

New Millennium Capital Corp.

FIRST QUARTER REPORT

2008

MESSAGE TO SHAREHOLDERS

New Millennium Capital Corp. (“NML” or the “Company”) is pleased to report its unaudited financial and operational results for the three month period ended March 31, 2008.

The significant first quarter events were:

- The completion of the development plans and schedule for the Direct Shipping Ore (“DSO”) Project.
- The increase of KéMag Measured plus Indicated Resources by 71.5%.

MANAGEMENT’S DISCUSSION AND ANALYSIS

The following discussion and analysis of the financial results for the interim period ended March 31, 2008 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, 2007 and 2006.

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

Initial Results for the 2007 KéMag Drill Program extend KéMag Mineralization

On January 8, 2008, the Company provided results on 29 (2,344 metres) of its 42-hole 2007 diamond drilling program at its 100%-owned KéMag Property in Quebec, approximately 18 km north of its LabMag property in Newfoundland and Labrador and 50 km northwest of Schefferville, Quebec. By extending the mineralization at KéMag and demonstrating that the deposit remains open to the north and the south, NML established the potential for a significant additional resource.

Production Development Update on Direct Shipping Ore Project

On February 5, 2008, the Company announced that it had completed the proposed development plans and schedule for its DSO Project in the Schefferville region of Quebec and Newfoundland and Labrador. NML’s plan is to establish a brownfield mining operation that can be developed sooner and with less capital than the KéMag deposit. The expedient and cost effective development of the DSO Project can potentially produce substantial cash flow for the Company while the larger KéMag Project is being developed. Successful development of the DSO Project is aided by management’s familiarity with the properties.

NML’s DSO holdings are contained in 27 deposits that were previously owned by the Iron Ore Company of Canada (“IOC”). They consist of 149 mineral claims in Quebec covering 6,446 hectares and 157 mineral claims in Labrador covering 3,925 hectares. Based on historical

estimates that are not compliant with the requirements of NI 43-101, these claims cover approximately 100 million tonnes of direct shipping quality ore.

The DSO holdings controlled by NML are sub-divided into four areas designated Area 1, Area 2, Area 3 and Area 4. The Company's conceptual plan is to consider mining these areas in two phases.

The first phase, which represents about 20% of the Company's historical estimated DSO resources, includes Area 2 and Area 3. This brownfield phase has semi-developed infrastructure which will permit rapid development. The conceptual plan is to transport the crude ore by haulage truck from ten open pit deposits in Area 2 (± 10 km north of Schefferville) and Area 3 (± 20 km north of Schefferville) to a crusher and wash plant to be built and installed in Area 3. The wash plant is expected to produce two products, a lump ore and a fines product. It is planned to transport these products by rail to a marshalling yard near Schefferville prior to their shipment on the main line to Sept Îles.

One of the sites in area 3, Timmins 3, was partially mined and two others, Timmins 4 and Timmins 7 were partially stripped by IOC at the time of closure in 1982. All three are expected to be reopened by NML.

The second phase, which represents about 75% of NML's historical estimated DSO resources, will entail mining in Area 4. This area, about 50 km north of Schefferville, is devoid of infrastructure and, as a consequence, will take longer to develop than Area 2 and Area 3. The conceptual mining plan is to transport the crude ore by haulage truck from nine open pits in Area 4 to a locally-installed crusher from which crushed ore will be transported by an overland conveyor to the wash plant in Area 3. The wash plant products will then be transported by the Phase 1 infrastructure to the Port of Sept-Îles.

NML anticipates the start-up of its Phase 1 production (Areas 2 and Area 3) in 2010 and that of its Phase 2 production (Area 4) in 2013. There are nine Area 1 deposits, representing about 5% of NML's historical estimated DSO resources. Seven of these are jointly owned with Labrador Iron Mines (TSX-V: LIR): the James, the Knob Lake 1, the Redmond 5, the Houston 1, the Houston 2S and the Houston 3. Those deposits will most likely be mined in accordance with the LIR mining schedule which currently plans to commence production in Area 1 in 2009. To-date, there has not been any agreement reached with LIR regarding NML's claims that partially cover the seven LIR deposits. As part of this year's program, NML will attempt to negotiate some mutually satisfactory agreement with LIR regarding the mining of NML's ore and the possible cost sharing of infrastructure.

NML's DSO development is being fast-tracked to take advantage of current shortages of iron ore in the world marketplace. The project is expected to be a relatively low cost capital venture owing to the existence of significant infrastructure in the form of air, rail and hydroelectric links with the Town of Schefferville and, in most cases, road links from Schefferville to the Company's deposits.

Phase 1 development is currently in progress with the commencement of planning related to geology, mining and resource, metallurgy, environmental and pre-feasibility studies. Negotiations with affected First Nations and the Tshiuéti Rail Transportation Inc. railroad are also in progress.

Approximately 4,000 metres of reverse circulation drilling and 2,000 metres of trenching are scheduled in 2008. The drilling and trenching program will be done to verify previous work. This is expected to supplement and verify the use of the extensive drilling and trenching previously performed on these properties by IOC. It is also expected to upgrade the historical results to current NI 43-101 standards. Results are expected by the end of December 2008.

To complete metallurgical testing, several bulk samples will be taken for crushing and screening tests to determine the amount of lump ore in the run-of-mine materials along with its grade. Samples of both lump and fines will be sent to an outside testing lab for washing and iron

recovery tests, including an assessment of the product grades which may be expected. This work is expected to be completed by the end of September 2008.

The environmental impact assessment has started and the DSO Project Notice has been submitted to the necessary governmental review agencies. The government review process is expected to be completed for Area 2s and 3 by the end of March 2009.

IBA meetings have recently started with some of the affected First Nations. Discussions with the Tshiuetin Railway, which requires a major upgrade to its track structure, the QNS&L Railway and the Arnaud Railway will be initiated to plan the railway transportation agreements required to move the DSO from the crusher and wash plant near Schefferville to the Port of Sept-Iles. Initial discussions with The Port Authority of Sept-Iles have begun and discussions with Wabush regarding the joint use of their ship loading terminal will be scheduled as soon as possible. All agreements are expected to be in place by the end of December 2008.

A Preliminary Feasibility Study will be initiated once the summer program is completed and the sample analysis results start to arrive. The final report and financial analysis is scheduled for completion by the end of December 2008 and the feasibility study is expected to be completed by the end of May 2009.

Project Update increases KéMag Measured plus Indicated Resources by 71.5%

On February 27, 2008, the Company provided an update of its estimated Mineral Resources as a result of the completion of the latest 45-hole (totalling 4,885 metres) diamond drilling program in 2007 on its 100%-owned KéMag Iron Ore Property (the "KéMag Property") in Quebec.

The objective of the 2007 KéMag drill program was to upgrade and expand the resource base and the results showed that 991 million tonnes are in the Measured Resources category. The tonnages of Indicated and Inferred Mineral Resources remain around the same level. As a result of the 2006 and 2007 KéMag drill programs, total Mineral Resources are estimated at 2,314 million tonnes of Measured and Indicated Resources and 1,034 million tonnes of Inferred Resources. Based on the previously reported Mineral Resources of 1,349 million tonnes of Indicated Resources and 992 million tonnes of Inferred Resources, these figures represent increases of 71.5% in Measured and Indicated Resources and 4% in Inferred Resources.

The Millennium Iron Range NI 43-101 Resources have now increased to 6.9 billion tonnes of Measured and Indicated Resources, plus an additional 2.2 billion tonnes of Inferred Resources (see table, next page). This does not include an estimated 100 million tonnes of direct shipping quality ore from 306 claims in Quebec and Labrador, which are based on historical estimates that are not in compliance with NI 43-101.

Resources Summary (in millions of tonnes)

	Proven	Grade (%)	Probable	Grade (%)	Measured	Grade (%)	Indicated	Grade (%)	Inferred	Grade (%)	Historical
LabMag ⁽¹⁾	2,981	29.6	564	29.6	3,768	29.6	822	29.0	1,151	29.3	-
KéMag ⁽²⁾	-	-	-	-	991	31.0	1,323	31.5	1,034	31.4	-
DSO	-	-	-	-	-	-	-	-	-	-	100
Total Proven & Probable ("P&P")					3,545						
Total Measured & Indicated (incl. P&P)					6,904						
Total Measured, Indicated + Inferred (incl. P&P)					9,089						
Total Resources (incl. historical)					9,189						

(1) LabMag figures from July 2006 pre-feasibility by Met-Chem

(2) KéMag figures based on 2006 & 2007 drilling - resource calculation by Geostat Systems

Exposure to ABCP Market

At March 31, 2008, the Company holds \$4,400,000 par value of Structured Investment Trust ("SIT") III, Series A asset-backed commercial paper ("ABCP"). On June 15, 2007, when the Company acquired the investment it was rated R1-High by the Dominion Bank Rating Services ("DBRS"), the highest credit rating issued for commercial paper.

Since August 2007, the market for ABCP has experienced significant liquidity problems. There has been no active trading of the ABCP since mid-August and no market quotations are currently available. The SIT trust failed to make payment at maturity, and, along with other ABCP conduits, are subject to restructuring by a consortium of banks, assets providers and major investors (the "consortium").

During 2007, the Company recorded an \$880,000 impairment loss in net earnings on the ABCP.

On April 25, 2008, the consortium announced an agreement to restructure the trusts as disclosed in Note 4 of the interim consolidated financial statements had been approved in a vote of all note holders. In accordance with the agreement, holders of ABCP will exchange their paper for floating rate notes with maturities based on the maturities of the assets underlying the ABCP.

As a result of the agreement, the Corporation has re-valued the ABCP and no further impairment loss has been taken at March 31, 2008.

The liquidity crisis in the Canadian market for third-party sponsored ABCP has had no significant impact on the Company's operations. The Company has sufficient cash to meet all of its financial, operational and regulatory obligations for the next reporting period. Cash and cash equivalents at March 31, 2008 is either held as cash and cash equivalents or invested in term deposits and have no exposure whatsoever to the current ABCP market disruption.

SUBSEQUENT EVENTS

DSO Project Notice

On April 29, 2008 NML announced that it had filed the Project Notice with the Government of Quebec for its DSO Project in Schefferville. The Project Description for the Government of Canada and the Project Registration for Newfoundland and Labrador were also filed shortly thereafter.

FINANCIAL CONDITION

The following discussion of the Corporation's financial performance is based on the Interim Consolidated Financial Statements set forth herein. As discussed in Note 2 to the financial statements, the financial statements are prepared in accordance with Canadian Generally Accepted Accounting Principles (GAAP). Management is required to make estimates and assumptions that effect 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 March 31, 2008 indicates a cash and cash equivalents of \$8,141,033, term deposits of \$1,416,131, sales taxes and other receivables of \$292,605 and tax credits and mining duties receivable of \$987,259 resulting in total current assets of \$10,837,028 an increase of \$2,880,249 from December 31, 2007. The long-term assets are comprised of mineral properties of \$28,082,790, property and equipment of \$47,095, advances on contracts of \$2,100 and long-term investment of \$3,520,283. The total assets are \$42,489,276 which is an increase of \$4,467,373 from December 31, 2007.

The long-term investment is a result of the Company's investment of \$4,400,000 on June 15, 2007 in Structured Investment Trust III, Series A. This ABCP was rated R1-High by the Dominion Bond Rating Service at the time it was purchased. Though the ABCP matured on September 13, 2007, repayment of the ABCP has not been received. As discussed in Note 4 to the financial statements, the implementation of a proposed restructuring that would see the Company's ABCP converted into 4 different note classes all with expected maturity dates of December 2016 has been approved by a vote of all note holders. The Company's management has made an assessment of the fair value of the long-term ABCP that takes into account available public information on the proposed restructuring plan and the maturity dates and interest rates applicable to the notes if the plan is implemented. The outcome of this assessment was that a combined impairment loss of \$880,000 has been recognized in the consolidated loss and comprehensive loss in the 2007 fiscal year. Due to the uncertainty of how much, when or if the Company will receive the interest earned to date, the Company has not accrued any interest as of March 31, 2008.

Current liabilities at March 31, 2008 are composed of accounts payables and accrued liabilities of \$1,304,989, with the only long-term liability being future income taxes of \$2,846,658 for total liabilities of \$4,151,647, an increase of \$2,351,244 from December 31, 2007. Shareholders' equity of \$38,337,629 increased by \$2,116,129 from December 31, 2007, and is comprised of capital stock of \$40,938,603 and the contributed surplus of \$4,795,750 less the deficit of \$7,396,724.

Working capital, at March 31, 2008 of \$9,532,039, is a increase of \$2,268,535 from the December 31, 2007 total of \$7,263,504.

The increase in working capital and shareholders' equity is mainly due to proceeds received by the Corporation of \$4,524,850 related to the issuance of 4,309,800 common shares upon exercise of stock options, share purchase warrants and agents' warrants, less the future income tax effect of \$1,920,000 relating to the renunciation of \$6,000,000 of Canadian exploration expenses (CEE) in favour of the purchasers which resulted in an equivalent decrease in capital stock. The Corporation used its term deposits and cash and cash equivalents to fund its operations and continuing investment in mineral properties. The cash and cash equivalents and term deposits represent the funds that remain from the last equity financings and subsequent issuances of common shares and will continue to be used to pay for current liabilities, complete the pre-feasibility study of the KéMag property, exploration work on the DSO project and cover future corporate operating expenses. During the first quarter \$1,672,317 of the Corporation's expenditures were related to the pre-feasibility study work on the KéMag project, the LabMag project feasibility study and exploration on the DSO project. These expenditures were recorded as mineral properties. 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 Corporation's operating losses.

For the three months ended March 31, 2008 NML realized a net loss of \$674,294 or \$0.01 per share, compared to a net loss of \$395,459 or \$0.01 loss per share for the corresponding period in 2007. This loss represents operating expenses of \$920,559 (2007 - \$602,694) net of investment income of \$59,173 (2007 - \$46,292) and future income taxes recovery of \$187,092 (2007-\$160,943). An increase in general and administrative expenses, professional fees and particularly market development costs resulted in a higher loss when compared to the same period in 2007.

The Corporation expects to continue incurring operating losses until it is operating a revenue-producing mine. 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 \$28,082,790, as outlined in Note 5 to the March 31, 2008 Interim Consolidated Financial Statements, have been classified as mineral properties. The expenditures are divided between the properties as follows: LabMag Property \$20,816,279, KéMag Property \$6,671,149, DSO Properties \$443,258 and Other Properties \$152,104. The cost centers for these capitalized expenditures are: mineral licenses (\$2,878,444), resource evaluation (\$8,727,126), drilling (\$9,360,213), environmental (\$6,657,360), field labour and supplies (\$1,489,521) and other (\$274,715). These expenditures are partially offset by tax credits and mining duties of \$1,304,589. 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 March 31, 2008 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 2007, the Company renounced CEE of \$6,000,000 in favour of the purchasers of the 2007 flow-through shares for which the renunciation documents were filed with the CRA in February 2008. This renunciation resulted in the Corporation recording a \$1,920,000 decrease in 2008 in its capital stock for the future income tax effect of the renunciation. As of March 31, 2008, the Corporation has spending commitments of \$1,775,000 related to these flow-through shares.

SUMMARY OF QUARTERLY RESULTS

The following table sets out selected unaudited quarterly financial information of the Company for the eight quarters ended March 31, 2008. The Company's interim consolidated financial statements are prepared in accordance with Canadian GAAP and expressed in Canadian dollars.

	Mar-08	Dec-07	Sept-07	June-07	Mar-07	Dec-06	Sept-06	Jun-06
Investment Income	59,173	68,578	54,682	59,977	46,292	87,446	73,304	56,554
Net Loss	(674,294)	(506,547)	(1,339,969)	(430,046)	(395,459)	(765,541)	(661,905)	(206,856)
Loss Per Share (1)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.00)

(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.

FIRST QUARTER RESULTS

For the three-month period ended March 31, 2008, general and administrative expenses, market development and professional fees and other expenses were \$920,559 compared to \$602,694 for the corresponding period in 2007. Included in the first quarter of 2008 expenses is stock-based compensation charges, included in general and administrative expenses, and market development costs of \$171,500 and \$174,765 respectively compared to \$116,250 and \$66,153

respectively for the corresponding period in 2007. These expenses were partially offset by investment income of \$59,173 compared to \$46,292 for the three months in 2007 and future income taxes recovery of \$187,092 for which there was \$160,943 recovered in the first quarter of 2007. As a result NML's loss for the first quarter ended March 31, 2008 totalled \$674,294 or \$0.01 per share compared to a loss of \$395,459 or \$0.01 per share for the comparative period in 2007.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

The Corporation adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants (CICA) on January 1, 2008. These standards are fully described in Note 3 of the Interim Consolidated Financial Statements.

Section 1535 "Capital Disclosures" establishes standards for disclosing information about an entity's capital and how it is managed.

Section 3862 and 3863 "Financial Instruments – Disclosure and Presentation" which establish disclosures related to the significance of financial instruments on the entity's financial position and performance and the extent of the risk the Corporation is exposed to arising from financial instruments and how this risk is managed.

Section 1400 "General Standards of Financial Presentation" requires management to assess the Corporation's ability to continue as a going concern.

ACCOUNTING ESTIMATES

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the period. The estimates include the recoverability of mineral properties, the fair value of long-term investments, the useful life of property and equipment, future income taxes as well as the fair value estimates of stock options. These estimates are reviewed periodically and adjustments are made in the period in which they become known, if necessary. Actual results could differ materially from these estimates.

FAIR VALUE, FINANCIAL RISK AND CAPITAL MANAGEMENT

The fair value of cash and cash equivalents, term deposits, other receivables, accounts payable and accrued liabilities approximate their carrying amount given their short-term maturities. The fair value of the long-term investment has been estimated by management as discussed in note 4 to the financial statements.

The Corporation is exposed to various financial risks in the normal course of operations and management manages financial risks. The Corporation's main financial risks are as follows:

Exchange risk

The Corporation does not hold any material assets or liabilities denominated in foreign currencies and as such a fluctuation between the exchange rates would not have a material impact on the financial results.

Interest rate risk

Cash and cash equivalents and term deposits bear interest at fixed rates and the Corporation is, therefore exposed to the risk of changes in fair value resulting from interest rate fluctuations. The long-term investment will earn interest at fluctuating rates. As such, the Corporation is exposed to the risk of fluctuating interest rates.

Liquidity risk

Management serves to maintain sufficient amounts of cash and cash equivalents to meet commitments. The Corporation establishes budgets and cash flow requirements monthly to ensure that it has the necessary funds to fulfill its obligations.

Credit risk

The Corporation manages credit risk through an emphasis on quality in its investment portfolio. Cash and cash equivalents, including treasury bills, and term deposits are held through one Canadian chartered bank.

Off-Balance Sheet arrangements

Disclosure is required of all off-balance sheet arrangements such as transactions, agreements or contractual arrangements with unconsolidated entities, structured finance entities, special purpose entities or variable interest entities that are reasonably likely to materially affect liquidity or the availability of capital resources. The Corporation has no such off-balance sheet arrangements.

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.

LIQUIDITY AND CAPITAL RESOURCES

Working Capital

The Corporation's working capital at March 31, 2008 increased from December 31, 2007 by \$2,268,535 to \$9,532,039 due to the exercise of stock options and warrants during the first quarter. The working capital consists of cash and cash equivalents, term deposits, sales taxes receivables and tax credits and mining duties receivable net of accounts payable and accrued liabilities.

Capital Expenditures

There were no capital expenditures (2007 - \$1,170) during the first three months of 2008.

Capital Resources

At March 31, 2008, NML has paid up capital of \$40,938,603 (December 31, 2007 - \$37,330,528) representing 104,047,202 (December 31, 2007 - 99,737,402) common shares and a deficit of \$7,396,724 (December 31, 2007 - \$6,722,430) that is offset by contributed surplus of \$4,795,750 (December 31, 2007 - \$5,613,402) resulting in shareholders' equity of \$38,337,629 (December 31, 2007 - \$36,221,500).

TRANSACTIONS WITH RELATED PARTIES

During the quarter, NML incurred directors' fees of \$14,000 (2007 - \$7,000), consulting fees included in mineral properties of \$22,443 (2007 - \$21,450) and consulting fees included in expenses of \$2,630 (2007 - \$17,876) to businesses owned by directors and \$51,377 (2007 - \$65,626) in legal fees to a law firm with a partner who is a director. Of these amounts \$66,542 (2007 - \$62,533) is payable at March 31, 2008.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Additional disclosure concerning the Company's expenditures for mineral properties are provided in Note 5 of the March 31, 2008 Interim Consolidated Financial Statements that is available on NML'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 \$507,876 (2007 – \$351,725) for the three months ended March 31, 2008, comprised as follows: salaries and benefits \$171,035 (2007 - \$148,334), stock based compensation \$171,500 (2007 - \$116,250), office and administration \$139,816 (2007 – \$47,438), consultants \$Nil (2007 – \$23,624) and office rent \$25,525 (2007 - \$16,079).

OUTLOOK

2007 was another strong year for iron ore producers. Steel production increased by 7.3% as compared to 2006. The record growth in steel production is putting pressure on the supply of iron ore. As a result, the price of iron ore fines have increased by 65-71% in 2008 to a record level. The seaborne trade is expected to reach 870 Mt, with a projection of a continued supply deficit. This situation is expected to persist until 2012 when the supply will exceed the demand, leading to a price correction.

Pellet demand grew by 12% per annum since 2006 as it is increasingly becoming a material of choice for the blast furnace based steel producers. More importantly, it is the growth of steelmaking in the Middle East that is driving the increased demand for pellets. This gas rich region is dependent on DR grade pellets to produce Direct Reduced Iron (DRI) which feeds the local electric steelmaking furnaces. There was not only tightness in the pellet market, there were also shortages of DR grade pellet feed. DRI plants in the Middle East and in Venezuela are operating at well below the plants' capacity level due to a lack of feed material.

As a result, in 2008 pellet prices increased by 86.9%. Credit Suisse is forecasting a potential shortfall in pellet supply beyond 2012. NML's marketing consultant has also forecast a similar trend. Prices are expected to remain at a high enough level throughout this period to attract investments in greenfield pelletizing projects such as the KéMag and LabMag Projects.

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.

The Company has no history of profitable operations and its present business is at an early stage. As such, the Company is subject to many common risks to such enterprises, including under-capitalization, cash shortages and limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that the Company will be successful in achieving a positive return on shareholders' investment.

The Company has no source of operating cash flow and no assurance that additional funding will be available to it for further exploration and development of its projects when required. Although the Company has been relatively successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and development of its properties.

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

The LabMag Project is located in the Province of Newfoundland and Labrador and therefore subject to its mining legislation which may require that primary processing be done within the province in order to obtain mining rights.

Recent, improved market conditions for resource commodities, including iron ore, after several years of record low prices has resulted in a dramatic increase in mineral exploration and development investment and activity in Canada. While inflation has not been a significant factor affecting the cost of goods and services in Canada in recent years, this renewed exploration and development activity has resulted in a shortage of experienced technical staff, and heavy demand for goods and services needed by the mining community.

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

The market price of iron ore and other commodities is volatile and cannot be controlled.

The purchase of securities of the Company involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks. The Company's securities should not be purchased by persons who cannot afford the possibility of the loss of their entire investment. Furthermore, an investment in securities of the Company should not constitute a major part of an investor's portfolio.

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

The Company is very dependent upon the personal efforts and commitment of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Company could result, and other persons would be required to manage and operate the Company.

DISCLOSURE OF OUTSTANDING SHARE DATA

The following information relates to share data of the Company as at March 31, 2008.

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 March 31, 2008: The Corporation has 104,047,202 common shares issued (\$40,938,603).

(c) Issued as of May 12, 2008: The Corporation has 104,728,835 common shares issued (\$41,546,449).

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 May 12, 2008, there were 8,639,934 common shares reserved for issuance pursuant to the exercise of stock options (March 31, 2008 – 8,746,667) as follows:

Number of Outstanding Options	Exercise Price	Expiry Date
576,667	\$0.10	December 12, 2008
1,688,267	\$0.30	August 11, 2009
225,000	\$0.36	September 13, 2009
200,000	\$0.47	November 1, 2009
25,000	\$0.45	August 19, 2010
25,000	\$0.52	September 27, 2010
865,000	\$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
250,000	\$0.65	November 13, 2012
25,000	\$0.73	November 19, 2012
1,500,000	\$0.83	January 30, 2013
250,000	\$1.44	March 25, 2013
100,000	\$1.65	April 30, 2013

3. Warrants

At May 12, 2008, there were 4,829,274 common shares reserved for issuance pursuant to the exercise of outstanding warrants (March 31, 2008 – 5,304,174) as follows:

Number of Outstanding Warrants	Exercise Price	Expiry Date
4,012,500	\$1.00	August 22, 2008
400,000	\$0.75	December 12, 2008
416,774	\$0.75	April 4, 2009

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 First Quarter Report.

New Millennium Capital Corp.
Interim Consolidated Financial Statements
March 31, 2008



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

	March 31, 2008	December 31, 2007
	\$	\$
Assets		
Current assets		
Cash and cash equivalents (Note 4)	8,141,033	4,332,010
Term deposits	1,416,131	1,896,181
Sales taxes and other receivables	292,605	423,999
Tax credits and mining duties receivable	987,259	1,304,589
	<u>10,837,028</u>	<u>7,956,779</u>
Long-term investment (Note 4)	3,520,283	3,520,283
Advances on contracts	2,100	75,037
Property and equipment	47,075	56,201
Mineral properties (Note 5)	28,082,790	26,413,603
	<u>42,489,276</u>	<u>38,021,903</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	1,304,989	693,275
Future income taxes	2,846,658	1,107,128
	<u>4,151,647</u>	<u>1,800,403</u>
Shareholders' equity		
Capital stock (Note 6)	40,938,603	37,330,528
Contributed surplus	4,795,750	5,613,402
Deficit	(7,396,724)	(6,722,430)
	<u>38,337,629</u>	<u>36,221,500</u>
	<u>42,489,276</u>	<u>38,021,903</u>

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

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

Three-month period ended March 31	2008 \$	2007 \$
Revenue	-	-
Expenses		
General and administrative	507,876	351,725
Professional fees	228,792	172,374
Market development	174,765	66,153
Amortization of property and equipment	9,126	12,442
	920,559	602,694
Loss before other item and income taxes	(920,559)	(602,694)
Other item		
Investment income	59,173	46,292
Loss before income taxes	(861,386)	(556,402)
Future income taxes recoveries	187,092	160,943
Net loss and comprehensive loss	(674,294)	(395,459)
Loss per share – basic and diluted	(0.01)	(0.01)
Weighted average number of shares outstanding	100,453,571	77,812,790

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

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

Three-month period ended March 31	2008 \$	2007 \$
<i>CONSOLIDATED DEFICIT</i>		
Balance, beginning of period	6,722,430	4,050,409
Net loss	674,294	395,459
Balance, end of period	<u>7,396,724</u>	<u>4,445,868</u>
<i>CONSOLIDATED CONTRIBUTED SURPLUS</i>		
Balance, beginning of period	5,613,402	5,015,743
Stock-based compensation expense		
Employees and directors	102,000	-
Consultants	69,500	116,250
Transfer to capital stock upon exercise of agents' warrants	(283,734)	-
Transfer to capital stock upon exercise of share purchase warrants	(683,928)	-
Transfer to capital stock upon exercise of stock options	(21,490)	-
Balance, end of period	<u>4,795,750</u>	<u>5,131,993</u>

See accompanying notes to the unaudited interim consolidated financial statements.

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

Three-month period ended March 31	2008 \$	2007 \$
Operating activities		
Net loss	(674,294)	(395,459)
Non-cash items		
Stock-based compensation expense		-
Employees and directors	102,000	
Consultants	69,500	116,250
Amortization of property and equipment	9,126	12,442
Future income tax recoveries	(187,092)	(160,943)
	<u>(680,760)</u>	<u>(427,710)</u>
Changes in working capital items (Note 7)	536,057	(522,284)
Cash flows used by operating activities	<u>(144,703)</u>	<u>(949,994)</u>
Investing activities		
Purchase in of term deposits	(19,950)	-
Redemption of term deposits	500,000	2,499,300
Advances on contracts	(18,100)	-
Acquisition of property and equipment	-	(1,170)
Additions to mineral properties	(1,053,769)	(1,782,561)
Cash flows provided (used) by investing activities	<u>(591,819)</u>	<u>715,569</u>
Financing activities		
Issuance of common shares	4,524,850	13,381
Share issue costs	20,695	(88,163)
Cash flows provided (used) by financing activities	<u>4,545,545</u>	<u>(74,782)</u>
Increase (decrease) in cash and cash equivalents	3,809,023	(309,207)
Cash and cash equivalents, beginning of the period	<u>4,332,010</u>	<u>3,414,039</u>
Cash and cash equivalents, end of the period	<u>8,141,033</u>	<u>3,104,832</u>

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

New Millennium Capital Corp.

Notes to Interim Consolidated Financial Statements

March 31, 2008

1. Governing statutes and 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 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.

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, 2007 and 2006 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, 2007 and 2006.

3. Changes in accounting policies

Effective January 1, 2008, the Company adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants (CICA). These standards have been adopted on a prospective basis with no restatement to prior period financial statements.

Capital Disclosures

In December 2006, the CICA issued Section 1535, "Capital Disclosures". This new section establishes standards for disclosing information about an entity's capital and how it is managed to enable users of financial statements to evaluate the entity's objectives, policies and procedures for managing capital. (See Note 8)

Financial Instruments

In December 2006, the CICA revised and enhanced Section 3861, "Financial Instruments – Disclosure and Presentation", and issued two new sections to replace it, Section 3862, "Financial Instruments – Disclosures", and Section 3863, "Financial Instruments – Presentation". These modified disclosure standard relate to the significance of financial instruments on the entity's financial position and performance and the nature and extent of risks arising from financial instruments to which the entity is exposed and how the entity manages those risks. The presentation standards are unchanged from Section 3861 and contain standards for presentation of financial instruments and non-financial derivatives. These new requirements address disclosure and presentation and have no impact on the Company's financial results.

New Millennium Capital Corp.

Notes to Interim Consolidated Financial Statements

March 31, 2008

3. Changes in accounting policies (Continued)

General Standards of Financial Statement Presentation

In June 2007, the CICA modified Section 1400, "General Standards of Financial Statement Presentation", in order to require that management make an assessment of the Company's ability to continue as a going concern over a period that is at least, but not limited to, twelve months from the balance sheet. The new requirements only address disclosures and have no impact on the Company's financial results.

4 - Long-term investment

At March 31, 2008, the Company holds \$4,400,000 of Structured Investment Trust III, Series A ("SIT") asset-backed commercial paper ("ABCP").

Since August 2007, the market for ABCP has experienced significant liquidity problems. There has been no active trading of the ABCP since mid-August and no market quotations are currently available. SIT failed to make payment at maturity and, along with other ABCP conduits, are subject to a restructuring proposal by a consortium of banks, assets providers and major investors (the "consortium").

On April 25, 2008, the note holders approved a restructuring proposal under which the holders of ABCP will exchange their paper for floating rate notes with maturities based on the maturities of the assets underlying the ABCP. Based on this proposal, management anticipates that the Company's ABCP will be converted into MAV2 class notes of the following maturity amounts:

\$3,269,000 into MAV2 Class A-1 Notes ("A-1")

\$852,000 into MAV2 Class A-2 Notes ("A-2")

\$147,000 into MAV2 Class B Notes ("B")

\$132,000 into MAV2 Class C Notes ("C")

The A-1, A-2 and B notes will earn interest based upon the average bid rates of 30 days Canadian bankers' acceptance less 0.5%, while the C notes will earn interest at 20%. The interest on A-1 and A-2 will be payable quarterly, while interest on B and C will only be paid at maturity if funds remain. Maturity for all the classes is December 20, 2016, and it is anticipated that the first principal payment on A-1 will be in 2013. The order of preference with regard to repayments of principal is A-1, A-2, B and C. The Dominion Bond Rating Service indicated on April 24, 2008 that it will provisionally rate the A-1 and A-2 Notes as AA but that it will not rate the B and C Notes.

There is a significant amount of uncertainty in estimating the amount and timing of cash flows associated with the ABCP. The Company estimates the fair value of its ABCP by discounting expected future cash flows determined using a valuation model that incorporates management's best estimate, based on the best available data, of credit risk attributable to the underlying assets, relevant market interest rates, amounts to be received and maturity dates. There is no further impairment of the Company's ABCP required as a result of this valuation.

The above estimated fair values may not be indicative of the ultimate net realizable value of the ABCP. 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 ABCP in subsequent periods. The resolution of these uncertainties could result in the value of these investments varying significantly from management's current estimates.

New Millennium Capital Corp.
Notes to Interim Consolidated Financial Statements

March 31, 2008

4 - Long-term investment *(Continued)*

The liquidity crisis in the Canadian market for third-party sponsored ABCP has had no significant impact on the Company's operations. The Company has sufficient cash to meet all of its financial, operational and regulatory obligations for the next reporting period. Cash and cash equivalents at March 31, 2008 is either held as cash and cash equivalents or invested in term deposits and have no exposure whatsoever to the current ABCP market disruption.

New Millennium Capital Corp.
Notes to Interim Consolidated Financial Statements
March 31, 2008

5 - MINERAL PROPERTIES

	LabMag Property \$	KéMag Property \$	Direct Shipping Ore Holdings (DSO) \$	Other Properties \$	Balance as at Mar. 31 2008 \$	Balance as at Dec. 31 2007 \$
Beginning balance	20,733,087	5,333,117	204,527	142,872	–	–
Mineral licenses	(5,520)	100	436	1,854	2,878,444	2,881,574
Resource evaluation	13,296	230,506	142,345	2,769	8,727,126	8,338,210
Drilling	5,075	1,030,313	997	–	9,360,213	8,323,828
Environmental	69,594	38,201	67,872	(640)	6,657,360	6,482,333
Field labour and supplies	747	38,912	27,081	5,249	1,489,521	1,417,532
Other	–	–	–	–	274,715	274,715
	88,712	1,337,932	238,295	7,378	26,508,935	24,836,618
Tax credits and mining duties	–	–	–	–	(1,304,589)	(1,304,589)
Ending balance	20,816,279	6,671,149	443,258	152,104	28,082,790	26,413,603

New Millennium Capital Corp.
Notes to Interim Consolidated Financial Statements
March 31, 2008

5 - MINERAL PROPERTIES (Continued)

LabMag Property:

The LabMag Iron Ore Project involves the exploration and development of a taconite deposit at Howells River, Newfoundland and Labrador ("NL"). The LabMag Property is situated in Western Labrador, in Elross Township, about 30 kilometers to the northwest of the town of Schefferville, Quebec. The LabMag taconite property covers a total area of approximately 155 square kilometers and comprises a number of licences covering 619 claims held 100% by LabMag General Partner Inc. ("LGP") of which the Company owns 80%. Revenues from the LabMag Property are subject to aggregate royalties of 2% of gross revenue, payable to others.

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 were assumed in the study to be delivered via railway to a new dock at Pointe-Noire, near Sept-Îles for export overseas.

KéMag Property

The KéMag Iron Ore Project involves the exploration and development of a taconite deposit at Lac Harris, Quebec. The property covers a total area of approximately 30 square kilometers and comprises 214 claims held 100% by the Company. The KéMag taconite property is situated in the municipality of Rivière Koksoak in northern Quebec, centered about 50 kms to the northwest of the town of Schefferville, Quebec. A Preliminary Assessment Study was completed in 2007 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 to be shipped by a pipeline to a 15 million tonnes per year pellet plant located in Sept-Îles, Quebec, 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.

DSO Properties:

The Company's DSO Projects involve exploration and development work on hematite deposits which were previously held and mined by Iron Ore Company of Canada. The properties, located in isolated claim blocks, extend from some 15 km SE of Schefferville to the Goodwood area some 50 km NW of Schefferville. The Company owns 100% of the 149 claims in Quebec. In NL, 122 claims are owned 100% by the Company but 35 are held by LabMag Limited Partnership in which the Company holds an 80% interest.

Other Properties:

The Company holds a 100% interest in an additional 993 claims, of which 443 are located in NL and 550 are located in Quebec. These claims include magnetic taconite and dolomite properties and the location of the possible Emeril plant site.

New Millennium Capital Corp.
Notes to Interim Consolidated Financial Statements
March 31, 2008

6. 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 of common shares	Amount \$
Balance, as at December 31, 2007	99,737,402	37,330,528
Issued for cash on exercise of stock options	100,000	30,000
Issued for cash on exercise of share purchase warrants	3,350,000	3,850,000
Issued for cash on exercise of agents' warrants	859,800	644,850
Transferred from contributed surplus upon exercise of agents' warrants		283,734
Transferred from contributed surplus upon exercise of share purchase warrants		683,928
Transferred from contributed surplus upon exercise of stock options		21,490
Reimbursement of share issue costs		20,695
Tax effect of flow-through shares issued in 2007		(1,920,000)
Tax effect of share issue costs		(6,622)
Balance, as at March 31, 2008	<u>104,047,202</u>	<u>40,938,603</u>

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 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, 2008, 1,750,000 options were granted (375,000 in 2007).

The weighted average fair value of stock options granted during the three-month period was \$0.92 (\$0.31 per share in 2007) per share. The fair value of each option was estimated on the date of grant using the Black-Scholes model. The following assumptions were used:

	<u>2008</u>	<u>2007</u>
Risk-free interest rate	3.5%	4.0%
Expected life (years)	5	5
Estimated volatility of the market price of the common shares	72.3%	73%
Dividend yield	Nil	Nil

New Millennium Capital Corp.
Notes to Interim Consolidated Financial Statements
March 31, 2008

7. Information included in consolidated cash flows

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

	2008	2007
	\$	\$
Sales taxes and other receivables	131,394	(237,535)
Refundable tax credits	317,330	-
Accounts payable and accrued liabilities	87,333	(284,749)
	<u>536,057</u>	<u>(522,284)</u>

Included in the accounts payable and accrued liabilities is an amount of \$881,795, (\$440,608 in 2007) pertaining to additions to mineral properties. Included in the cash used in advances on contracts is \$91,037 (NIL in 2007) pertaining to mineral properties.

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

	2008	2007
	\$	\$
Income taxes paid	-	-
Interest received	60,973	80,742

8 - 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.

9. Commitments and Contingency

After undertaking the issue of flow-through shares in 2007, the Company has fulfilled a portion of its spending commitments by incurring \$2,225,000 of renounced Canadian exploration expenses prior to March 31, 2008. There remains \$1,775,000 to be incurred before the Company has completely fulfilled its spending commitments, by December 31, 2008.

The Company has entered into long-term leases for premises amounting to \$162,014 and expiring by October 2011. The minimum payments for the next years are \$89,563 in the remainder of 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 from the mineral interests acquired in 2004.

10. Comparative figures

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