832</u>	<u>7,359,887</u>	<u>3,414,039</u>	<u>4,037,888</u>
Cash and cash equivalents, end of the period	<u>10,112,237</u>	<u>5,155,528</u>	<u>10,112,237</u>	<u>5,155,528</u>

(Cash flow information in Note 6)

See accompanying notes to the unaudited interim consolidated financial statements.

New Millennium Capital Corp.
Notes to the Interim Consolidated Financial Statements
(Unaudited)
June 30, 2007

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. The recoverability of amounts shown for mineral properties and deferred exploration expenses 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.

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, 2006 and 2005 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, 2006 and 2005.

Accounting estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts recorded in the financial statements and notes to financial statements. These estimates are based on management's best knowledge of current events and actions that the Company may undertake in the future. Actual results could differ from these estimates.

Principles of consolidation

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

In accordance with the Partnership agreement between LabMag Limited Partnership and the Company, the Company shall be responsible for providing and arranging for all capital in excess of initial contributions of each partner and operating costs for exploration until commercial

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production commences. Consequently, the Company included 100% of assets, liabilities and losses excluding the initial contribution of the Partner holding the 20% interest in the Partnership in the consolidated financial statements.

3. Changes in accounting policies

Effective January 1, 2007, the Company adopted the following new accounting standards issued by the CICA relating to financial instruments. These new standards have been adopted on a prospective basis with no restatement to prior period financial statements.

a) Financial instruments – Recognition and Measurement (Section 3855)

This standard sets out criteria for the recognition and measurement of financial instruments for fiscal years beginning on or after October 1, 2006. This standard requires all financial instruments within its scope, including derivatives, to be included on a Company's balance sheet and measured either at fair value, or in certain circumstances where fair value may not be considered most relevant, at cost or amortized cost. Changes in fair value are to be recognized in the statements of operations and comprehensive income. The adoption of this standard did not have any impact on the current period.

b) Comprehensive income (Section 1530)

Comprehensive income is the change in shareholders' equity during the period from transactions and other events from non-shareholder sources. The standard requires certain gains and losses that would otherwise be recorded as part of net income to be presented in other "comprehensive income" until it is considered appropriate to recognize them in net income. This standard requires the presentation of comprehensive income, and its components in a separate financial statement that is displayed with the same prominence as the other financial statements. Accordingly, the Company would now report a consolidated statement of comprehensive income and include "accumulated other comprehensive income (loss)" in the shareholders' equity section of the consolidated balance sheet. The adoption of this standard did not have any impact on the current period. As the Company does not have any gains or losses that should be reported through comprehensive income it accordingly did not present a statement of comprehensive income for the quarter and six months ended June 30, 2007.

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4. Mineral properties

	LabMag Property \$	KéMag Property \$	Other Properties \$	Balance as at June 30, 2007 \$	Balance as at Dec. 31, 2006 \$
Beginning balance	19,901,675	1,264,538	248,549	-	-
Mineral licenses	-	10,304	47,378	2,850,302	2,792,620
Resource evaluation	318,250	505,402	-	7,321,037	6,497,385
Drilling	(14,789)	257,927	-	5,364,895	5,121,757
Environmental	206,574	41,991	-	6,226,574	5,978,009
Field labour and supplies	(15,335)	87,436	-	987,576	915,475
Exploration	-	-	9,155	215,334	206,179
Legal fees	-	-	-	181,309	181,309
Geological and evaluation	-	-	-	93,406	93,406
	<u>494,700</u>	<u>892,756</u>	<u>9,155</u>	<u>20,390,131</u>	<u>18,993,520</u>
Tax credits and mining duties	-	(219,774)	-	(591,152)	(371,378)
Ending balance	<u>20,396,375</u>	<u>1,947,824</u>	<u>305,082</u>	<u>22,649,281</u>	<u>21,414,762</u>

5. Capital stock

a) Authorized:

Unlimited number of common shares

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

b) Issued and fully paid:

Common shares	Number	Amount \$
Balance, as at December 31, 2006	77,711,690	24,469,752
Issued for cash	11,290,000	6,999,800
Issued for cash on a flow-through basis	2,666,667	2,000,000
Issued for cash on exercise of stock options	133,809	13,381
Issued for cash on exercise of agents' warrants	389,000	194,500
Transferred from contributed surplus on exercise of agents' warrants	-	171,160
Share issue costs	-	(877,053)
Tax effect of flow-through shares issued in 2006	-	(990,165)
Tax effect of share issue costs	-	212,052
Balance, as at June 30, 2007	<u>92,191,166</u>	<u>32,193,427</u>

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c) Capital stock offering

On June 12, 2007, the Company completed a private offering whereby 11,290,000 common shares were issued at a price of \$0.62 per common share for gross proceeds of \$6,999,800 and 2,666,667 flow-through common shares were issued at a price of \$0.75 per flow-through common share for gross proceeds of \$2,000,000. The agents of the offering were paid fees of \$539,990 and were granted 837,400 common share purchase warrants, exercisable at a price of \$0.75 per warrant for a period of eighteen months from the closing of the offering.

The Company is obligated to renounce Canadian Exploration Expenses to subscribers for the flow-through common shares in the amount of \$2,000,000. The corresponding decrease in capital stock and the increase in future income taxes relating to these flow-through shares of \$660,000 will be accounted for when the required renunciation documents are filed with the Canada Revenue Agency by February 2008.

d) 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 six-month period ended June 30, 2007, 375,000 (60,000 in 2006) options were granted.

The weighted average fair value of stock options granted during the six-month period was \$0.31 per share (\$0.50 per share in 2006). The fair value of each option was estimated on the date of grant using the Black-Scholes model. The following assumptions were used:

	<u>2007</u>	<u>2006</u>
Risk-free interest rate	4.0%	4.0%
Expected life (years)	5	5
Estimated volatility of the market price of the common shares	73%	80%
Dividend yield	Nil	Nil

e) Agents warrants

The Company has also granted warrants to the agents involved in the Company's equity financing. During the six months ended June 30, 2007, 837,400 (Nil in 2006) warrants were granted.

The weighted average fair value of agents' warrants granted during the six-month period was \$0.28 per share. The fair value of each warrant was estimated on the date of grant using the Black-Scholes model. The following assumptions were used:

	<u>2007</u>
Risk-free interest rate	4.6%
Expected life (years)	1.5
Estimated volatility of the market price of the common shares	76%
Dividend yield	Nil

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f) Escrow

Pursuant to an escrow agreement, 1,200,000 common shares are held in escrow at June 30, 2007 (3,600,000 in 2006). These common shares will be released from escrow in the third quarter of 2007.

6. Information included in consolidated cash flows

a) The changes in working capital items are detailed as follows:

	3 months ended June 30		6 months ended June 30	
	2007	2006	2007	2006
	\$	\$	\$	\$
Sales taxes and other receivables	1,020,687	(142,790)	783,152	(354,773)
Accounts payable and accrued liabilities	217,520	153,897	(67,229)	109,917
	1,238,207	11,107	715,923	(244,856)

Included in the accounts payable and accrued liabilities is an amount of \$422,978, (\$1,017,981 in 2006) pertaining to additions to mineral properties and \$27,518 (Nil in 2006) of share issue costs. Included in the cash used in advances on contracts is \$20,500 for both three and six months ended June 30, 2007 (six months ended June 30, 2006 - \$146,312, three months ended June 30, 2006 - \$61,812) pertaining to mineral properties.

b) Cash flows relative to income taxes and interest on operating activities are detailed as follows:

Cash flows relative to income taxes and interest on operating activities are as follows:

	3 months ended June 30		6 months ended June 30	
	2007	2006	2007	2006
	\$	\$	\$	\$
Income taxes paid	-	-	-	-
Interest received	37,277	54,643	118,070	136,905

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7. Contingency and commitments

Pursuant to the private offering completed on June 12, 2007, the Company has issued \$2,000,000 of flow-through common shares for which it is obligated to renounce effective in 2007, Canadian Exploration Expenses to subscribers of the flow-through common shares in the amount of \$2,000,000. The Company partially fulfilled the expected spending commitment by incurring in excess of \$365,000 on Canadian properties by June 30, 2007. The Company has spending commitments of an additional \$1,635,000 by December 31, 2008. If the Company is not able to fulfill these commitments, the Company will be required to indemnify the subscribers of the flow-through common shares for losses suffered as a result. The Company expects to file the renunciation documents by February 2008 and to fulfill the spending commitments by the end of 2008.

The Company has entered into long-term agreements expiring by October 2011, under which it is committed to pay \$304,847. The minimum payments for the next five years are \$97,722 in 2007, \$134,674 in 2008, \$35,234 in 2009, \$20,300 in 2010 and \$16,917 in 2011.

The Company is committed through LabMag Limited Partnership to pay aggregate royalties of 2% of gross revenues derived from the mineral interests acquired in 2004.

8. Subsequent Event

The Company invested \$4,400,283 on June 15, 2007 in Structured Investment Trust III, Series A ("SIT"). This asset-backed commercial paper ("ABCP") had a credit rating of R-1 High (highest rating available for short-term commercial paper) by Dominion Bond Rating Service ("DBRS"). The SIT is administered by Coventree Capital Group Inc. ("Coventree") and is due and payable on September 13, 2007.

Coventree announced in mid August that it was unable to meet its current repayment obligations of its then maturing ABCP owing to market disruptions that were precipitated by the sub-prime mortgage problem in the U.S. To mitigate this problem a number of major players in Canada's financial markets met in Montreal on August 16, 2007 to work out a solution to the liquidity problem affecting ABCPs.

Repayment of NML's SIT on September 13, 2007 will depend upon the ability of Coventree's liquidity providers to fund such repayments or some other short-term solution currently being considered by the Canadian banks and financial institutions to mitigate the ABCP problem.