Century Iron Mines Corporation

(formerly Red Rock Capital Corp.)
(an exploration stage company)

Condensed Consolidated Interim Financial Statements
(Unaudited)
June 30, 2011
(expressed in Canadian dollars)

Century Iron Mines Corporation

(an exploration stage company)
Condensed Consolidated Interim Statement of Financial Position
(Unaudited)

(expressed in Canadian dollars)

	June 30, 2011 $	March 31, 2011 $ (Note 1)	April 1, 2010 $ (Note 1)
Assets			
Current assets			
Cash and cash equivalents	100,186,989	4,958,672	307,307
Amounts receivable	139,719	125,154	109,904
Taxes recoverable	602,786	265,211	16,224
Tax credits receivable	-	-	505,394
Prepaid expenses and deposits	263,759	593,114	120,678
	101,193,253	5,942,151	1,059,507
Non-current assets			
Exploration and evaluation assets (note 5)	17,122,571	14,231,007	5,231,618
Property, plant and equipment (note 6)	525,103	184,302	-
	118,840,927	20,357,460	6,291,125
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	1,099,544	992,934	548,761
Advances from a shareholder (note 10)	-	-	5,379,822
Advances from a director (note 10)	-	41,277	-
Deposit received (note 10)	7,710,580	7,774,400	-
Loan repayable to a shareholder (note 10)	-	2,713,461	-
Loan repayable to a related party (note 10)	-	6,500,000	-
	8,810,124	18,022,072	5,928,583
Non-current liabilities			
Deferred income tax liability	280,979	280,979	664,973
	9,091,103	18,303,051	6,593,556
Shareholder's Equity (Deficiency)			
Share capital (note 8)	111,029,084	4,000,000	4
Accumulated deficit	(8,706,185)	(1,945,591)	(302,435)
Other components of equity	7,426,925	-	-
	109,749,824	2,054,409	(302,431)
	118,840,927	20,357,460	6,291,125

Approved by the Board of Directors

"/s/ Sandy Chim" Director

"/s/ David Wong" Director

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

Century Iron Mines Corporation

(an exploration stage company)
Condensed Consolidated Interim Statement of Comprehensive Loss
(Unaudited)
For the three months ended June 30, 2011 and 2010

(expressed in Canadian dollars)

	2011 $	2010 $ (Note 1)
Other income		
Interest income	99,335	-
Foreign exchange gain	63,820	-
Management fee	-	43,350
	163,155	43,350
Expenses		
General and administrative	664,174	96,927
Consulting and professional fees	1,314,115	90,821
Share option expenses (note 8)	4,198,858	-
Reverse acquisition transaction cost (note 7)	746,602	-
	6,923,749	187,748
Loss before income taxes	(6,760,594)	(144,398)
Income tax (note 11)	-	-
Loss and comprehensive loss for the period	(6,760,594)	(144,398)
Loss per common share - basic and diluted	(0.085)	(0.004)
Weighted average number of common shares outstanding	79,936,172	34,097,955

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

Century Iron Mines Corporation

(an exploration stage company)
Condensed Consolidated Interim Statement of Changes in Equity
(Unaudited)
For the three months ended June 30, 2011 and 2010

(expressed in Canadian dollars)

	Share capital $	Share option reserve $	Warrants $	Accumulated deficit $	Total $
Balance - April 1, 2011	4,000,000	-	-	(1,945,591)	2,054,409
Capital movement pursuant to reverse acquisition (note 7)	800,000	39,349	17,963	-	857,312
Common shares issued on subscription receipts (note 7)	30,771,964	-	880,450	-	31,652,414
Common shares issued to other subscribers upon completion of reverse acquisition (note 8)	75,433,565	-	2,300,142	-	77,733,707
Equity-settled share option arrangement (note 8)	-	4,198,858	-	-	4,198,858
Issue of shares upon exercise of share options (note 8(f))	23,555	(9,837)	-	-	13,718
Loss for the period	-	-	-	(6,760,594)	(6,760,594)
Balance - June 30, 2011	111,029,084	4,228,370	3,198,555	(8,706,185)	109,749,824

	Share capital $	Share option reserve $	Warrants $	Accumulated deficit $	Total $
Balance - April 1, 2010	4	-	-	(302,435)	(302,431)
Loss for the period	-	-	-	(144,398)	(144,398)
Balance - June 30, 2010	4	-	-	(446,833)	(446,829)

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

Century Iron Mines Corporation

(an exploration stage company)
Condensed Consolidated Interim Statement of Cash Flows
(Unaudited)
For the three months ended June 30, 2011 and 2010

(expressed in Canadian dollars)

	2011 $	2010 $
Cash provided by (used in)		
Operating activities		
Loss for the period	(6,760,594)	(144,398)
Items not affecting cash and cash equivalents		
Amortization of property, plant and equipment (note 9)	16,026	-
Foreign exchange gain	(63,820)	-
Reverse acquisition transaction cost (note 7)	746,602	-
Share option expenses (note 8)	4,198,858	
Changes in non-cash working capital		
Increase in amounts receivable	(14,565)	(19,205)
Decrease in tax credits receivable	-	505,394
Increase in taxes recoverable	(328,551)	(9,669)
Increase (decrease) in accounts payable and accrued liabilities	56,856	(471,479)
Decrease in prepaid expenses and deposits	403,998	-
	(1,745,190)	(139,357)
Investing activities		
Acquisition of property, plant and equipment	(356,827)	-
Exploration and evaluation assets	(2,891,564)	(118,795)
Net cash acquired from reverse acquisition (note 7)	76,797	-
	(3,171,594)	(118,795)
Financing activities		
Advances from a shareholder	-	204,475
Repayment to a director (note 10)	(41,277)	-
Repayment to a shareholder (note 10)	(2,713,461)	-
Repayment to a related party (note 10)	(6,500,000)	-
Proceeds from shares issued - net of costs	109,399,839	-
	100,145,101	204,475
Net change in cash and cash equivalents during the period	95,228,317	(53,677)
Cash and cash equivalents - Beginning of period	4,958,672	307,307
Cash and cash equivalents - End of period	100,186,989	253,630

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

(expressed in Canadian dollars)

1 Nature of operations

Century Iron Ore Holdings Inc. (Century Holdings) 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 metal exploration company with assets in the Provinces of Quebec and Newfoundland and Labrador, Canada.

On October 21, 2010, Century Holdings 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 0849773 BC Limited (collectively the Properties) from Century by issuing 100 common shares. The transfer by Century of its interest in the Properties to Century Holdings was an internal reorganization among related parties and, as such, these condensed consolidated interim financial statements have been prepared on a continuity of interest basis. Accordingly, the financial statements of Century Holdings are prepared and presented as if it had been the holding company of the Properties for all periods presented.

Century Holdings completed a reverse takeover (RTO) of Century Iron Mines Corporation (the Company), formerly known as Red Rock Capital Corp. (Red Rock), on May 18, 2011. Red Rock was incorporated under the Canada Business Corporations Act on July 10, 2007. It was classified as a Capital Pool Company, as defined in Policy 2.4 of the TSX Venture Exchange Inc. and, accordingly, had no significant assets other than cash and no commercial operations. Red Rock changed its name to Century Iron Mines Corporation and its fiscal year end to March 31 on May 16, 2011.

2 Basis of preparation and adoption of International Financial Reporting Standards (IFRS)

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*. These are the Company's first IFRS condensed consolidated interim financial statements for part of the period covered by the first annual financial statement and IFRS 1 *First-time Adoption of International Financial Reporting Standards* has been applied. The Company has consistently applied the same accounting policies in its opening IFRS statement of financial position at April 1, 2010 and throughout all periods presented, as if these policies had always been in effect. Note 4 discloses the impact of the transition to IFRS on the Company's reported financial position, financial performance and cash flows.

The policies applied in these condensed consolidated interim financial statements are based on IFRS issued and effective as of June 30, 2011. Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the year ending March 31, 2012 could result in restatement of these condensed consolidated interim financial statements, including the transition adjustments recognized on changeover to IFRS.

The interim consolidated financial statements should be read in conjunction with Century Holdings' pre-changeover Canadian generally accepted accounting principles (Canadian GAAP) annual financial statements for the year ended March 31, 2011, and in consideration of the IFRS transition disclosures included in note 4.

(expressed in Canadian dollars)

3 Summary of significant accounting policies

The significant accounting policies used in the preparation of these condensed consolidated interim financial statements are described below.

Basis of measurement

The condensed consolidated interim financial statements have been prepared under the historical cost convention, except for the revaluation of certain financial assets and financial liabilities to fair value.

Principles of consolidation

The financial statements of the Company consolidate the accounts of Century Iron Mines Corporation and its subsidiaries. All intercompany transactions, balances and unrealized gains and losses from intercompany transactions are eliminated on consolidation.

Subsidiaries are those entities which the company controls by having the power to govern the financial and operating policies. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the company controls another entity. Subsidiaries are fully consolidated from the date on which control is obtained by the company and are de-consolidated from the date that control ceases.

The Company's financial statements consolidate its subsidiaries which comprise the following:

		Ownership	
Name of entity	**Country of incorporation**	**Direct**	**Indirect**
Century Holdings	Canada	100%	-
Grand Century	Canada	-	100%
Canadian Century	Canada	-	100%
Labec	Canada	-	100%
0849873 BC Limited	Canada	-	100%
Century Iron Mines Hong Kong Holdings Limited	Hong Kong	-	100%

Translation of foreign currency

These condensed consolidated interim financial statements are presented in Canadian dollars, which is the Company's presentation currency.

Items included in the financial statements of the Company and each of the Company's subsidiaries are measured using the currency of the primary economic environment in which the entity operates (the functional currency). Foreign currency transactions are translated into the functional currency using the exchange rates

(expressed in Canadian dollars)

prevailing at the dates of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities not denominated in the functional currency of an entity are recognized in the profit or loss.

Assets and liabilities of entities with functional currencies other than the Canadian dollar are translated into the presentation currency at the period end rates of exchange, and the results of their operations are translated at the average rates of exchange for the period. The resulting translation adjustments are recognized in other comprehensive income as cumulative translation adjustments.

The functional currency of the Company and its subsidiaries in Canada is the Canadian dollar and the functional currency of its subsidiary in Hong Kong is the Hong Kong dollar.

Financial instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Financial assets and liabilities are offset and the net amount is recorded in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle on a net basis, or realize the asset and settle the liability simultaneously.

At initial recognition, the Company classifies its financial instruments in the following categories depending on the purpose for which the instruments were acquired:

i) Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Company's loans and receivables comprise amounts receivable and cash and cash equivalents, and are included in current assets due to their short-term nature. Loans and receivables are initially recognized at the amount expected to be received, less, when material, a discount to reduce the loans and receivables to fair value. Subsequently, loans and receivables are measured at amortized cost using the effective interest method less a provision for impairment.

ii) Financial liabilities at amortized cost: Financial liabilities are initially recognized at the amount required to be paid, less, when material, a discount to reduce the payables to fair value. Subsequently, financial liabilities are measured at amortized cost using the effective interest method.

Financial liabilities are classified as current liabilities if payment is due within twelve months. Otherwise, they are presented as non-current liabilities.

(expressed in Canadian dollars)

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated amortization and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. The carrying amount of a replaced asset is derecognized when replaced. Repairs and maintenance costs are charged to the profit or loss during the period in which they are incurred.

During the period, the Company amortized property, plant and equipment on a straight-line basis. The assets' useful lives are as follows:

Camp	5 years
Computer equipment	5 years
Vehicles	5 years
Leasehold improvements	5 years

Share-based payment transactions

The Company operates share option plans for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Company's operations. Directors, officers, employees, consultants and other eligible person receive remuneration in the form of share-based payment transactions, whereby the eligible person render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award

(expressed in Canadian dollars)

is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph. All cancellations of equity-settled transaction awards are treated equally.

Deferred costs

Costs incurred to raise capital are written off as a charge to capital upon completion of each capital raising.

Costs directly attributable to the completion of business acquisitions are expensed.

Exploration and evaluation expenditures

Direct and indirect acquisition and exploration expenditures associated with mineral exploration properties are capitalized when incurred. During the exploration period, exploration and evaluation expenditures are not amortized.

Upon completion of a technical feasibility study and when commercial viability is demonstrated, capitalized exploration and evaluation assets are transferred to and classified as mineral property development expenditures. Exploration and evaluation assets shall be assessed for impairment before such reclassification.

Income taxes

Income tax comprises current and deferred tax. Income tax is recognized in the profit or loss except to the extent that it relates to items recognized directly in equity, in which case the income tax is also recognized directly in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

In general deferred tax is recognized in respect of temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the end of the reporting period and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries except where the timing of the reversal of the temporary differences is controlled by the Company and it is probable that the temporary difference would not reverse in the foreseeable future.

Cash and cash equivalents

Cash and cash equivalents consist of deposit accounts with Canadian chartered banks, with an original maturity of three months or less.

(expressed in Canadian dollars)

Earnings per share

Basic earnings per share is calculated by dividing net loss (income) attributable to equity owners of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings per share is calculated using the treasury stock method, whereby the weighted average number of common shares outstanding is increased to include potentially issuable common shares from the assumed exercise of common share purchase options and warrants, if dilutive.

Recent accounting pronouncements

Certain new accounting standards, and amendments to standards and interpretations, have been published but are not yet effective for the period ended June 30, 2011, and have not been applied in preparing these condensed consolidated interim financial statements. The Company's assessment of the impact of these new standards and interpretations is set out below.

International Financial Reporting Standard 9, Financial Instruments (IFRS 9)

IFRS 9 was issued in November 2009 and contained requirements for financial assets. This standard addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments, and such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. Where such equity instruments are measured at fair value through other comprehensive income, dividends are recognized in profit or loss to the extent not clearly representing a return of investment; however, other gains and losses (including impairments) associated with such instruments remain in accumulated comprehensive income indefinitely.

Requirements for financial liabilities were added in October 2010 and they largely carried forward existing requirements in IAS 39, Financial Instruments - Recognition and Measurement, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss would generally be recorded in other comprehensive income.

This standard is required to be applied for accounting periods beginning on or after January 1, 2013, with earlier adoption permitted. The Company has not yet assessed the impact of the standard or determined whether it will adopt the standard early.

Consolidated Financial Statements (IFRS 10)

IFRS 10 provides a single model to be applied in the control analysis for all investees, including entities that currently are special purpose entities in the scope of SIC 12. In addition, the consolidation procedures are carried forward substantially unmodified from IAS 27 Consolidated and Separate Financial Statements.

(expressed in Canadian dollars)

This standard is required to be applied for accounting periods beginning on or after January 1, 2013, with earlier adoption permitted. The Company has not yet assessed the impact of the standard or determined whether it will adopt the standard early.

International Financial Reporting Standard 11, Joint Arrangements (IFRS 11)

IFRS 11 requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31, Interests in Joint Ventures and SIC-13, Jointly Controlled Entities - Non-monetary Contribution by Venturers.

This standard is required to be applied for accounting periods beginning on or after January 1, 2013, with earlier adoption permitted. The Company has not yet assessed the impact of the standard or determined whether it will adopt the standard early.

International Financial Reporting Standard 12, Disclosure of Interests in Other Entities (IFRS 12)

IFRS 12 establishes disclosure requirements for interests in other entities, such as, joint arrangements, associates, special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity’s interests in other entities.

This standard is required to be applied for accounting periods beginning on or after January 1, 2013, with earlier adoption permitted. The Company has not yet assessed the impact of the standard or determined whether it will adopt the standard early.

International Financial Reporting Standard 13, Fair Value Measurement (IFRS 13)

IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures.

This standard is required to be applied for accounting periods beginning on or after January 1, 2013, with earlier adoption permitted. The Company has not yet assessed the impact of the standard or determined whether it will adopt the standard early.

(expressed in Canadian dollars)

International Accounting Standard 28, Investments in Associates and Joint Ventures (IAS 28)

In addition, there have been amendments to existing standards, including IAS 28, Investments in Associates and Joint Ventures (IAS 28). IAS 28 has been amended to include joint ventures in its scope and to address the changes in IFRS 11 - 13 which are discussed above.

This standard is required to be applied for accounting periods beginning on or after January 1, 2013. The Company will assess the impact of the amendment in conjunction with assessments made for IFRS 11 -13.

International Financial Reporting Standard 7, Financial Instruments - Disclosure (IFRS 7)

IFRS 7 was amended to require additional disclosure in respect of risk exposures arising from transferred financial assets. This amendment is effective for annual periods beginning on or after July 1, 2011. The Company is currently evaluating the impact of this standard on its consolidated financial statements.

Critical accounting estimates and judgments

The Company makes estimates and assumptions concerning the future that will, by definition, seldom equal to the actual results. The following are the estimates and judgments applied by management that most significantly affect the Company's financial statements. These estimates and judgments have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

i) Valuation of mineral properties and exploration and development properties

The Company carries its mineral properties at cost less a provision for impairment. The Company capitalizes exploration costs, which are related to specific projects, until the commercial feasibility of the project is determinable. The costs of each property and related capitalized exploration and development expenditures are amortized over the economic life of the property on a units-of-production basis. Costs are charged to operations when a property is abandoned or when impairment in value that is other than temporary has been determined.

The Company reviews the carrying values of mining properties and related expenditures whenever events or changes in circumstances indicate that their carrying values may not be recoverable. In undertaking this review, management is required to make significant estimates of, amongst other things, future production and sale values, unit sales prices, future operating and capital costs and reclamation costs to the end of the mine's life. These estimates are subject to various risks and uncertainties, which may ultimately have an effect on the expected recoverability of the carrying values of the mining properties and related expenditures.

(expressed in Canadian dollars)

ii) Share-based payment transactions

The Company grants share options to directors, officers, employees and consultants of the Company under its incentive stock option plan. The fair value of share options is estimated using the Black-Scholes option pricing model and are expensed over their vesting periods. In estimating fair value, management is required to make certain assumptions and estimates such as the life of options, volatility and forfeiture rates. Changes in assumptions used to estimate fair value could result in materially different results.

4 Transition to IFRS

The Company adopted IFRS as its basis of accounting on April 1, 2011. The Company's transition date is April 1, 2010 (the transition date) and the Company has prepared its opening IFRS statement of financial position at that date. These financial statements have been prepared in accordance with the accounting policies described in note 3 and in accordance with the requirements of IFRS 1 First time Adoption of IFRS, which is applicable upon first-time adoption of IFRS.

The effect of the Company's transition to IFRS is summarized in this note as follows:

i) Initial elections on transition

The Company has not applied any of the optional transition exceptions and exemptions to full retrospective application of IFRS.

ii) Reconciliations of Canadian GAAP to IFRS

IFRS 1 requires an entity to reconcile equity, comprehensive income and cash flows for prior periods. The Company's first time adoption of IFRS did not have an impact on the statements of financial position, statements of loss and comprehensive loss, and the total operating, investing or financing cash flows and no reconciliation has been prepared.

(expressed in Canadian dollars)

5 Exploration and evaluation assets

	Duncan Lake property $	Attikamagen property $	Sunny Lake property $	Other property $	Total $
Balance - April 1, 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
Reallocation to property, plant and equipment	-	-	(184,302)	-	(184,302)
Balance - March 31, 2011	6,428,717	6,810,765	886,831	104,694	14,231,007
Transfer in (out)	-	100,000	(100,000)	-	-
Additions	953,894	1,845,024	66,713	25,933	2,891,564
Balance - June 30, 2011	7,382,611	8,755,789	853,544	130,627	17,122,571

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 the Augyva Agreement, of which $1.5 million is to be funded within the first anniversary of the Augyva Agreement. The Company completed its funding commitment of $6.0 million on the Duncan Lake property last year and, as a result, obtained a 51% interest in this property.

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 (the Initial agreement), 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.

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).

(expressed in Canadian dollars)

Sunny Lake property

The mining claims are wholly owned by 0849873 BC Limited.

6 Property, plant and equipment

	Camp $	Leasehold improvements $	Computer equipment $	Vehicles $	Total $
Cost					
Balance - April 1, 2010	-	-	-	-	-
Transfer from exploration and evaluation assets	82,819	15,030	4,811	81,642	184,302
Balance - March 31, 2011	82,819	15,030	4,811	81,642	184,302
Additions	199,312	12,495	29,398	115,622	356,827
Balance - June 30, 2011	282,131	27,525	34,209	197,264	541,129
Accumulated amortization					
Balance - April 1, 2010 and March 31, 2011	-	-	-	-	-
Amortization	1,824	1,064	2,679	10,459	16,026
Balance - June 30, 2011	1,824	1,064	2,679	10,459	16,026
Net book value					
Balance - April 1, 2010	-	-	-	-	-
Balance - March 31, 2011	82,819	15,030	4,811	81,642	184,302
Balance - June 30, 2011	280,307	26,461	31,530	186,805	525,103

(expressed in Canadian dollars)

7 Reverse acquisition

On May 18, 2011, Century Holdings completed (1) a brokered private placement and non-brokered private placement at an issue price of $2.50 per subscription receipt for gross proceeds of $33,462,065 and (2) an employee offering at an issue price of $2.25 (for 18 months lock-up) or $2 (36 months lock-up) per subscription receipt for gross proceeds of $32,500. Transaction costs related to the offering amounted $2,722,601 (which comprises cash fee of $1,842,151 and 686,243 warrants of $880,450). Each such subscription receipt will entitle the holder to acquire one common share in the capital of Century Holdings.

On May 18, 2011, the Company issued the 61,370,738 common shares to the former shareholders of Century Holdings in exchange of 100% interest in Century Holdings.

As a result of the transaction, the former shareholders of the Century Holdings owned 99.55% of the outstanding shares of the Company. In accordance with IFRS 3, Business Combination, the substance of the transaction is a reverse acquisition of a non-operating company. The transaction does not constitute a business combination as the Company before the RTO does not meet the definition of a business under the standard. As a result, the transaction is accounted for as a capital transaction with Century Holdings being identified as the accounting acquirer and the equity consideration being measured at fair value. The resulting statement of financial position is presented as a continuance of Century Holdings and comparative figures presented in the financial statements after the reverse acquisition are those of Century Holdings.

IFRS 2 applies to transactions where an entity grants equity instruments and cannot identify specifically some or all of the goods or service received in return. Because the Company has issued shares with a value in excess of the assets received, IFRS 2 would indicate that the difference is recognized in comprehensive loss as reverse acquisition transaction cost. The amount assigned to reverse acquisition transaction cost of $746,602 is the difference between the fair value of the consideration and the net identifiable assets of the Company acquired by Century Holdings and included in the consolidated statement of comprehensive loss.

The fair value of the consideration is determined based on the percentage of ownership the legal parent's shareholders have in the combined entity after the reverse takeover transaction. This represents the fair value of the shares that Century Holdings would have had to issue for the ratio of ownership interest in the combined entity to be the same, if the transaction had taken the legal form of Century Holdings acquiring 100% of the shares in the Company. The percentage of ownership the legal parent's shareholders had in the combined entity is 0.45% after the issue of 61,370,738 shares of the Company to Century Holdings shareholders. As the share options and warrants granted prior to RTO remains exercisable after the completion of RTO, the fair value of the share options and warrants at the date of RTO are also included as part of the consideration transferred (note 8).

(expressed in Canadian dollars)

Based on the statement of financial position of the Company at the time of the reverse acquisition, the net assets at estimated fair value that were acquired by the Century Holdings were $110,710 and the resulting reverse acquisition cost charged to the profit or loss is as follows:

	$
Consideration:	
Deemed issue of share by Century Holdings	800,000
Deemed replacement of options (note 8)	39,349
Deemed replacement of warrants (note 8)	17,963
	857,312
Identifiable assets acquired	
Cash	76,797
Taxes recoverable	9,024
Prepayments and deposits	74,643
Accounts payable and accrued liabilities	(48,224)
Others	(1,530)
	110,710
Unidentifiable assets acquired	
Reverse takeover transaction cost	746,602
Total net identifiable assets and reverse takeover transaction cost	857,312

(expressed in Canadian dollars)

8 Share capital

Authorized

Unlimited number of common shares, with no par value.

Issued

As a result of the RTO, Century Holdings became a direct, wholly owned subsidiary of the Company. The reverse acquisition was treated as an issuance of common shares by the continuing entity, Century Holdings.

At June 30, 2011, the issued share capital amounted to $111,029,084. The changes in issued share capital for the periods were as follows:

	Number of common shares	**$**
Balance - April 1, 2011 (a)	49,882,078	4,000,000
Common shares issued on subscription receipts prior to the completion of RTO (a)	11,488,660	30,771,964
Capital movement pursuant to RTO (note 7)	274,360	800,000
Common shares issued to WISCO (b)	23,197,768	55,743,617
Common shares issued to MinMetals (c)	4,641,410	11,153,185
Common shares issued to non-brokered subscribers (d)	2,075,221	5,566,763
Common shares issued to employees and consultants (e)	1,273,201	2,970,000
Common shares issued on exercise of options (f)	6,859	23,555
Balance - June 30, 2011	92,839,557	111,029,084

a) The equity structure of Century Holdings had been restated to reflect the equity structure of the Company prior to the completion of RTO using the exchange ratio of 0.857 shares of the Company for each share of Century Holdings.

b) On May 18, 2011, the Company issued 23,197,768 common shares to WISCO International Resources Development & Investment Limited (WISCO) at an issue price of $2.624 per common share for gross proceeds of $60,877,653. The common shares are subject to an 18 months lock-up.

   The net proceeds of $55,743,617 were allocated to share capital after the deduction of cash fee of $3,348,271 and 1,391,866 warrants of $1,785,765 to the finder.

(expressed in Canadian dollars)

c) On May 18, 2011, the Company issued 4,641,410 common shares to MinMetals Exploration & Development (Luxembourg) Limited S.à.r.l. (MinMetals) at an issue price of $2.624 per common share for gross proceeds of $12,180,403. The common shares are subject to an 18 months lock-up.

The net proceeds of $11,153,185 were allocated to share capital after the deduction of cash fee of $669,922 and 278,485 warrants of $357,296 to the finder.

d) On May 18, 2011, the Company issued 2,075,221 common shares to non-brokered subscribers at an issue price of $2.916 per common share for gross proceeds of $6,051,094.

The net proceeds of $5,566,763 were allocated to share capital after the deduction of cash fee of $327,250 and issued 122,433 warrants of $157,081 to the finder.

e) On May 18, 2011, the Company issued 1,273,201 common shares to employees and consultants at an issue price of $2.333 per common share for net proceeds of $2,970,000, which were allocated to the share capital.

f) On May 31, 2011, 6,859 share options were exercised at an exercise price of $2 per share, resulting in the issue of 6,859 common shares for a total consideration of $13,718. An amount of $9,837 was transferred from the share option reserve to share capital upon the exercise of the share options.

Loss per share

The basic loss per share calculated amount is the same as the fully diluted loss per share amount as the effect of any additional shares would be anti-dilutive, because the Company is in a loss position. The weighted average number of shares issued and outstanding for the period ended June 30, 2011 was calculated as 79,936,172 (Three-month ended June 30, 2011: 34,097,955).

Share options

The share options issued and outstanding as of June 30, 2011 are as follow:

	Number of options $	**Weighted average exercise price $**
Balance - April 1, 2011	-	-
Deemed replacement of options granted on November 24, 2009 (i)	27,436	2.00
Options granted on May 18, 2011 (ii)	5,500,000	2.92
Exercised during the period	(6,859)	2.00
Balance - June 30, 2011	5,520,577	2.92

(expressed in Canadian dollars)

i) On November 24, 2009, the Company granted share options to its directors and officers to acquire an aggregate of 27,436 common shares (after consolidation of 10 to 1) at a price of $2.00 per share exercisable until November 23, 2014. Notwithstanding the foregoing, the options shall expire on the date that is later of (i) 12 month after the completion of qualifying transaction as defined by the TSX Venture Exchange Inc. and (ii) 90 days following the date the optionee ceases to be a director, officer or technical consultant of the Company. Upon the completion of RTO on May 18, 2011 which qualified as a qualifying transaction, the expiry date of the options has been shortened to May 17, 2012. As the options remains exercisable after the completion of RTO, the fair value of the options at the date of RTO was included as part of the consideration transferred by Century Holdings in the RTO. On May 18, 2011, the fair value of the options was estimated at $39,349 using the Black-Scholes option pricing model. The assumptions used were as follows: risk-free interest rate of 1.04%, dividend yield of 0%, volatility of 94% and expected life of 1 year.

ii) The Company has adopted an incentive stock option plan (the Plan) which is administered by the board of directors of the Company. The Plan provides that the board of directors of the Company may from time to time, in its discretion and in accordance with TSX Venture Exchange Inc. requirements, grant to directors, officers, employees and consultants to the Company, options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares. Such options will be exercisable for a period of up to 5 years from the date of grant. No more than an aggregate of 5% of the issued and outstanding common shares may be granted to any one individual in any 12 month period. No more than an aggregate of 2% of the issued and outstanding common shares may be granted to any one consultant in any 12 month period. No more than an aggregate of 2% of the issued and outstanding common shares may be granted to persons employed to provide investor relations activities, in any 12 month period. Options issued pursuant to the Plan will have an exercise price determined by the directors of the Company provided that the exercise price shall not be less than the price permitted by the TSX Venture Exchange Inc.

On May 18, 2011, 5,500,000 were granted to directors, employees and consultants. The fair value of the options granted has been estimated at the date of grant using the Black-Scholes option pricing model, using the following assumptions: an average risk free interest rate of 2.06%, dividend yield of 0%, volatility of 94% and an expected life of 4 years. 1/3 of the options vested on the issue date of the option, 1/3 of the options will vest on the first anniversary of the option date and 1/3 will vest on the second anniversary of the option date. The fair value of the options was estimated at $ 10,708,502. The impact on share-based payment was $4,198,858 for the three months ended June 30, 2011.

The exercise prices and exercise periods of the share options outstanding as of June 30, 2011 are as follow:

Number of options	Exercise price	Exercise period
20,577	2.00	November 24, 2009 to May 17, 2012
5,500,000	2.92	May 18, 2011 to May 17, 2016
5,520,577		

(expressed in Canadian dollars)

Warrants

The warrants issued and outstanding as of June 30, 2011 are as follow:

	Number of warrants	Amount $	Weighted average exercise price $	Expiry Date
Balance - April 1, 2011	-	-	-	-
Deemed replacement of warrants granted on November 26, 2009 (i)	14,936	17,963	2.00	November 25, 2011
Warrants granted on May 18, 2011 (ii)	2,479,027	3,180,592	2.92	November 17, 2012
Balance - June 30, 2011	2,493,963	3,198,555	2.91	

i) On November 26, 2009, the Company granted to its agents non-transferable warrants to purchase up to an aggregate of 14,936 common shares (after consolidation of 10 to 1) at a price of $2.00 per share exercisable for a period of 24 months. As the warrants remain exercisable after the completion of RTO, the fair value of the warrants at the date of RTO was included as part of the consideration transferred by Century Holdings in the RTO. On May 18, 2011, the fair value of the warrants was estimated at $17,963 using the Black-Scholes option pricing model. The assumptions used were as follows: risk-free interest rate of 1.04%, dividend yield of 0%, volatility of 94% and expected life of 0.5 years.

ii) On May 18, 2011, the Company granted to its agents non-transferable warrants to purchase up to an aggregate of 2,479,027 common shares at a price of $2.92 per share exercisable for a period of 18 months. Using the Black-Scholes option pricing model, the fair value of these warrants was estimated at $3,180,592. The assumptions used were as follows: risk-free interest rate of 1.04%, dividend yield of 0%, volatility of 94% and expected life of 1.5 years.

(expressed in Canadian dollars)

9 Expense breakdown

	Three months ended June 30,	
	2011 **$**	**2010** **$**
Amortisation of property, plant and equipment	16,026	-
Employee compensation costs		
Salaries and benefits	269,867	58,640
Share option expenses	4,198,858	-
	4,468,725	58,640

10 Related party transactions

a) In addition to transactions detailed elsewhere in the condensed consolidated interim financial statements, the Company has the following related party transactions:

As at June 30, 2011 and March 31, 2011, the Company had accounts receivable of $16,950 and $16,950, respectively, from Augyva, which the chairman and CEO of the Company is the director of Augyva.

During the period ended June 30, 2010, the Company received management fee of $43,350 from Augyva.

During the periods ended June 30, 2011 and 2010, the Company incurred accounting expenses of $15,432 and $1,240, 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.

The refundable offtake deposit of US$8,000,000 (which amounted to $7,710,580 as at June 30, 2011) from a related party is non-interest bearing and repayable on demand.

On May 25, 2011, the Company repaid $6,500,000 million to a related party. The loan was non-interest bearing and repayable on demand.

On May 25, 2011, the Company repaid $2,713,461 owed to the shareholder. The loan was non-interest bearing and repayable on demand.

On June 30, 2011, the Company repaid $41,277 owed to a director. The loan advance was non-interest bearing and repayable on demand.

(expressed in Canadian dollars)

b) Remuneration of key management personnel was as follow:

	Three months ended June 30,	
	2011 **$**	**2010** **$**
Salaries and benefits	130,000	-
Share option expenses	1,221,486	-
	1,351,486	-

11 Income taxes

During the period ended 30 June 2011 and 2010, the Company operated as an exploration development company with limited operations. As such, the Company's effective tax rate for the periods ended 30 June 2011 and 2010 were 0%.

12 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 major Canadian chartered bank, from which management believes the risk of loss to be minimal. 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 June 30, 2011, the Company had cash of $100,186,989 to settle accounts payable and accrued liabilities of $1,099,544. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

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.

(expressed in Canadian dollars)

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.

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.

13 Capital management

The Company considers its capital structure to consist of share capital and accumulated deficit, which, as at June 30, 2011, totalled $102,322,899 and deposit received from a related party of $7,710,580. 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. The Company's capital management objectives, policies and processes have remained unchanged during the three months ended June 30, 2011. The Company is not subject to externally imposed capital requirements.

(expressed in Canadian dollars)

14 Subsequent events

i) WISCO Joint Venture Agreement

The Company has entered into an agreement with WISCO on August 30, 2011 (Joint Venture Agreement) and the agreement will govern the joint ventures between the Company and WISCO for the exploration and development of the Company's Duncan Lake, Attikamagen and Sunny Lake properties. The Joint Venture Agreement was executed further to the binding framework agreement entered into between Century Holdings and WISCO on January 13, 2011, as supplemented on February 18, 2011. The Joint Venture Agreement contemplates separate joint ventures for each of the Duncan Lake, Attikamagen and Sunny Lake properties, with the definitive structures to be determined and definitive agreements to be executed within 60 days of signing of the Joint Venture Agreement.

WISCO will in aggregate invest $120 million in the three joint ventures over two years. The Joint Venture Agreement and the definitive agreements will be subject to receipt of all applicable regulatory approvals.

ii) Principal Agreement and Royalty Agreement

The Company and Altius Minerals Corporation ("Altius") have signed a principal agreement and a royalty agreement (together, the "Agreements") covering four of Altius' regional iron ore projects in the Labrador Trough: Astray, Grenville, Menihek and Schefferville on September 19, 2011

Under the Agreements, Century will acquire a 100% interest in the four projects for exploration expenditures of $7 million per project and the issuance of 5 million Century shares cumulatively over a 5-year period. Altius will retain a 1% to 4% sliding scale Gross Sales Royalty ("GSR") on the properties as well as additional consideration of "bonus" Century shares as National Instrument 43-101 compliant iron ore resources are defined above various thresholds. The Agreements are subject to receipt of formal approval by Century's board of directors and acceptance by the TSX.

iii) Graduation to the Toronto Stock Exchange

On September 19, 2011 the Company completed its graduation from the TSX Venture Exchange to the Toronto Stock Exchange (the "TSX") and the shares of the Company commenced trading on TSX under the symbol "FER".