

Editors Note: There is one figure associated with this press release.

[New Millennium Iron Corp.](#) ("NML" or the "Company") (TSX:NML) announced today the results of its NuTac initiative begun in September 2015 (see NR 15-12 dated September 16, 2015) to examine a further range of options for the development of the seven NI 43-101-compliant iron ore taconite properties it controls in the Schefferville/Menihek area of the Labrador Trough, straddling the border between the Province of Newfoundland and Labrador and the Province of Québec, approximately 600 km north of the port city of Sept-Îles, Québec.

The NuTac initiative responds to the changed macroeconomic environment for iron ore and supplements earlier feasibility studies carried out on the Company's LabMag and KéMag taconite deposits (see NR 14-04 dated March 27, 2014 and NR 14-06 dated May 13, 2014), mainly through a re-scoping of the previous mining and processing work, coupled with examination of the use of existing infrastructure for transportation of concentrate to a pellet plant at the loading port, all aimed at designing a project sized and costed for market entry when conditions permit.

The taconite deposits controlled by NML have similar characteristics in terms of geology, mineralogy and metallurgical properties. Each is a long-life property that can yield high quality saleable products with the same processing technologies. Under NuTac, a Pre-Feasibility Study ("PFS") reviewed all development aspects of each of NML's taconite deposits, including resources, location, ownership, jurisdictional considerations and historical work, and the KéMag deposit, in which NML holds a 100% interest, was selected for base case analysis.

The NuTac initiative has thus produced the re-scoped project development plan for KéMag ("NuTac-KéMag") discussed herein. A National Instrument ("NI") 43-101 Technical Report summarizing the results of the PFS will be filed on SEDAR within 45 days of this news release.

Table 1 - NuTac-KéMag PFS Financial Results for 25 Years (Before Tax)

Estimated Capital Cost - CAD in millions (excluding sustaining capital)	3,220
IRR (100% equity)	12.2%
Payback (years after start of production)	7.1
NPV - CAD in millions (@ 8%)	1,319
Average Operating Cost per Tonne of Pellets (CAD, loaded in vessel at Port of Sept-Îles)	60.46

#### NuTac-KéMag Project Assumptions

- Mine and concentrator at the KéMag Deposit site, with concentrate haulage via rail spur and main line railway network to pellet plant and shipping terminal at Pointe-Noire, Sept-Îles;
- Proven and Probable Mineral Reserves of 815 million tonnes ("Mt") over the 25-year mine plan;
- Production assumption of 8.7 million tonnes per year ("Mtpy") of concentrate to produce five (5) Mtpy of Direct Reduced Iron ("DR") - grade pellets and four (4) Mtpy of Blast Furnace ("BF") - grade pellets;
- Variable stripping ratio with an average of 0.18 over the 25-year mine plan;
- Product prices are based on a long-term price assumption of USD 70 for 62% Fe fines CFR North China;
- After adjustment for ocean freight, quality factors, pellet premiums and currency exchange rates, the assumed product prices, FOB Sept-Îles, are: 66.3% Fe BF-grade pellets USD 94.45 or CAD 118.06 per tonne and 67.9% Fe DR-grade pellets USD 104.11 or CAD 130.14 per tonne;
- Exchange rate used for cost estimates and revenue calculation in the financial evaluation is USD 0.80:CAD 1.00.

Robert Patzelt, President and CEO of NML, said, "We are pleased with this NuTac-KéMag PFS. It shows a solid project outcome targeting the high-quality segment of the iron ore market, based on the established resource identification and processing technology we have available from earlier studies, along with balanced assumptions. The NuTac initiative has thus achieved our objective of using this transferable know-how to re-scope and re-engineer NML's principal asset - the taconite properties - into a project concept that improves the potential for market entry in response to new industry developments. Furthermore, we completed the work largely in-house as planned and were significantly under budget. We also are producing a NI 43-101 compliant Technical Report in collaboration with a group of independent Qualified Persons."

Mr. Patzelt added, "Although no decisions on further work have been made at this time, this PFS defines the next engineering and permitting steps required to advance the development of KéMag and provides our Board with a range of options to consider in

pursuing opportunities to monetize NML's significant taconite assets."

## Project Description

### Geology

The KéMag deposit consists of magnetite Banded Iron Formation ("BIF") of the Lake Superior type. Magnetite is the predominant iron oxide mineral, while hematite and martite occur in subordinate amounts and are discarded.

A total of 10,781 meters were drilled in 90 holes and 1,570 samples were analyzed during seasonal drilling programs from 2006 to 2008. A resource block model was created by Met-Chem using ore envelopes derived from the exploration drilling. Met-Chem prepared and filed the latest NI 43-101 Technical Report on the KéMag resources on May 12, 2014 and reconfirmed the validity in May 2016. The estimated Mineral Resources calculated with a Davis Tube Weight Recovery ("DTWR") cut-off grade of 18% are outlined in Table 2.

Table 2 - Mineral Resources

Resource by Category	Tonnage (Mt)	In Situ Grades			
		Tot Fe (%)	DTWR (%)	DT Concentrate Fe (%)	DT Concentrate SiO <sub>2</sub> (%)
Measured	1,507	31.45	26.97	69.69	2.56
Indicated	876	31.95	27.32	69.83	2.51
Measured + Indicated	2,383	31.63	27.10	69.74	2.54
Inferred	1,007	31.56	26.97	69.31	2.65

*Note: Mineral resources not classified as mineral reserves have not demonstrated economic viability.*

### Mining

The KéMag Deposit forms the basis of the mining operation. A three dimensional mining block model was created from the resource block model. Each block contains the key data for ore body analysis, such as the head Fe grade, DTWR, and percentages of Fe and SiO<sub>2</sub> in the Davis Tube concentrate. The open pit was designed using MineSight software, which uses a Lerch-Grossman 3D pit optimization algorithm to determine the optimum pit shell. The reserves were calculated based on an assumed slope of 45°, ramp width of 23 m at 8% maximum gradient and DTWR cut-off grade of 18%. The mine schedule is based on a 25 year life and was prepared to achieve the required blend for product consistency, a minimum of stripping and a balanced equipment fleet.

Table 3 provides the calculated mineral reserves as of May 2016 prepared by Mr. Michael Spleit, P.Eng., under the supervision of Mr. Rock Gagnon, P.Eng.,(a Qualified Person), both from NML. The mineral reserve calculations were verified by Mr. Jeffrey Cassoff, P.Eng. of BBA Inc. (an Independent Qualified Person).

Table 3 - KéMag Mineral Reserves

Category	Tonnage (Mt)	Davis Tube Concentrate			
		Tot Fe (%)	DTWR (%)	Fe (%)	SiO <sub>2</sub> (%)
Proven	328	30.4	27.9	68.8	3.3
Probable	487	32.0	27.0	70.3	2.0
Proven & Probable	815	31.4	27.3	69.7	2.5

The above mineral reserves are included in the measured and indicated mineral resources stated in Table 2 and the reference point is the mill feed. While the mineral reserves are limited to the 25 year mine plan, the additional resources that lie outside of the open pit could possibly extend the mine life by an additional 47 years, for a total of 72 years.

### Processing

The KéMag deposit is a taconite ore body similar to that found in the Mesabi Iron Range in Minnesota, USA, which has serviced steelmakers since the 1950's. Conventional processing can achieve the targeted production quantity and quality of concentrate. The upgrading process selected is by magnetic separation followed by flotation.

Pilot plant tests were performed at world renowned laboratories. The tests established, with a high degree of confidence, that the

products will meet the chemical and physical specifications required by the marketplace. The concentrate is very low in impurities such as alumina and phosphorous.

The concentrator will process on average 33.3 Mtpy of ore over the 25-year mine plan to produce 8.7 Mtpy of concentrate required to make 9 Mtpy of pellets.

Tailings from the process plant will be dewatered and dry stacked adjacent to the concentrator and mine pit. The site collected water will be treated and recycled back as process plant make-up water.

### Concentrate Transportation

The Project requires an 80-km-long rail spur passing through the Province of Québec and the Province of Newfoundland and Labrador for connection to the well-established main line railway network.

Prior to loading into rail cars for haulage to Pointe-Noire, the concentrate will be stored in a covered shed. During winter, moisture will be reduced below freezing point with a drying system.

One 240 car train per day is expected to be loaded through a rapid train loading system.

### Mine Infrastructure

The mine site will have the necessary infrastructure to support operations. A campsite will be built near the mine facilities to accommodate construction workers and later on to accommodate operations personnel transported to Schefferville on a fly-in/fly-out basis using the local airport. It will also have the maintenance facilities and fuel supply for mine equipment, water supply and treatment facilities, administration offices, emergency and medical facilities.

An electrical transmission line is expected to be constructed by Hydro-Québec from the established Brisay substation to feed the mine site installations.

### Product Handling, Pelletizing and Ship Loading

At Pointe-Noire, the rail cars will be discharged through an existing car dumper connected to a handling system that will convey the concentrate to a covered shed located adjacent to the pellet plant. The finished pellets will be stored by grade in an existing yard and reclaimed for ship loading by way of the new multi-user dock owned and operated by the Sept-Îles Port Authority, where NML has reserved shiploading capacity.

A 9 Mtpy pellet plant designed to the latest environmental standards is expected to be constructed on land at Pointe-Noire owned by agencies of the Government of Québec. Pilot plant tests on DR-grade and BF-grade pellets were performed by Outotec, which provided guarantees that the concentrate samples evaluated will meet the Project's desired pellet quantity and quality targets.

### Environmental Assessment

The Project is expected to trigger the EA regimes of general application established by the Canadian Environmental Assessment Act 2012, the *Loi sur la qualité de l'environnement* of the Government of Québec, and the Environmental Protection Act of the Government of Newfoundland and Labrador, in addition to the regime of Section 23 of the James Bay and Northern Québec Agreement.

As part of the initial Taconite Feasibility Study, baseline data were collected in the KéMag area and analyzed. Much of that work is transferrable to the Project EA.

The tabling of the Project Description, which constitutes the official start of the EA process, would occur early at the beginning of the Feasibility Study phase. Tentatively, the EIS would be tabled some 18 months later. It is assumed that the releases from EA would be issued some 24 months after the submission of the EIS, following which applications for construction and operation permits would be filed.

### Communities

Six Aboriginal groups could be concerned by the Project: Naskapi Nation of Kawawachikamach, Nation Innu Matimekush-Lac John, Innu Takuaikan Uashat mak Mani-Utenam, Inuit of Kuujuaq, Innu Nation and NunatuKavut Community Council. NML would

seek to negotiate a memorandum of understanding with each of those Aboriginal groups as early in the EA process as possible. Those memoranda would, among other things, provide a mechanism to negotiate impact and benefits agreements with them.

The directly concerned non-Native communities include Ville de Schefferville and Ville de Sept-Îles. There would be indirectly concerned non-Native communities in Labrador and the Sept-Îles region.

## Marketing

NuTac is a pellet supply opportunity underpinned by changes in ironmaking production and practices that continue to structurally increase the consumption of pellets globally even through periods of market volatility.

A NuTac project would be a competitive new producer of pellets in terms of cost and product quality, with the ability to supply high quality grades for both the BF and DRI production routes for steelmaking.

It is acknowledged that the steel and iron ore industries are presently in a period of adjustment as the rate of economic growth in China slows. Measures are being taken globally to reduce excess steelmaking capacity, and increased production from expansions and new projects in Australia and Brazil continues to oversupply the fines segment of the iron ore market. However, as demonstrated through the steadiness of the pellet price premium structure, the pellet supply side capacity is more limited.

## Financial and Sensitivity Analysis

The project economics presented are based on the 25 year mine plan for the NuTac-KéMag Project, and consider mining only the proven and probable reserves (NI 43-101 compliant).

The financial analysis is based on 100% equity. The sensitivity analysis with respect to sales revenue, capital costs and operating costs for the NuTac-KéMag Project is illustrated in the figure below based on 100% equity.

Table 4 - Financial Analysis Summary

	Before Tax	After Tax
Estimated Capital Cost - CAD in millions (excluding sustaining capital)	3,220	
IRR (100% equity)	12.2%	9.8%
Payback (years after start of production)	7.1	7.6
NPV - CAD in millions (@ 8%)	1,319	483

To view the figure "Before-Tax IRR Sensitivity", please visit the following link: <http://media3.marketwire.com/docs/mill0609.pdf>

## Technical Report

A NI 43-101 Technical Report on the NuTac-KéMag Project will be posted on [www.sedar.com](http://www.sedar.com) within 45 days of this news release. The Report will be prepared in collaboration with a group of Independent Qualified Persons with the necessary expertise in all aspects of the Project. They are: Mr. Yves A. Buro, P.Eng. and Dr. Schadrac Ibrango, P.Geo. of Met-Chem Canada Inc. for the mineral resources statement; Mr. Jeffrey Cassoff, P.Eng. and Mr. Angelo Grandillo, P.Eng. of BBA Inc. for mineral reserves, processing, pelletizing, infrastructure, and capital and operating costs; Dr. Joseph J. Poveromo, President, Raw Materials & Ironmaking Global Consulting, for marketing; Dr. Ann Lamontagne, P.Eng. of Lamont Inc. for environmental matters; and Mr. Michel L. Bilodeau, P.Eng. for financial analysis.

## About New Millennium

The Company is a Canadian iron ore development company with an extensive property position in Canada's principal iron ore district, the Labrador Trough, straddling the Province of Newfoundland and Labrador and the Province of Québec, in the Menihek Region around Schefferville, Québec. The Company's project areas are connected via a well-established, heavy-haul rail network to the Port of Sept-Îles, Québec, where NML is among a group of companies that has advanced funds to secure capacity at a new deep-water iron ore loading dock.

In addition to having a management team experienced with the technical, environmental and commercial aspects of Labrador Trough ores, the Company is in a strategic partnership with Tata Steel, a global steel producer and industry leader. Tata Steel owns approximately 26.2% of the Company and is the Company's largest shareholder.

Together through Tata Steel Minerals Canada Ltd., which is owned 94% by Tata Steel and 6% by the Company, the two

companies have developed a direct shipping ore ("DSO") project that is producing and shipping sinter fines.

Beyond the DSO project, the Company offers further development potential through seven, long-life taconite properties capable of producing high quality pellets and pellet feed to service the requirements of steel makers with either blast furnace or direct reduced iron making operations. Two of these deposits -- LabMag and KéMag - were the subject of large-scale development feasibility studies carried out by the Company and Tata Steel and published in March 2014.

With these feasibility study results as a foundation and all seven taconite properties now explored to a NI 43-101 compliant resource, the Company can optimize its taconite development strategy and is currently focused on a smaller market entry project.

For further information, please visit [www.NMLIron.com](http://www.NMLIron.com), [www.tatasteelcanada.com](http://www.tatasteelcanada.com) and [www.tatasteel.com](http://www.tatasteel.com).

Dean Journeaux, Eng., Thiagarajan Balakrishnan, P. Geo., and Rock Gagnon, P. Eng., are the Qualified Persons as defined in National Instrument 43-101 who have reviewed and verified the scientific and technical mining disclosure contained in this news release.

## Forward-Looking Statements

This news release contains certain forward looking statements and forward looking information (collectively referred to herein as "forward looking statements") within the meaning of applicable Canadian securities laws. All statements other than statements of present or historical fact are forward looking statements. Forward looking information is often, but not always, identified by the use of words such as "could", "should", "can", "anticipate", "expect", "believe", "will", "may", "projected", "sustain", "continues", "strategy", "potential", "projects", "grow", "take advantage", "estimate", "well positioned" or similar words suggesting future outcomes. In particular, this news release may contain forward looking statements relating to future opportunities, business strategies, mineral exploration, development and production plans and competitive advantages.

The forward looking statements regarding the Company are based on certain key expectations and assumptions of the Company concerning anticipated financial performance, business prospects, strategies, regulatory developments, exchange rates, tax laws, the sufficiency of budgeted capital expenditures in carrying out planned activities, the availability and cost of labour and services and the ability to obtain financing on acceptable terms, the actual results of exploration and development projects being equivalent to or better than estimated results in technical reports or prior activities, and future costs and expenses being based on historical costs and expenses, adjusted for inflation, all of which are subject to change based on market conditions and potential timing delays. Although management of the Company consider these assumptions to be reasonable based on information currently available to them, they may prove to be incorrect.

By their very nature, forward looking statements involve inherent risks and uncertainties (both general and specific) and risks that forward looking statements will not be achieved. Undue reliance should not be placed on forward looking statements, as a number of important factors could cause the actual results to differ materially from the beliefs, plans, objectives, expectations and anticipations, estimates and intentions expressed in the forward looking statements, including among other things: inability of the Company to continue meet the listing requirements of stock exchanges and other regulatory requirements, general economic and market factors, including business competition, changes in government regulations or in tax laws; general political and social uncertainties; commodity prices; the actual results of exploration, development or operational activities; changes in project parameters as plans continue to be refined; accidents and other risks inherent in the mining industry; lack of insurance; delay or failure to receive board or regulatory approvals; changes in legislation, including environmental legislation, affecting the Company; timing and availability of external financing on acceptable terms; conclusions of, or estimates contained in, feasibility studies, pre-feasibility studies or other economic evaluations; and lack of qualified, skilled labour or loss of key individuals; as well as those factors detailed from time to time in the Company's interim and annual financial statements and management's discussion and analysis of those statements, along with the Company's annual information form, all of which are filed and available for review on SEDAR at [www.sedar.com](http://www.sedar.com). Readers are cautioned that the foregoing list is not exhaustive.

The forward looking statements contained herein are expressly qualified in their entirety by this cautionary statement. The forward looking statements included in this news release are made as of the date of this news release and the Company does not undertake and is not obligated to publicly update such forward looking statements to reflect new information, subsequent events or otherwise unless so required by applicable securities laws.

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