Century Iron Mines Corporation

(Formerly Red Rock Capital Corp.)
(An exploration stage mining company)

Consolidated Financial Statements
March 31, 2012
(Expressed in Canadian Dollars)

Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements of the Company have been prepared by management in accordance with International Financial Reporting Standards. Management acknowledges responsibility for the preparation and presentation of the consolidated financial statements, including responsibility for significant accounting judgments and estimates and, where relevant, the choice of accounting principles. Management maintains an appropriate system of internal controls to provide reasonable assurance that transactions are authorized, assets safeguarded, and proper records maintained.

The Audit Committee of the Board of Directors has met with the Company's independent auditors to review the scope and results of the annual audit and to review the consolidated financial statements and related financial reporting matters prior to submitting the consolidated financial statements to the Board for approval.

The Company's independent auditors, PricewaterhouseCoopers LLP, have conducted an audit in accordance
with generally accepted auditing standards, and their report follows.

(Signed) ***"Sandy Chim"***
Sandy Chim
Chief Executive Officer

(Signed) ***"Ivan Wong"***
Ivan Wong
Chief Financial Officer

June 20, 2012

June 20, 2012

To the Shareholders of
Century Iron Mines Corp.

We have audited the accompanying consolidated financial statements of Century Iron Mines Corp. and its subsidiaries, which comprise the consolidated statements of financial position as at March 31, 2012, March 31, 2011 and April 1, 2010 and the consolidated statements of comprehensive loss, statements of changes in equity and statements of cash flow for the years ended March 31, 2012 and March 31, 2011, and the related notes, which comprise a summary of significant accounting policies.

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 International Financial Reporting Standards (IFRS), 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 Mines Corp. and its subsidiaries as at March 31, 2012, March 31, 2011 and April 1, 2010 and their financial performance and their cash flows for the years ended March 31, 2012 and March 31, 2011 in accordance with IFRS.

(Signed) "PricewaterhoouseCoopers LLP"

Chartered Accountants, Licensed Public Accountants

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Century Iron Mines Corporation
Consolidated Statement of Financial Position
As at March 31, 2012

(Expressed in Canadian Dollars)

	Notes	March 31, 2012 $	March 31, 2011 $ (Notes 1 & 10)	April 1, 2010 $ (Notes 1 & 10)
Assets				
Current assets				
Cash and cash equivalents	7	67,391,504	4,958,672	307,307
Accounts receivable	20	154,271	125,154	109,904
Sales taxes recoverable		3,421,070	265,211	16,224
Investment tax credits receivable	8	991,667	-	505,394
Prepaid expenses and deposits		507,115	593,114	120,678
		72,465,627	5,942,151	1,059,507
Non-current assets				
Exploration and evaluation assets	8	46,686,503	14,231,007	5,231,618
Property, plant and equipment	9	4,002,525	184,302	-
		123,154,655	20,357,460	6,291,125
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities		5,773,953	992,934	548,761
Deposit received	20	7,973,048	7,774,400	-
Advances from a shareholder		-	-	5,379,822
Advances from a director	20	-	41,277	-
Loan repayable to a shareholder	20	-	2,713,461	-
Loan repayable to a related party	20	-	6,500,000	-
		13,747,001	18,022,072	5,928,583
Non-current liabilities				
Deferred tax	18	37,722	280,979	664,973
		13,784,723	18,303,051	6,593,556
Shareholder's Equity				
Share capital	11	115,310,770	4,000,000	4
Deficits		(17,595,895)	(1,945,591)	(302,435)
Other components of equity		11,655,057	-	-
		109,369,932	2,054,409	(302,431)
		123,154,655	20,357,460	6,291,125

Approved by the Board of Directors

"/s/ Sandy Chim" Director "/s/ Paul Murphy" Director

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

Century Iron Mines Corporation
Consolidated Statement of Comprehensive Loss
For the year ended March 31, 2012

(Expressed in Canadian Dollars)

	Notes	Years ended March 31, 2012 $	2011 $ (Notes 1 & 10)
Other operating income	15	1,015,404	77,500
Administrative expenses	16	(16,167,342)	(2,104,650)
Other operating expenses	10	(746,602)	-
Loss before income tax		(15,898,540)	(2,027,150)
Income tax recovery	17	243,257	383,994
Loss for the year		(15,655,283)	(1,643,156)
Other comprehensive loss			
Exchange differences on translation of foreign operations		(4,583)	-
Total comprehensive loss for the year		(15,659,866)	(1,643,156)
Loss per common share - basic and diluted	19	(0.18)	(0.05)
Weighted average number of common shares outstanding		88,073,022	36,079,763

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

Century Iron Mines Corporation

Consolidated Statement of Changes in Equity

For the year ended March 31, 2012

(Expressed in Canadian Dollars)

	Share capital $	Share option reserve $	Warrants $	Foreign currency translation reserve $	Deficits $	Total $
Balance - April 1, 2010	4	-	-	-	(302,435)	(302,431)
Loss for the year	-	-	-	-	(1,643,156)	(1,643,156)
Advances from shareholder exchange	6,713,457	-	-	-	-	6,713,457
Reduction of capital	(2,713,461)	-	-	-	-	(2,713,461)
Balance - March 31, 2011	4,000,000	-	-	-	(1,945,591)	2,054,409
Loss for the year	-	-	-	-	(15,655,283)	(15,655,283)
Other comprehensive loss for the year	-	-	-	(4,583)	-	(4,583)
Total comprehensive loss for the year	-	-	-	(4,583)	(15,655,283)	(15,659,866)
Capital movement pursuant to reverse acquisition (note 10)	800,000	39,349	17,963	-	-	857,312
Common shares and warrants issued on subscription receipts (note 10)	30,771,964	-	880,450	-	-	31,652,414
Common shares and warrants issued to other subscribers upon completion of reverse acquisition (notes 11 and 13)	75,433,565	-	2,300,142	-	-	77,733,707
Common shares issued for the acquisition of Altius properties (note 8)	4,200,000	-	-	-	-	4,200,000
Equity-settled share option arrangement (note 12)	-	8,469,210	-	-	-	8,469,210
Issue of shares upon exercise of share options (note 11(f))	70,665	(29,511)	-	-	-	41,154
Issue of shares upon exercise of warrants (note 11(g))	34,576	-	(12,984)	-	-	21,592
Warrants expired (note 13)	-	-	(4,979)	-	4,979	-
Balance - March 31, 2012	115,310,770	8,479,048	3,180,592	(4,583)	(17,595,895)	109,369,932

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

Century Iron Mines Corporation
Consolidated Statement of Cash Flow
For the year ended March 31, 2012

(Expressed in Canadian Dollars)

	Notes	Years ended March 31, 2012 $	2011 $
Cash provided by / (used in)			
Operating activities			
Loss before income tax		(15,898,540)	(2,027,150)
Adjustments for			
Interest income	15	(851,704)	-
Depreciation of property, plant and equipment	16	243,800	-
Foreign exchange loss / (gain)	16	209,557	(73,502)
Reverse acquisition transaction cost	10	746,602	-
Share option expenses	12	8,469,210	-
Changes in non-cash working capital			
Increase in accounts receivable		(29,117)	(15,250)
Increase in sales taxes recoverable		(3,146,835)	(248,987)
(Increase) / decrease in investment tax credits receivable		(991,667)	505,394
Increase / (decrease) in prepaid expenses and deposits		160,642	(472,436)
Increase in accounts payable and accrued liabilities		4,731,265	444,173
Increase in deposit received		-	7,847,902
		(6,356,787)	5,960,144
Investing activities			
Interest income		851,704	-
Exploration and evaluation assets		(28,049,201)	(9,183,691)
Acquisition of property, plant and equipment		(4,268,318)	-
Net cash acquired from reverse acquisition	10	76,797	-
		(31,389,018)	(9,183,691)
Financing activities			
Proceeds from shares issued, net of costs		109,448,867	-
Advances from a shareholder	20	-	1,333,635
Advances from a director	20	-	41,277
Loan received from a related party	20	-	6,500,000
Repayment to a shareholder	20	(2,713,461)	-
Repayment to a director	20	(41,277)	-
Repayment to a related party	20	(6,500,000)	-
		100,194,129	7,874,912
Net change in cash and cash equivalents		62,448,324	4,651,365
Cash and cash equivalents - Beginning of year		4,958,672	307,307
Effect of foreign exchange rate changes, net		(15,492)	-
Cash and cash equivalents - End of year		67,391,504	4,958,672

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

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). Century Holdings is a base metal exploration and mining 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 Century) and 0849873 B.C. 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 entities under common control and, as such, these consolidated 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.

On September 19, 2011, the Company graduated 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”.

The Company’s registered office is located at Suite 602, 170 University Avenue, Toronto, Ontario, Canada M5H 3B3. The Company is incorporated and domiciled in Canada. The Company’s ultimate holding company is Century Eagle Holdings Limited.

These financial statements were approved by the Board of Directors for issue on June 20, 2012.

2. Basis of preparation and the adoption of International Financial Reporting Standards

The consolidated financial statements represent the first annual financial statements of the Company and its subsidiaries (the Group) prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The consolidated financial statements were also prepared in accordance with IFRS 1 *First-time Adoption of International Financial Reporting Standards*. The Group has consistently applied the same accounting policies in its opening IFRS statement of financial position at April 1, 2010 and throughout the years presented, as if these policies had always been in effect. Note 5 discloses the impact of the transition to IFRS on the Group’s reported financial position, financial performance and cash flows. In these financial statements, the term “Canadian GAAP” refers to Canadian GAAP before the adoption of IFRS.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

3. Summary of significant accounting policies

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

Basis of measurement

The consolidated financial statements have been prepared under the historical cost convention.

Principles of consolidation

The financial statements of the Group 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 principal subsidiaries comprise the following:

	Country of	Ownership	
Name of entity	incorporation	Direct	Indirect
Century Holdings	Canada	100%	-
Grand Century	Canada	-	100%
Canadian Century	Canada	-	100%
Labec Century	Canada	-	100%
0849873 B.C. Limited	Canada	-	100%
Century Iron Mines Hong Kong Holdings Limited	China, Hong Kong	-	100%
Century Iron Mines (Beijing) Company Limited	China, Beijing	-	100%

Translation of foreign currency

The consolidated financial statements are presented in Canadian Dollar, which is the Group'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 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.

The functional currency is the Canadian Dollar for the Company and its subsidiaries in Canada, the Hong Kong Dollar for its subsidiary in Hong Kong, and the Chinese Yuan for its subsidiary in China.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and deposits held at banks that are readily convertible to known amounts of cash, subject to an insignificant risk of changes in value and with an original maturity of three months or less.

Financial instruments

Financial assets and liabilities are recognized when the Group 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 Group has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognized when the obligation under the liabilities is discharged or cancelled or expires.

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 Group 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 Group's loans and receivables comprise accounts 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 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. Due to their short-term nature, they are not discounted. Otherwise, they are presented as non-current liabilities.

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.

Exploration and evaluation assets are stated at cost, less provision for impairment.

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

Tax credits and mining credits on duties

The Group is entitled to a refundable credit on duties under the Mining Tax Act. This refundable credit on duties is applicable on exploration costs incurred in the Province of Quebec. Tax credits and mining credits on duties are recognized as a reduction of the mineral exploration and evaluation assets during the period in which the costs are incurred, provided that the Group is reasonably certain the amounts will be received. The tax credits and mining credits on duties claimed and recorded must be examined and approved by the government authorities so it is possible that the amount granted will differ from the amount recorded.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation 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 Group 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.

Freehold land is not depreciated. Depreciation on other assets is calculated using the straight-line method over the estimated useful lives of the assets. The assets' useful lives are as follows:

Drilling and field equipment	3 - 5 years
Camp and properties	5 years
Leasehold improvements	5 years
Computer and office equipment	2 - 5 years
Vehicles	5 years

Residual values, method of amortization and useful lives of assets are reviewed at least annually and adjusted if appropriate.

Asset impairment

(i) Financial assets

At each reporting date, the Group assesses whether there is objective evidence that a financial asset is impaired. If such evidence exists, the Group recognizes an impairment loss.

For financial assets carried at amortized cost, the loss is the difference between the amortized cost of the loan or receivable and the present value of the estimated future cash flows, discounted using the instrument's original effective interest rate. The carrying amount of the asset is reduced by this amount either directly or indirectly through the use of an allowance account.

(ii) Exploration and evaluation assets

Exploration and evaluation assets are assessed for impairment when facts or circumstances suggest that the carrying value of an exploration and evaluation asset may exceed its recoverable amount. One or more of the following facts and circumstances may indicate that an entity should test exploration and evaluation assets for impairment; (i) the period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed, (ii) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned, (iii) exploration for an evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area, (iv) sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to recover in the full from successful development or by sale.

(iii) Property, plant and equipment

The Group's management performs impairment tests on property, plant and equipment when events or circumstance indicate that a tangible asset may be impaired.

Where an indication of impairment exists, management makes a formal estimate of the recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered to be impaired and is written down to its recoverable amount through a charge to profit or loss. When the asset does not generate cash flows that are independent from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Tangible assets that have been impaired in prior periods are tested for possible reversal of impairment whenever events or changes in circumstances indicate that the impairment has reversed. If the impairment has reversed, the carrying amount of the asset is increased to its recoverable amount but not beyond the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior periods. A reversal of an impairment loss is recognized in profit or loss immediately.

Employee benefits

Salaries and other short term benefit obligations are measured on an undiscounted basis and are recognized as an expense over the related service period.

The Group also operates defined contribution retirement benefit plans. The Group pays contributions to publicly or privately administered pension insurance plans on a mandatory basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as an expense when employees have rendered service entitling them to the contributions.

Share option expenses and reserve

The Group operates share option plans for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group'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 recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognized 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 Group's best estimate of the number of equity instruments that will ultimately vest. The charge to the profit or loss for a period represents the movement in the cumulative expense recognized as at the beginning and end of that period.

No expense is recognized 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 vesting conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognized as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognized 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 recognized for the award is recognized 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 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. Where an equity-settled award expires, the equity amount is released to retained earnings.

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.

Provisions

Provisions are recognized in other liabilities when: the Group has a present legal or constructive obligation as a result of a past event; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be reliably estimated. Provisions are measured at management’s best estimate of the expenditure required to settle the obligation at the end of the reporting period, and are discounted to present value where the effect is material. Any increase in the provision due to the passage of time is recognized as a finance cost.

No provisions were recorded in the years ended March 31, 2012 and 2011.

Income tax

Income tax comprises current and deferred tax. Current and deferred tax are recognized in 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 or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted, on the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences arising between the tax basis of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted on the reporting date and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets and liabilities are off set if there is a legally enforceable right to offset current tax liabilities and assets, and they related to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously. Deferred tax assets are recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit and loss, and differences relating to investments in subsidiaries and jointly controlled entities where the timing of the reversal of the temporary differences is controlled by the Group and it is probable that the temporary difference would not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill.

Sales taxes

The Group's sales taxes comprise goods and services tax (GST), harmonized sales tax (HST) and Quebec sales tax (QST). Revenues, expenses and assets are recognized net of the amount of sales taxes, unless the sales taxes incurred are not recoverable from the relevant taxation authorities. In this case, they are recognized as part of the cost of the acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated inclusive of the amount of sales taxes receivable or payable. The net amount of sales taxes recoverable from or payable to, the relevant taxation authorities is presented as sales taxes recoverable or payable in the consolidated statement of financial position.

Revenue recognition

Revenue is recognized when services have been rendered in accordance with the terms of the arrangement, the revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Group.

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms.

Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the profit or loss on a straight-line basis over the period of the lease.

Loss per share

Basic loss per share is calculated by dividing net loss (profit) attributable to equity owners of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is calculated by adjusting the weighted average number of common shares outstanding for the effects of all dilutive potential common shares from the assumed exercise of common share purchase options and warrants.

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person
  (i) has control or joint control over the Group;
  (ii) has significant influence over the Group; or
  (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:
  (i) the entity and the Group are members of the same group;
  (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
  (iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third party;
(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
(vi) the entity is controlled or jointly controlled by a person identified in (a); and
(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

4. Critical accounting estimates and judgments

The Group makes estimates and assumptions concerning the future that are believed to be reasonable under the circumstances. Estimates and judgments are continuously evaluated and are based on management's experience and other factors, including expectations about future events. The following are the estimates and judgments applied by management that most significantly affect the Group's financial statements.

(i) Valuation of exploration and evaluation assets

The Group carries its exploration and evaluation assets at cost less provision for impairment. The Group reviews the carrying value of its exploration and evaluation assets 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 value of the exploration and evaluation assets.

(ii) Share option expenses

The Group grants share options to directors, officers, employees and consultants of the Group 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.

5. Transition to IFRS

The Group adopted IFRS as its basis of accounting on April 1, 2011. The Group's transition date is April 1, 2010 and the Group 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 International Financial Reporting Standards*, which is applicable upon first-time adoption of IFRS.

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

(i) Initial elections on transition

The Group 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 Group'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.

6. Standards issued but not yet effective

Below is a list of standards that have been issued and are effective for periods after April 1, 2011.

Amendment to IAS 1 *Financial Statement Presentation* regarding other comprehensive income

The main change resulting from these amendments is a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI. This standard becomes effective for annual periods beginning on or after July 1, 2012.

IFRS 9 *Financial Instruments*

IFRS 9 is the first standard issued as part of a wider project to replace IAS 39. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for) financial assets: amortized cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The guidance in IAS 39 on impairment of financial assets and hedge accounting continues to apply. This standard becomes effective for annual periods beginning on or after January 1, 2015.

IFRS 10 *Consolidated Financial Statements*

The objective of IFRS 10 is to establish principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entity (an entity that controls one or more other entities) to present consolidated financial statements. The standard defines the principle of control, and establishes controls as the basis for consolidation. It sets out how to apply the principle of control to identify whether an investor controls an investee and therefore must consolidate the investee. In addition, IFRS 10 sets out the accounting requirements for the preparation of consolidated financial statements. This standard becomes effective for annual periods beginning on or after January 1, 2013.

(Expressed in Canadian Dollars)

IFRS 11 *Joint Arrangements*

IFRS 11 is a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement rather than its legal form. There are two types of joint arrangement: joint operations and joint ventures. Joint operations arise where a joint operator has rights to the assets and obligations relating to the arrangement and hence accounts for its interest in assets, liabilities, revenue and expenses. Joint ventures arise where the joint operator has rights to the net assets of the arrangement and hence equity accounts for its interest. Proportional consolidation of joint ventures is no longer allowed. This standard becomes effective for annual periods beginning on or after January 1, 2013. The Group is currently assessing the impact that this standard will have on the financial position and performance.

IFRS 12 *Disclosures of Interests in Other Entities*

IFRS 12 includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. This standard becomes effective for annual periods beginning on or after January 1, 2013.

IFRS 13 *Fair Value Measurement*

IFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP. This standard becomes effective for annual periods beginning on or after January 1, 2013.

7. Cash and cash equivalents

	March 31, 2012 $	March 31, 2011 $	April 1, 2010 $
Cash at bank and on hand	47,273,170	288,672	307,307
Short term bank deposits	20,118,334	4,670,000	-
	67,391,504	4,958,672	307,307

(Expressed in Canadian Dollars)

8. Exploration and evaluation assets

	Duncan Lake property $	Attikamagen property $	Sunny Lake property $	Altius properties $	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
Additions	10,560,601	9,759,059	6,688,925	5,336,228	110,683	32,455,496
Balance - March 31, 2012	16,989,318	16,569,824	7,575,756	5,336,228	215,377	46,686,503

The Group has accrued $991,667 (2011: nil) in investment tax credits receivable related to eligible expenditures in the province of Quebec. The assistance has been applied to the properties to which it pertains. The Group expects to receive this assistance in the form of refundable tax credits from the Province of Quebec and mining duties returns from the Quebec Ministry of Natural Resources.

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 Group 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 recognized its share of costs incurred in the Duncan Lake property.

Canadian Century has an additional option to obtain a further 14% of the Duncan Lake property by spending an additional $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.

Execution of the definitive joint venture agreement for the Duncan Lake property, according to the framework as set up in the joint venture agreement entered into between the Company and WISCO International Resources Development & Investment Limited (WISCO) on August 30, 2011, remains pending upon the completion of WISCO's internal processes.

Attikamagen property

On May 12, 2008, Labec Century entered into an option and joint venture agreement (the Champion Agreement) with Champion Minerals Inc. (Champion), 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 Century 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. In February 2012, Labec Century completed the earn-in of its 51% interest in the Attikamagen property by fulfilling the obligation to fund $7.5 million in exploration and development work expenditures on the Attikamagen property. Labec Century recognized its share of costs incurred in the Attikamagen property.

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).

On December 19, 2011, the Company and WISCO International Resources Development & Investment Limited (WISCO) entered into the Attikamagen shareholders agreement (the Attikamagen Shareholders Agreement) that will govern the joint venture to be formed between the Company and WISCO for the exploration and development of the Attikamagen property. Under the Attikamagen Shareholders Agreement, WISCO will invest $40 million in exchange for a 40% interest in the Group’s share of the Attikamagen project. The investment in Labec Century by WISCO will be executed once the due diligence review on Labec Century as a prescribed closing procedure provided for in the Attikamagen Shareholders Agreement is completed by WISCO.

Sunny Lake property

The mining claims are wholly owned by 0849873 B.C. Limited.

On December 19, 2011, the Company and WISCO entered into the Sunny Lake joint venture agreement (the Sunny Lake JV Agreement) that will govern the joint venture to be formed between the Company and WISCO for the exploration and development of the Sunny Lake property. Under the Sunny Lake JV Agreement, WISCO will invest $40 million in exchange for a 40% interest in the Sunny Lake project. The formation of the joint venture is being completed.

Altius properties

On September 19, 2011, the Company and Altius Minerals Corporation (“Altius”) signed a principal agreement (the “Altius Agreement”) covering four of Altius’ regional iron ore projects in the Labrador Trough: Astray, Grenville, Menihek and Schefferville. Under the Altius Agreement, the Company has acquired a 100% interest in the four projects in exchange for a commitment of exploration expenditures of $7 million per project cumulatively over a 5-year period and the issuance of 5,000,000 common shares of the Company to be issued over a 2-year period. Altius will retain a 1% to 4% sliding scale gross sales royalty on production from the properties as well as additional consideration of up to a maximum of 35,000,000 “bonus” shares of the Company as National Instrument 43-101 compliant iron ore resources are defined above various thresholds.

On November 18, 2011, the Company issued 2,000,000 common shares to Altius pursuant to the Altius Agreement. The remaining 3,000,000 common shares are issuable on or before November 18, 2013. The transfer of the properties from Altius to the Company was completed on November 22, 2011.

The acquisition of the Altius properties was accounted for using the market price of the common shares issued on November 18, 2011 with an amount of $4,200,000.

(Expressed in Canadian Dollars)

9. Property, plant and equipment

	Land $	Drilling & field equipment $	Camp and properties $	Leasehold improvements $	Computer & office 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	104.677	2,603,830	963,287	216,344	133,782	246,398	4,268,318
Balance - March 31, 2012	104,677	2,603,830	1,046,106	231,374	138,593	328,040	4,452,620
Accumulated depreciation							
Balance - April 1, 2010 and March 31, 2011	-	-	-	-	-	-	-
Depreciation	-	191,711	145,015	30,250	36,762	46,357	450,095
Balance - March 31, 2012	-	191,711	145,015	30,250	36,762	46,357	450,095
Net book value							
Balance - April 1, 2010	-	-	-	-	-	-	-
Balance - March 31, 2011	-	-	82,819	15,030	4,811	81,642	184,302
Balance - March 31, 2012	104,677	2,412,119	901,091	201,124	101,831	281,683	4,002,525

10. 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 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.

(Expressed in Canadian Dollars)

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 acquisition 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 (notes 12 and 13).

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 12)	39,349
Deemed replacement of warrants (note 13)	17,963
	857,312
Identifiable assets acquired	
Cash	76,797
Sales 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 acquisition transaction cost	746,602
Total net identifiable assets and reverse acquisition transaction cost	857,312

(Expressed in Canadian Dollars)

11. 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 March 31, 2012, the issued share capital amounted to $115,310,770. The changes in issued share capital for the year 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 10)	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)	20,577	70,665
Common shares issued on exercise of warrants (g)	10,796	34,576
Common shares issued to Altius (h)	2,000,000	4,200,000
Balance - March 31, 2012	94,864,071	115,310,770

(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 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.

(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.

(Expressed in Canadian Dollars)

(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 and August 17, 2011, 6,859 and 13,718 share options were exercised respectively at an exercise price of $2 per share, resulting in the issue of 6,859 and 13,718 common shares respectively for a total consideration of $41,154. An amount of $29,511 was transferred from the share option reserve to share capital upon the exercise of the share options.

(g) On November 17 and 24, 2011, 2,796 and 8,000 warrants were exercised respectively at an exercise price of $2 per share, resulting in the issue of 2,796 and 8,000 common shares respectively for a total consideration of $21,592. An amount of $12,984 was transferred from the warrants reserve to share capital upon the exercise of the warrants.

(h) On November 18, 2011, the Company issued 2,000,000 common shares to Altius for the acquisition of certain properties pursuant to the Altius Agreement (note 8). The common shares are subject to a 12 months lock-up.

12. Share options

The share options issued and outstanding as of March 31, 2012 are as follows:

	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 and December 14, 2011 (ii)	5,935,000	2.93
Exercised (note 11(f))	(20,577)	2.00
Balance - March 31, 2012	5,941,859	2.93

(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 Group. 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

(Expressed in Canadian Dollars)

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 Group has adopted an incentive stock option plan (the Plan) which is administered by the board of directors of the Group. The Plan provides that the board of directors of the Group may from time to time, in its discretion and in accordance with TSX Venture Exchange Inc. or TSX requirements, grant to directors, officers, employees and consultants to the Group, 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 Group provided that the exercise price shall not be less than the price permitted by the TSX Venture Exchange Inc or TSX.

On May 18, 2011, 5,500,000 options 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 $8,223,686 for the year ended March 31, 2012 (2011: Nil).

On December 14, 2011, another 435,000 options were granted to directors and an investor relations company. 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: risk free interest rate of 1.04%, 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 $510,505. The impact on share-based payment was $245,524 for the year ended March 31, 2012 (2011: Nil).

The exercise prices and exercise periods of the share options outstanding as of March 31, 2012 are as follows:

Number of options	Exercise price	Exercise period
6,859	2.00	November 24, 2009 to May 17, 2012
5,500,000	2.92	May 18, 2011 to May 17, 2016
435,000	2.92 - 4.00	December 14, 2011 to December 13, 2016
5,941,859		

(Expressed in Canadian Dollars)

13. Warrants

The warrants issued and outstanding as of March 31, 2012 are as follows:

	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
Exercised (note 11(g))	(10,796)	(12,984)	2.00	N/A
Expired (i)	(4,140)	(4,979)	2.00	N/A
Balance - March 31, 2012	2,479,027	3,180,592	2.92	November 17, 2012

(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 year. All warrants granted on November 26, 2009 were exercised or expired during the year.

(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.

14. Segment information

The Group operates in a single operating segment, being the acquisition, exploration and evaluation of mineral resources. All of the Group's exploration and evaluation assets and over 95% of its property, plant and equipment are located in Canada.

(Expressed in Canadian Dollars)

15. Other operating income

	2012 $	2011 $
Rental income	163,700	-
Interest income	851,704	-
Management fee income	-	77,500
	1,015,404	77,500

16. Expenses by nature

	2012 $	2011 $
Depreciation of property, plant and equipment	450,095	-
Less: capitalized as exploration and evaluation assets	(206,295)	-
Depreciation charged to profit or loss	243,800	-
Minimum lease payments recognized as an operating lease expense	320,288	14,250
Exchange loss / (gain)	209,557	(73,502)
Employee benefits expense		
Salaries and wages	1,352,991	494,941
Pension costs - defined contribution plans	6,357	-
Share option expenses	8,428,821	-
	9,788,169	494,941

17. Income tax

	2012 $	2011 $
Current tax	-	-
Deferred tax		
Origination and reversal of timing differences	(243,257)	(383,994)
Income tax recovery	(243,257)	(383,994)

(Expressed in Canadian Dollars)

Significant items causing the Group's effective income tax rate to differ from the Canadian combined federal and provincial statutory rate of 26.71% (2011: 28.00%) are as follows:

	2012 $	2011 $
Loss before income tax	(15,898,540)	(2,027,150)
Expected income tax recovery at statutory rates	(4,246,646)	(567,602)
Difference due to decrease in enacted income tax rates and effect on current year's losses	-	60,815
Different tax rates in other jurisdictions	126,454	-
Expenses not deductible for tax	2,953,436	-
Tax concessions and allowances	(288,112)	-
Change in future tax rates on deferred tax recognized	(1,647)	-
Adjustment of unrecognized tax assets from prior year	-	(332,137)
Tax losses not recognized	1,213,258	454,930
Income tax recovery	(243,257)	(383,994)

18. Deferred tax

	2012 $	2011 $
Deferred tax liabilities		
Deferred tax liability to be recovered after more than 12 months	37,722	280,979
Deferred tax liability to be recovered within 12 months	-	-
	37,722	280,979

An analysis of deferred tax recognized in the consolidated financial statements and its movement during the year is as follows:

	Exploration and evaluation assets $	Accelerated tax depreciation $	Total $
Deferred tax liabilities			
Balance - April 1, 2010	664,973	-	664,973
Credited to profit or loss	(383,994)	-	(383,994)
Balance - March 31, 2011	280,979	-	280,979
Charged / (credited) to profit or loss	(280,979)	37,722	(243,257)
Balance - March 31, 2012	-	37,722	37,722

(Expressed in Canadian Dollars)

Significant components of the Group's deductible temporary differences or unused tax losses for which no deferred tax assets have been recognized are summarized below:

	March 31, 2012 $	**March 31, 2011 $**	**April 1, 2010 $**
Non-capital loss carry-forwards (expires between 2030 and 2032)	6,564,822	1,147,506	109,567
Share issue costs (expires in 2016)	5,108,992	-	-
Transaction costs (indefinite expiry)	559,952	-	-
	12,233,766	1,147,506	109,567

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilize benefits therefrom.

19. 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.

20. Related party transactions

(a) In addition to transactions detailed elsewhere in the consolidated financial statements, the Group has the following related party transactions:

As at March 31, 2012, the Group had accounts receivable of $16,950 (2011: $16,950) from Augyva, which the President and CEO of the Group is the director of Augyva.

The Group incurred accounting expenses of $45,457 (2011: $31,680) from Chim and Seto Consulting Services Inc., of which an immediate family member of the President and CEO of the Group is a shareholder.

The refundable off-take deposit of US$8,000,000 (which amounted to $7,973,048 as at March 31, 2012) from a related party is non-interest bearing and repayable on demand.

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

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

On June 30, 2011, the Group 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 follows:

	2012 $	2011 $
Salaries	869,044	-
Share option expenses	5,797,242	-
	6,666,286	-

21. Non-cash transaction

During the year, the Company issued 2,000,000 common shares to Altius for the acquisition of certain properties pursuant to the Altius Agreement (note 8).

22. Financial instruments

Classification of financial assets and liabilities as of the balance sheet dates is as follows:

	March 31, 2012 $	March 31, 2011 $	April 1, 2010 $
Loans and receivables			
Cash and cash equivalents	67,391,504	4,958,672	307,307
Accounts receivable	154,271	125,154	109,904
	67,545,775	5,083,826	417,211
Financial liabilities at amortized cost			
Accounts payable and accrued liabilities	5,773,953	992,934	548,761
Advances from a shareholder	-	-	5,379,822
Advances from a director	-	41,277	-
Loan repayable to a shareholder	-	2,713,461	-
Loan repayable to a related party	-	6,500,000	-
	5,773,953	10,247,672	5,928,583

23. Financial risk management

The Group'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 Group'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 Group's credit risk is primarily attributable to cash and receivables. Cash and cash equivalents are held with a major Canadian chartered bank. The Group's receivables consist mainly of sales taxes recoverable, which is due from Canadian federal and provincial tax authorities. As a result, management believes the risk of loss to be minimal.

Liquidity risk

The Group's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2012, the Group had cash of $67,391,504 to settle accounts payable and accrued liabilities of $5,773,953. All of the Group's financial liabilities have contractual maturities of 30 days or less 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 and foreign currency exchange rates.

(i) Interest rate risk

The Group has cash balances and no interest bearing debt. The Group's current policy is to invest excess cash in interest bearing accounts of a reputable Canadian chartered bank. The Group periodically monitors the investments it makes and is satisfied with the credit ratings of its reputable Canadian chartered bank. An absolute increase or decrease of 0.1% in the annual interest rate would not have a material impact on the net loss or equity at March 31, 2012 and 2011.

(ii) Foreign currency exchange risk

The Group's principal 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.

(Expressed in Canadian Dollars)

24. Capital management

The Group considers its capital structure to consist of share capital and accumulated deficit, which, as at March 31, 2012, totaled $97,714,875 and deposit received from a related party of $7,973,048. When managing capital, the Group'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 Group's management team to sustain the future development of the business.

The properties in which the Group currently has exploration options are in the exploration stage. As such, the Group is dependent on external financing to fund its activities. In order to carry out the planned exploration program and pay for administrative costs, the Group 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 Group, is appropriate. The Group's capital management objectives, policies and processes have remained unchanged during the year ended March 31, 2012. The Group is not subject to externally imposed capital requirements.

25. Operating lease commitments

The Group has entered into leases on its office premises. The leases have lives of two to five years. There are no restrictions placed upon the Group by entering into these leases.

Future minimum rentals payable under non-cancellable operating leases as at the balance sheet date are as follows:

	2012 $	2011 $
Not later than one year	432,759	107,634
Later than one year and not later than five years	712,794	116,604
	1,145,553	224,238

26. Capital commitments

Pursuant to the Altius Agreement (note 8), the Company agreed to issue (i) an aggregate of 5,000,000 common shares at nil price (with 2,000,000 common shares issued on November 18, 2011 and 3,000,000 common shares issuable on or before November 18, 2013), and (ii) up to a maximum of 35,000,000 common shares upon satisfaction of certain milestones related to the definition of National Instrument 43-101 compliant iron ore resources above specific thresholds to acquire a 100% interest in four of Altius' regional iron ore projects in the Labrador Trough: Astray, Grenville, Menihek and Schefferville. In addition, the Company agreed to incur minimum exploration expenditures of $7 million per project cumulatively over a 5-year period.

27. Subsequent events

In June 2012, Labec Century has completed the earn-in of its additional 5% interest in the Attikamagen property by fulfilling the obligation to fund an additional $2.5 million in exploration and development work expenditures on the Attikamagen property. Labec Century's interest in the Attikamagen property has increased from 51% to 56%. Champion has signed and delivered to Labec Century transfers conveying the additional 5% interest in the Attikamagen property to Labec Century.