Century Iron Ore Holdings Inc.
(an exploration stage company)

Consolidated Financial Statements
March 31, 2011 and 2010
(expressed in Canadian dollars)

PRICEWATERHOUSECOOPERS

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Independent Auditor's Report

To the Shareholder of
Century Iron Ore Holdings Inc.

We have audited the accompanying consolidated financial statements of Century Iron Ore Holdings Inc. and its subsidiaries, which comprise the consolidated balance sheets as at March 31, 2011 and 2010 and the consolidated statements of operations and comprehensive loss, changes in shareholder's equity (deficiency) and cash flows for the years then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Century Iron Ore Holdings Inc. and its subsidiaries as at March 31, 2011 and 2010 and the results of their operations and their cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

PricewaterhouseCoopers LLP

Chartered Accountants, Licensed Public Accountants

Century Iron Ore Holdings Inc.

(an exploration stage company)
Consolidated Balance Sheets
As at March 31, 2011 and 2010

(expressed in Canadian dollars)

	2011 $	2010 $
Assets		
Current assets		
Cash and cash equivalents	4,958,672	307,307
Amounts receivable	125,154	109,904
Taxes recoverable	265,211	16,224
Tax credits receivable	-	505,394
Prepaid expenses and deposits	593,114	120,678
	5,942,151	1,059,507
Non-current assets		
Deferred mineral property expenditures (note 3)	14,415,309	5,231,618
	20,357,460	6,291,125
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	992,934	548,761
Advances from shareholder (note 5)	-	5,379,822
Advances from director (note 5)	41,277	-
Deposit received (note 5)	7,774,400	-
Loan repayable to shareholder (note 5)	2,713,461	-
Loan repayable to related party (note 5)	6,500,000	-
	18,022,072	5,928,583
Non-current liabilities		
Future income tax liability (note 6)	280,979	664,973
	18,303,051	6,593,556
Shareholder's Equity (Deficiency)		
Share capital (note 4)	4,000,000	4
Accumulated deficit	(1,945,591)	(302,435)
	2,054,409	(302,431)
	20,357,460	6,291,125

Contingencies and commitments (note 3)

Approved by the Board of Directors

___________________________________ Director ___________________________________ Director

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

Century Iron Ore Holdings Inc.

(an exploration stage company)

Consolidated Statements of Operations and Comprehensive Loss

For the years ended March 31, 2011 and 2010

(expressed in Canadian dollars)

	2011 $	2010 $
Other income		
Management fees (note 5)	77,500	150,000
Foreign currency exchange gain (loss)	73,502	(2,272)
	151,002	147,728
Expenses		
General and administrative	858,713	221,762
Consulting and professional fees	1,319,439	153,777
	2,178,152	375,539
Loss before income taxes	(2,027,150)	(227,811)
Future income tax recovery	383,994	-
Loss and comprehensive loss for the year	(1,643,156)	(227,811)
Loss per common share - basic and diluted	(0.04)	(0.01)
Weighted average number of common shares outstanding	42,037,444	29,234,727

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

Century Iron Ore Holdings Inc.

(an exploration stage company)

Consolidated Statements of Changes in Shareholder’s Equity (Deficiency)

For the years ended March 31, 2011 and 2010

(expressed in Canadian dollars)

	Share capital $	**Accumulated deficit $**	**Total $**
Balance - March 31, 2009	4	(74,624)	(74,620)
Loss for the year	-	(227,811)	(227,811)
Balance - March 31, 2010	4	(302,435)	(302,431)
Loss for the year	-	(1,643,156)	(1,643,156)
Advances from shareholder exchange (note 4)	6,713,457	-	6,713,457
Reduction of capital (note 4)	(2,713,461)	-	(2,713,461)
Balance - March 31, 2011	4,000,000	(1,945,591)	2,054,409

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

Century Iron Ore Holdings Inc.

(an exploration stage company)

Consolidated Statements of Cash Flows

For the years ended March 31, 2011 and 2010

(expressed in Canadian dollars)

	2011 $	2010 $
Cash provided by (used in)		
Operating activities		
Loss for the year	(1,643,156)	(227,811)
Items not affecting cash and cash equivalents		
Foreign currency exchange gain	(73,502)	-
Future income tax recovery	(383,994)	-
Changes in non-cash working capital		
(Increase) decrease in amounts receivable	(15,250)	45,066
Decrease in tax credits receivable	505,394	-
Increase in taxes recoverable	(248,987)	-
Increase (decrease) in accounts payable and accrued liabilities	444,173	(6,844)
Increase in tax credits payable	-	10,179
Increase in prepaid expenses and deposits	(472,436)	-
	(1,887,758)	(179,410)
Investing activities		
Deferred mineral property expenditures (note 3)	(9,183,691)	(732,892)
Financing activities		
Advances from shareholder (note 5)	1,333,635	1,167,561
Advances from director (note 5)	41,277	-
Loan repayable to related party (note 5)	6,500,000	-
Offtake deposit received (note 5)	7,847,902	-
	15,722,814	1,167,561
Net change in cash and cash equivalents during the year	4,651,365	255,259
Cash and cash equivalents - Beginning of year	307,307	52,048
Cash and cash equivalents - End of year	4,958,672	307,307

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

(expressed in Canadian dollars)

1 Nature of business

Century Iron Ore Holdings Inc. (the company) was incorporated on September 22, 2010 under the laws of the Province of British Columbia as a wholly owned subsidiary of Century Iron Ore Corporation (Century). The company is a base metals exploration company with assets in the Provinces of Quebec and Newfoundland and Labrador, Canada.

On October 21, 2010, the company acquired 100% of the common shares of Grand Century Iron Ore Inc. (Grand Century), Canadian Century Iron Ore Corporation (Canadian Century), Labec Century Iron Ore Inc. (Labec) and 0849873 BC Limited (collectively the properties) from Century by issuing 100 common shares. The transfer by Century of its interest in the properties to the company was an internal reorganization among related parties and, as such, these audited consolidated financial statements have been prepared on a continuity of interest basis. Accordingly, these consolidated financial statements present the operations of the company as if it had been the holding company of the properties for all years presented, beginning with the date of incorporation.

The company has four wholly owned subsidiaries incorporated under the laws of the Province of British Columbia and holds interest in and administers activities on two of the company's properties. The company has entered into two option and joint venture agreements with two public companies that give it the option to own majority stakes in exploration properties through an earn-in process.

Subsidiary	**Date of incorporation**
Grand Century	March 13, 2008
Canadian Century	March 4, 2008
Labec	March 13, 2008
0849873 BC Limited	April 16, 2009

2 Basis of presentation and new accounting policies

The consolidated financial statements have been prepared by the company in accordance with Canadian generally accepted accounting principles (GAAP). A summary of the significant accounting policies is set out below:

Measurement uncertainty

The timely preparation of the consolidated financial statements in accordance with Canadian GAAP requires that management make estimates and assumptions and use judgment regarding the reported amounts of assets and liabilities and the disclosures of contingent assets and liabilities at the dates of the consolidated financial statements and the reported amounts of expenses during the reporting periods. Such estimates primarily relate to unsettled transactions and events as at the dates of the consolidated financial statements. Accordingly, actual results may differ from estimated amounts as future confirming events occur. By their nature, estimates of costs and the related future cash flows are subject to measurement uncertainty. Accordingly, the impact on the consolidated financial statements of future periods could be material. The estimated fair value of financial assets and financial liabilities, by their very nature, are subject to measurement uncertainty.

(expressed in Canadian dollars)

Consolidation

These consolidated financial statements incorporate the assets, liabilities and results of operations of all entities controlled by the company. The effects of all transactions between entities in the consolidated group have been eliminated.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and balances with a reputable Canadian chartered bank with an original maturity of three months or less.

Exploration and development costs

Mining property acquisition costs and, where the company obtained title to mineral claims, the exploration costs, are capitalized. Deferred exploration and evaluation costs are expected to be amortized over the estimated useful lives of the mineral reserves, on a units of production basis, from the commencement of commercial production, or written off if the mineral property is not feasible, is sold or abandoned. The company periodically assesses its capitalized exploration and development expenditures for impairment and, where there are circumstances indicating that an impairment exists, the carrying values of the impaired assets are written down to fair values.

Income taxes

The company follows the liability method of accounting for income taxes. Under this method, income taxes are recognized for the future income tax consequences attributed to the difference between the financial statement carrying values and their respective income tax bases. Future income tax assets and liabilities are measured using substantively enacted income tax rates expected to apply when the asset is realized or the liability is settled. The effect on future income tax assets and liabilities of a change in income tax rates is included in income in the year that includes the date of substantive enactment. Future income tax assets are evaluated and, if realization is not considered more likely than not, a valuation allowance is provided.

Foreign currency translation

The company employs the temporal method of foreign currency translation. Under this method, monetary assets and liabilities are translated at the year-end rates and all other assets and liabilities are translated at applicable historical foreign exchange rates. Income and expense items are translated at the rate of exchange in effect at the date the transactions are recognized. Realized exchange gains and losses and foreign currency translation adjustments are included in income.

Loss per common share

The basic loss per common share is calculated based on the weighted average number of common shares outstanding during the year. The comparative has been adjusted to reflect the stock split that occurred in February 2011.

(expressed in Canadian dollars)

Future accounting changes

International Financial Reporting Standards (IFRS)

In February 2008, The Canadian Institute of Chartered Accountants Accounting Standards Board confirmed that public companies will be required to prepare interim and annual financial statements under IFRS for fiscal years beginning on or after January 1, 2011. The company is currently assessing the impact of adopting IFRS and has not yet determined its effect on its consolidated financial statements.

3 Deferred mineral property expenditures

	Duncan Lake property $	Attikamagen property $	Sunny Lake property $	Tiger Bay property $	Total $
Balance - March 31, 2009	1,866,107	2,435,493	-	7,986	4,309,586
Additions	7,833	725,272	161,698	27,229	922,032
Balance - March 31, 2010	1,873,940	3,160,765	161,698	35,215	5,231,618
Additions	4,554,777	3,650,000	909,435	69,479	9,183,691
Balance - March 31, 2011	6,428,717	6,810,765	1,071,133	104,694	14,415,309

Duncan Lake property

On May 20, 2008, Canadian Century entered into an option and joint venture agreement (the Augyva agreement) with Augyva Mining Resources Inc. (Augyva) to have an option to obtain a 51% interest in the Duncan Lake property once $6.0 million has been funded on or before the fourth anniversary of the date of this agreement, of which $1.5 million is to be funded within the first anniversary of the agreement. During fiscal 2011, the company completed its funding commitment of $6.0 million on the Duncan Lake property and, as a result, obtained a 51% interest in this property. This was a related party transaction (note 5).

Canadian Century has an additional option to obtain a further 14% of the Duncan Lake property by spending an aggregate of $14.0 million in exploration costs, construction, and/or operating costs or completing a feasibility report on or before the eighth anniversary of the date of the Augyva agreement.

Attikamagen property

On May 12, 2008, Labec entered into an option and joint venture agreement (the Champion agreement) with Champion Minerals Inc., which superseded an initial agreement between the parties, dated March 26, 2008, to have an option to obtain a 51% interest in the Attikamagen property by funding $2.5 million each year for three years from the date of the initial agreement. Labec has obtained an extension of one year in 2010, which effectively halted any payments payable for year two. Therefore, the total commitment over four years is $7.5 million. At the completion of this funding and on exercise of the option, Labec will earn the ownership interest in the Attikamagen property and a joint venture will be formed.

(expressed in Canadian dollars)

There is an option to obtain a further 9% interest in the Attikamagen property by putting additional funding of $2.5 million by March 26, 2013 (for 5% of the additional interest) and an additional $3.0 million by March 26, 2014 (for 4% of the additional interest).

Sunny Lake property

The mining claims are wholly owned by 0849873 BC Limited.

Tiger Bay property

The mining claims are wholly owned by Grand Century.

4 Share capital

Authorized
Unlimited number of common shares, with no par value

Issued

	Number of shares	$
Balance - March 31, 2010	101	4
Shares issued - October 21, 2010	100	6,713,457
Reduction of capital - January 12, 2011	-	(2,713,461)
Stock split - February 24, 2011	58,179,799	-
Balance - March 31, 2011	58,180,000	4,000,000

On October 21, 2010, the company issued 100 common shares to settle advances from the shareholder totalling $6,713,457.

On January 12, 2011, the company reduced its capital by $2,713,461 through the issuance of a non-interest bearing demand promissory note with a principal amount of $2,713,461 to its sole shareholder.

On February 24, 2011, the company split the 201 issued and fully paid common shares into 58,180,000 issued and fully paid common shares. This has been reflected retrospectively in calculating loss per share.

5 Related party transactions

As indicated in note 3, on May 20, 2008, the company entered into an option and joint venture agreement with Augyva for which the Chairman and CEO of the company is also Chairman and CEO of Augyva. As at March 31, 2011, the company advanced Augyva $6.0 million and has recorded these advances as deferred mineral property expenditures. During the years ended March 31, 2011 and 2010, the company received

(expressed in Canadian dollars)

management fees of $77,500 and $150,000, respectively, from Augyva. As at March 31, 2011 and 2010, the company had accounts receivable of $16,950 and $13,125, respectively, in respect of these transactions.

During the years ended March 31, 2011 and 2010, the company incurred accounting expenses of $31,680 and $21,120, respectively, from Chim and Seto Consulting Services Inc., of which an immediate family member of the Chairman and CEO of the company is a shareholder.

During fiscal 2011, the company received four payments totalling $6.5 million from a related party. The loan payable is non-interest bearing and repayable on demand.

During fiscal 2011, the company received an offtake deposit of US$8.0 million from a related party. The deposit is non-interest bearing and repayable on demand.

Advances from shareholder

The company received advances from its shareholder, Century, for the year ended March 31, 2011 of $1,333,635 (2010 - $1,167,561). On October 21, 2010, the company issued 100 common shares to Century in exchange for the balance of advances as at that date, $6,713,457. The balance of advances received from Century as at March 31, 2011 is $nil. The shareholder advances are non-interest bearing.

Loan repayable to shareholder

On January 12, 2011, the company reduced its capital by $2,713,461 through the issuance of a non-interest bearing demand promissory note with a principal amount of $2,713,461 to its shareholder, Century.

Advances from director

During the year, the company received advances from a director of $41,277 (2010 - $nil). The director’s advances are non-interest bearing and repayable on demand.

(expressed in Canadian dollars)

6 Income taxes

Significant items causing the company's effective income tax rate to differ from the Canadian combined federal and provincial statutory income tax rate of approximately 18.9% (2010 - 30.0%) are as follows:

	2011 **$**	**2010** **$**
Loss for the year before income taxes	(2,027,150)	(227,811)
Expected income tax recovery at statutory rates	(567,602)	(68,229)
Difference due to decrease in enacted income tax rates and effect on current year's losses	60,815	9,112
Change in valuation allowance	454,930	52,457
Prior year's adjustment	(332,137)	-
Other - net	-	6,660
Total income tax recovery	(383,994)	-

The future income tax assets are as follows:

	2011 **$**	**2010** **$**
Future income tax assets	525,000	70,070
Valuation allowance	(525,000)	(70,070)
Net future income tax assets	-	-

The company provided a valuation allowance equal to the future income tax asset in relation to non-capital losses, as in management's judgment, it is not presently considered more likely than not that they will be realized.

The company has non-capital loss carry-forwards of approximately $2,100,000, which can be used to reduce taxable income of future years. The benefit from the non-capital loss carry-forward balance has not been recorded in the consolidated financial statements.

The non-capital losses will expire as follows:

	$
2031	2,100,000

(expressed in Canadian dollars)

The future income tax liability is as follows:

	2011 $	2010 $
Deferred mineral property expenditures	280,979	664,973

7 Financial risk factors

The company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk including interest rate risk, foreign currency exchange risk and commodity price risk.

Risk management is carried out by the company's management team with guidance from the board of directors. The board of directors also provides regular guidance for overall risk management.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The company's credit risk is primarily attributable to cash and receivables. Cash and cash equivalents are held with a reputable Canadian chartered bank, which is closely monitored by management. Financial instruments included in amounts receivable consist of deposits held with service providers.

Liquidity risk

The company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2011, the company had cash of $4,958,672 to settle accounts payable and accrued liabilities of $992,934. All of the company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The majority of the company's debt is with related parties and these items were settled on completion of the qualifying transaction (note 9).

Market risk

Market risk is the risk of loss that may arise from changes in market factors, such as interest rates, foreign currency exchange rates and commodity prices.

Interest rate risk

The company has cash balances and no interest bearing debt. The company's current policy is to invest excess cash in interest bearing accounts of a reputable Canadian chartered bank. The company periodically monitors the investments it makes and is satisfied with the credit ratings of its reputable Canadian chartered bank.

(expressed in Canadian dollars)

Foreign currency exchange risk

The company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. Management believes the foreign currency exchange risk derived from currency conversions is low and, therefore, does not hedge its foreign currency exchange risk.

Fair value

The company has designated its cash as held-for-trading, which is measured at fair value. Receivables are classified as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost.

As at March 31, 2011 and 2010, the carrying and fair values of the company's financial instruments are approximately equivalent.

Sensitivity analysis

Based on management's knowledge and experience of the financial markets, the company believes the following movements are reasonably possible:

- Interest rate risk is low, as the company does not hold any short-term investments to give rise to exposure to interest rate risk.

8 Capital management

The company considers its capital structure to consist of share capital and accumulated deficit, which, as at March 31, 2011, totalled $1,945,591 and debt owed to related parties of $17,029,138. When managing capital, the company's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to the shareholder and benefits for other stakeholders. Management adjusts the capital structure, as necessary, in order to support the acquisition, exploration and development of its mineral properties. The board of directors does not establish a quantitative return on capital criteria for management but, rather, relies on the expertise of the company's management team to sustain the future development of the business.

The properties in which the company currently has exploration options are in the exploration stage. As such, the company is dependent on external financing to fund its activities. In order to carry out the planned exploration program and pay for administrative costs, the company will spend its existing working capital and raise additional amounts when economic conditions permit it to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the company, is appropriate. There were no changes in the company's approach to capital management during the years ended March 31, 2011 and 2010. The company is not subject to externally imposed capital requirements.

(expressed in Canadian dollars)

9 Subsequent events

Qualifying transaction

On May 18, 2011, the company was acquired by Century Iron Mines Corporation (TSX-V: FER) through an amalgamation. As a result of the amalgamation, the company became a listed public company on the TSX Venture Exchange. Concurrent with the amalgamation, the company and Century Iron Mines Corporation completed financing activities totalling $115.5 million. In accordance with Canadian GAAP, future financial statements will present in continuation of the business of the company.

Repayment of loan repayable to shareholder

On May 25, 2011, pursuant to the qualifying transaction, the company repaid the entire amount of the loan repayable to shareholder.

Repayment of loan repayable to related party

On May 25, 2011, pursuant to the qualifying transaction, the company repaid the entire amount of the loan repayable to related party.