CENTURY IRON MINES CORPORATION

(An exploration stage mining company)

Management's Discussion and Analysis

of Financial Conditions and Results of Operations

for the Three Months Ended June 30, 2012

This Management's Discussion and Analysis ("MD&A") dated August 10, 2012 provides a review of the financial conditions and results of operations of Century Iron Mines Corporation (TSX: FER) (formerly "Red Rock Capital Corp.") (the "Company") to enable a reader to assess the significant changes in the financial condition of the Company as at and for the three months ended June 30, 2012. This MD&A should be read in conjunction with the condensed consolidated interim financial statements and notes thereto of the Company for the three months ended June 30, 2012. Additional information about the Company is available under the Company's profile on SEDAR at *www.sedar.com*.

Management is responsible for the preparation of the financial statements and MD&A. The Company's unaudited condensed consolidated interim financial statements for the three months ended June 30, 2012 have been prepared in accordance with International Financial Reporting Standards ("IFRS"). For all periods up to and including the year ended March 31, 2011, the Company prepared its financial statements in accordance with Canadian generally accepted accounting principles "Canadian GAAP". In accordance with the standard related to first-time adoption of IFRS, the Company's transition date to IFRS was April 1, 2010 and therefore the comparative information for 2011 and 2010 included in this MD&A has been restated in accordance with the Company's IFRS accounting policies. The Company's reporting currency is Canadian Dollars. Unless stated otherwise, all dollar figures in this MD&A are expressed in Canadian Dollars.

This MD&A contains forward-looking statements and should be read in conjunction with the risk factors described in the "Risks and Uncertainties" and "Cautionary Statement on Forward-Looking Information" sections at the end of this MD&A.

COMPANY INFORMATION

The Company, formerly a Capital Pool Company (as defined in the Corporate Finance Manual of the TSX Venture Exchange), is primarily engaged in the acquisition, exploration and development of mineral exploration projects, with a focus on projects with the potential for iron ore recovery.

The Company was incorporated under the *Canada Business Corporations Act* on July 10, 2007 and completed its Qualifying Transaction (as defined in the Corporate Finance Manual of the TSX Venture Exchange) on May 18, 2011. The Qualifying Transaction involved the acquisition of Century Iron Ore Holdings Inc. ("Century Holdings"), a privately-held company incorporated under the British Columbia *Business Corporations Act* (the "BCBCA") through an amalgamation (the "Amalgamation") completed on May 18, 2011 between Century Holdings and Red Rock Acquisition Corp., a wholly-owned subsidiary of the Company created for the purposes of completing the Amalgamation. Upon completion of the Qualifying Transaction, the Company's stock symbol was changed from "RRD.P" to "FER". 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 the TSX under the symbol "FER".

The Company owns its mineral exploration projects and conducts mineral exploration activities through the following wholly-owned subsidiaries incorporated under the BCBCA: 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. Ltd. ("BC Ltd.").

The Company's head and registered offices are located at Suite 602, 170 University Avenue, Toronto, Ontario, Canada M5H 3B3. The Company's ultimate holding company is Century Eagle Holdings Limited, incorporated in the British Virgin Islands.

MINERAL EXPLORATION PROPERTIES OVERVIEW

Duncan Lake Property

CURRENT DEVELOPMENT

The Duncan Lake deposits have been relatively well outlined by drilling and geophysical surveys completed during the 2008-2009 drilling program.

Phase II drilling program was commenced in January 2011 and completed in April 2012.

This drilling program targeted zones 3, 4 and 6 and the drilling results will be used to provide information for an NI 43-101 updated mineral resource estimate and to perform a preliminary economic assessment.

On July 31, 2012, the Company announced the Phase II drilling update #2 in which results continue to show grade and quality consistency with previous drilling.

The Company has also commissioned a bathymetry study to determine water depth and currents in the proposed James Bay transportation route. An environmental baseline study and a transportation study continued during the period.

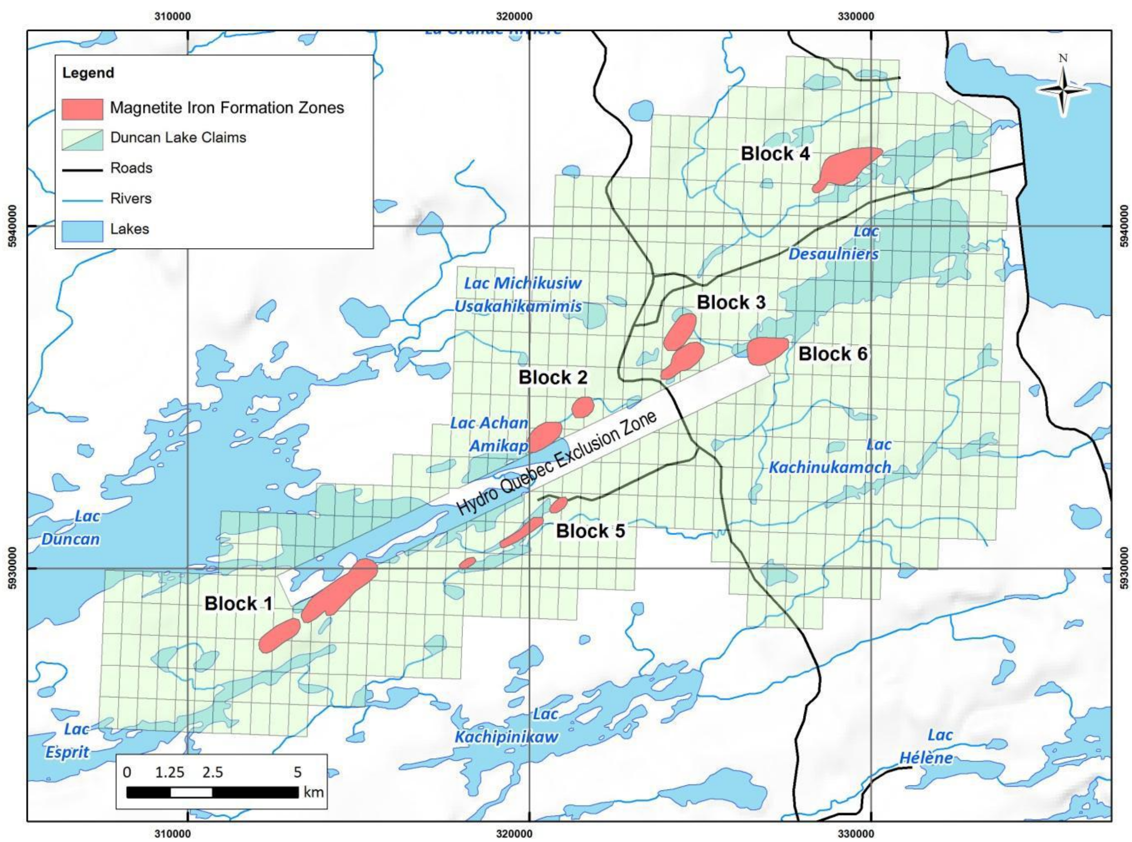
ABOUT THE PROPERTY

The Company is the owner of a 51% interest in the Duncan Lake Property and has an option to increase its ownership interest to a 65% interest pursuant to an option and joint venture agreement dated May 20, 2008 with Augyva. Pursuant to the terms of the agreement, the Company may increase its interest in the property to 65% by expending a further $14 million by May 20, 2016. The Company completed the taking over of the operatorship of the Duncan Lake Property in July 2011.

The Duncan Lake Property has recently been expanded to 528 exploration claims covering 25,448.8 hectares.

The Duncan Lake Project is located at the Western Part of the La Grande Greenstone Belt and hosts iron ore deposits of the Algoma type, hosted by a volcano-sedimentary sequence. The project is subdivided into 6 different blocks or zones (Deposits 1 to 6), elongated southwest to northeast on a 28 kilometre strike. James Bay Road goes through the property and splits it in two. Deposits 1, 2 and 5 are located on the west side of the road and the other deposits on the eastern part. The Duncan Lake Project is located approximately 141 km from the developing Eleonor Mine and 86 km east of James Bay and 575 km north of Matagami, Quebec, which is the nearest mining community. James Bay Road connects Matagami to Radisson. The property is located 50 kilometres south of Radisson and 10 kilometres south of LG2 regional airport. Road distance from Montreal to the property is estimated at 1,350 kilometres. Hydroelectric power lines are located very close to the property.

Duncan Lake Project Claim Block and Immediate Area



2008-2009 Drilling Program

Duncan Lake was discovered in the 1960s, and explored sporadically until 1976. In 2005, Augyva initiated field reconnaissance, magnetic field surveys, and grab samples of iron ore occurrences mainly on Deposit 1. A magnetic field survey was carried out systematically on all deposits, followed by a major drilling campaign consisting of 52 diamond drill holes totalling 10,461 meters, which was initiated in 2008 and completed in 2009. The drilling program was carried out on five of the deposits, focusing on Deposit 1. The objectives of the 2008-2009 drilling program were to validate historical results from boreholes drilled in 1973, to increase the mineral resources on all the deposits, to convert historical mineral resources into NI 43-101 compliant resources and to identify additional potential tonnage. A systematic QA/QC program was followed in the sampling method and approach and analytical procedures.

In the fall of 2009, Met-Chem Canada Inc. of Montreal, Quebec was retained to prepare an independent NI 43-101 compliant Technical Report on the mineral resources of Duncan Lake Property which was completed and filed on SEDAR in May 11, 2011. This report is also available also on our website at *www.centuryiron.com*.

NI 43-101 Resource Estimates

In June 2009, Augyva announced the final results from the first phase drilling for Duncan Lake Property. In total, 10,461 meters of drilling was completed. Five magnetite deposits were tested: Deposit 1, 2, 3, 4 and 5 within a 20 km radius of the Duncan Lake Deposit 1. Highlights of the results include: 226.46 meters at 25.45% Fe in hole Dun 09-33; 90.18 meters at 27.12% Fe in hole Dun 09-39; 75.67 meters at 28.8% Fe in hole Dun 09-49 and 130.91 meters at 26.79% Fe in hole Dun 09-52.

Metallurgical test work was carried out by COREM (Quebec, Canada). Davis tube results based on 144 samples from 4 separate deposits indicate average concentrate grades ranging from 65.83% to 68.93% FeT with weight recoveries ranging between 31.08% and 38.77% on head grades ranging between 27.11% and 31.01% FeT.

The following is a summary of the mineral resource estimate based on the 2008-2009 drilling program, using a cut-off grade of 16% Fe:

Summary of the mineral resource estimate (see notes below)		
Resource classification	Tons	Fe %
Measured	5,700,000	23.29
Indicated	25,615,000	23.84
Inferred	821,135,000	24.56

Notes:

1. *The stated mineral resources that are not mineral reserves and do not have demonstrated economic viability.*
2. *The stated mineral resources have been prepared in accordance with NI 43-101 and are classified in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum's "CIM Definition Standards – for Mineral Resources and Mineral Reserves".*
3. *The February, 2010 a resource estimate was prepared by Raynald Jean (Geo), Senior Geologist of Met-Chem Canada Inc. who is a "Qualified Person" as defined in NI 43-101.*
4. *For more detailed information regarding Duncan Lake Project see: Technical Report NI 43-101 on Mineral Resources of the Duncan Lake Iron Ore Project – James Bay Area – Quebec – Canada, December 2, 2010.*

Agreement with Virginia Mines

Under the terms of an agreement concluded between Augyva and Virginia Mines Inc. ("Virginia") in February 2005, a perpetual production royalty of $0.40 per short ton of iron concentrate is payable to Virginia. The agreement provides for a buyback right to purchase 50% ($0.20 per short ton of concentrate) of the royalty for a total payment of $4 million and an additional option of buying back a further 20% royalty ($0.08 per short ton of concentrate) for an additional payment of $4 million. Any additional resources of iron ore covered by any titles, within a one kilometre area surrounding the property are subject to the royalty. A 2% net smelter return (NSR) royalty, on any metal other than iron is to be paid to Virginia, which royalty is subject to a buyback right to purchase 50% (1% NSR) for a total payment of $5 million.

MINERAL EXPLORATION PROPERTIES OVERVIEW (CONT'D)

Attikamagen Property

CURRENT DEVELOPMENT

The 2012 drilling program for Joyce Lake Property was commenced in February 2012. We also commissioned to perform the environmental study and environmental impact assessment for Joyce Lake Property. Sample analysis and metallurgical testing for last year drilling samples from Joyce Lake Property are in progress.

In June 2012, Champion has signed, and delivered to the Company transfers conveying an additional 5% to Century's existing 51% interest in the Attikamagen Project. The Company has the further right to earn an additional 4% interest to a 60% interest in the property.

ABOUT THE PROPERTY

The Company is the owner of a 56% interest in the Attikamagen Property and has an option to acquire up to a 60% interest in the Attikamagen Property pursuant to an option and joint venture agreement with Champion Minerals Inc. (TSX: CHM) ("Champion") dated May 12, 2008, as amended on July 9, 2009 and further amended on March 25, 2010.

The Attikamagen Property includes 405 designated claims located in Quebec and 617 claims located in Newfoundland and Labrador, covering an aggregated area of approximately 34,348 hectares.

The Attikamagen Property hosts a Superior-type iron formation with significant potential, to host taconite and DSO type deposits. . Since 2008, geological mapping, sampling and exploratory drilling were carried out in the property, which proved that the property has potential to host a large open pit taconite type deposit and local high grade Direct Shipping Ore ("DSO") deposits in several targets.

In 2010, fourteen core boreholes (1,182 meters) were drilled on four targets. Three potential DSO targets were tested at the Jennie Lake, Joyce Lake and Lac Sans Chef Areas and one taconite target at the Hayot Lake Area. All targets were selected based on geological and geophysical data.

In the fall of 2010, the Company retained SRK Consulting (Canada) Inc. to prepare an updated NI43-101 compliant Technical Report of Attikamagen Project which was completed and filed on SEDAR in February 2011. This report is also available on our website at www.centuryiron.com.

2011 Drilling Program

A total of 10,884 meters of combined diamond and reverse circulation (RC) drilling was completed during the 2011 drilling program at Attikamagen Property. The drilling program focused on potential taconite and "direct shipping ore" ("DSO") targets near Hayot Lake, in northeastern Quebec and Joyce Lake, in western Labrador, respectively.

Hayot Lake Property

During the 2011 drilling program, 41 diamond drill holes were completed at Hayot area, for a total of approximately 5,700 meters with 1,200 samples were sent to ActLab for the analysis. These drilling corroborate results of 2010 drilling, proved that the taconite iron target at Hayot is over 5 km long, 0.8km-1.2 km wide. The average thickness of the iron bed is at 80 meters-120 meters, grading at 31%-34% FeT. Drill hole HAY-11-10 intersected 110.9 meters grading 32.3% FeT.

Joyce Lake Property

The RC drilling at Joyce Lake encountered a potential DSO target. During the 2011 drilling program, 32 RC holes were completed for a total of 3,917 meters, and 8 diamond core drill holes, totaling 1,242 meters were completed at southern part of Joyce Lake area. Drill hole JOY-11-06 intersected 139.0 meters grading 52.8% Total Iron (FeT), including 42 meters grading 64.19% FeT; and drill hole JOY-11-07 intersected 81.0 meters grading 52.46% FeT, including 42.0 meteres grading 65.35% FeT.

The details of the assay results from the 2011 winter drilling program and the summer drilling program of the Attikamagen Project were published in a press release announced on July 6, 2011 and December 8, 2011, respectively.

MINERAL EXPLORATION PROPERTIES OVERVIEW (CONT'D)

Sunny Lake Property

CURRENT DEVELOPMENT

The 2012 drilling program was commenced in winter 2012 on the target potential taconite deposit, Full Moon, in Rainy Lake and is in progress. Over 14,000 meters and 70 holes up to June 30, 2012, have been drilled extending the strike length to over 9 km. A drilling program on Prospect #3 of Lac Le Fer is planned to be executed this fall, to test the DSO potential of this target. An NI43-101 resource calculation based on previous and current drilling results of the Full Moon target is expected by the end of the year to be followed with a preliminary economic assessment.

ABOUT THE PROPERTY

The Sunny Lake Property is 100% owned by the Company.

The Sunny Lake Property includes two separate group of claims (Lac Le Fer and Rainy Lake) comprising 335 and 195 designated claims covering an aggregate area of approximately 25,962 hectares. It was acquired in 2009 by staking for its potential to host iron mineralization. The Lac Le Fer and Rainy Lake properties are located respectively 65 km and 85 km northwest of the town of Schefferville, Quebec and are accessible by air.

In 2009, the reconnaissance work on the property indicates that the properties are underlain by geology favourable for both low-grade high volume taconite and high-grade low volume DSO iron deposit types, while the geological mapping and sampling program in 2010 delineated the taconite and DSO targets in the property, which warranted the drilling program in 2011.

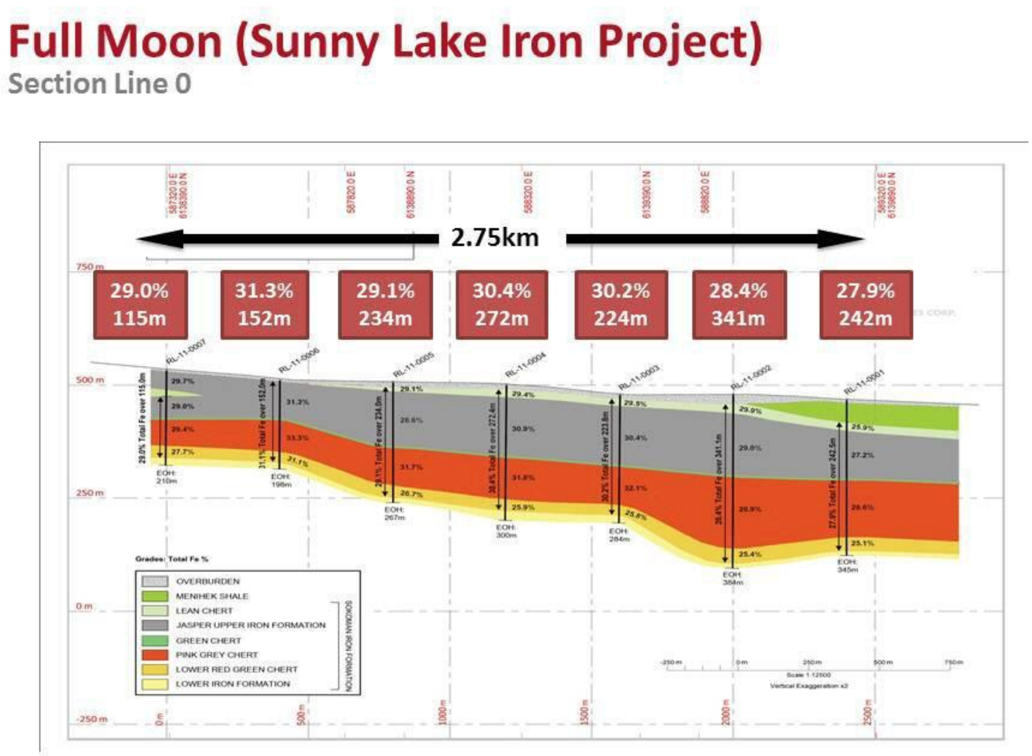
In the fall of 2010, the Company retained SRK Consulting Inc. of Toronto, Ontario to prepare a NI43-101 compliant Technical Report of Sunny Lake Property which was completed and filed on SEDAR in May 2011. This report is also available on our website at *www.centuryiron.com*. In the technical report, SRK concludes that the Lac Le Fer and Rainy Lake properties have merit and offer good exploration potential for taconite and DSO iron mineralization similar to the iron mineralization of the world class iron ore district of the Schefferville area.

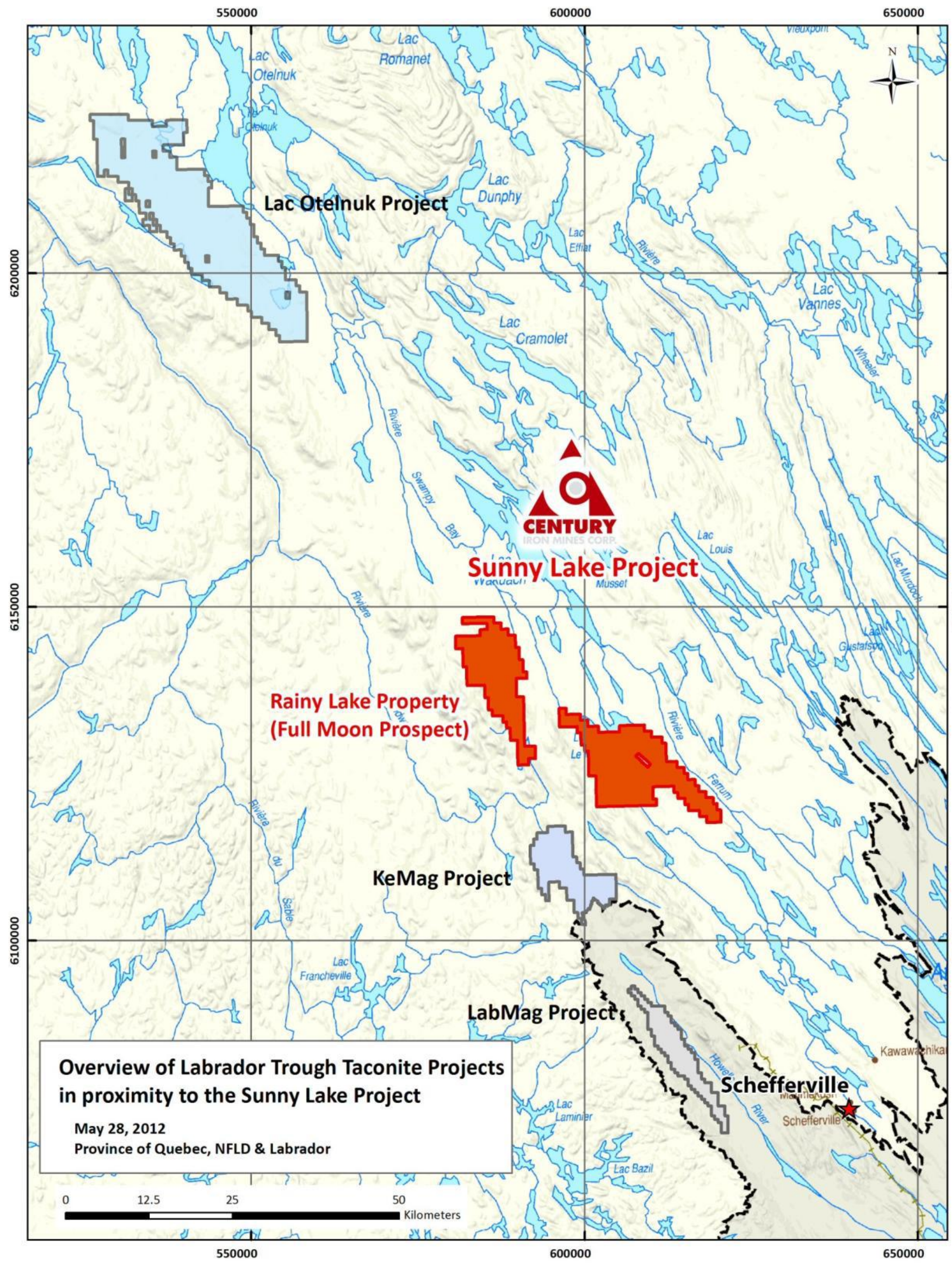
2011 Drilling Program

Rainy Lake Property – Full Moon Prospect

The Company announced a large taconite iron discovery ("Full Moon Prospect") on Rainy Lake property, part of the Sunny Lake Property on January 17, 2012. The announcement was based on assay results from the Company's 2011 summer drilling program at the Sunny Lake Property.

During the 2011 drilling program, the Company completed 31 diamond drill holes in 5 sections, in total 6,387 meters, covering an area of 6.5 km long and 1.5 km-3.2 km wide taconite iron mineralization, at Full Moon target, eastern part of Rainy Lake area. The thickness of the iron bed varies from 120 meters to 340 meters, grading at 27.9%-31.2% FeT. The preliminary drilling indicates the iron formation at Full Moon target is generally flat bedded, 5 degrees-10 degrees, iron beds are frequently stacked due to trust faulting increasing the overall thickness up to 340 meters.

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CENTURY
IRON MINES CORP.
Sunny Lake Project
Lac Louis
Rainy Lake Property
(Full Moon Prospect)
KeMag Project
LabMag Project
Lac Francheville
Schefferville
Kawawachikamach
Lac Bazil
Overview of Labrador Trough Taconite Projects
in proximity to the Sunny Lake Project
May 28, 2012
Province of Quebec, NFLD & Labrador
0
12.5
25
50
Kilometers

Lac Le Fer Property – Prospect 3 DSO Target

Following reconnaissance mapping, magnetic and gravity surveys, a 826 meters drill program was carried out. Hole LLF-P3-11-004 returned 45 meters at 62.7% FeT. The hole ended in mineralization at 54 meters. Follow up drilling is planned this fall.

MINERAL EXPLORATION PROPERTIES OVERVIEW (CONT'D)

Altius Properties

About the Project

The Company and Altius Minerals Corporation (TSX: ALS) ("Altius") signed a principal agreement (the "Altius Agreement") covering four of Altius' regional iron ore projects (collectively the "Altius Projects") in the Labrador Trough: Astray, Grenville, Menihek and Schefferville on September 19, 2011. Under the Agreement, Century will acquire a 100% interest in the Altius Properties for exploration expenditures of $7 million per project cumulatively over a 5-year period and the issuance of 5 million common shares of the Company over a 2-year period. Altius will retain a 1% to 4% sliding scale gross sales royalty on the Altius Properties as well as additional consideration of "bonus" common shares of the Company as NI 43-101 compliant iron ore resources are defined above various thresholds.

The Altius Properties cover 1,647 square kilometers and a significant portion of the indicated iron formation within the Newfoundland and Labrador portion of the Labrador Trough. Preliminary results from a recently completed 22,000 line kilometer airborne horizontal gradient and magnetic total field survey and initial ground follow-up work, indicate the multiple targets for each of the major recognized iron ore types (i.e. taconite, meta-taconite, and DSO) that are presently being mined or are under development in the region are present throughout this extensive land package. A minimum $4.3 million program is underway for the year 1 program.

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 titles of the Altius Properties from Altius to the Company was completed on November 22, 2011.

MINERAL EXPLORATION PROPERTIES OVERVIEW (CONT'D)

Selected Exploration Expenditures

	Duncan Lake ($)	Attikamagen ($)	Sunny Lake ($)	Altius ($)	Other ($)	Total ($)
Balance - April 1, 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 and April 1, 2012	16,989,318	16,569,824	7,575,756	5,336,228	215,377	46,686,503
Transfer in / (out)	-	-	18,027	-	(18,027)	-
Additions	1,353,793	1,439,877	4,451,621	1,190,473	-	8,435,764
Balance - June 30, 2012	18,343,111	18,009,701	12,045,404	6,526,701	197,350	55,122,267

QUALIFIED PERSON

Pursuant to NI 43-101 – Standards of Disclosure for Mineral Projects, Wenlong Gan, P.Geo., is the Qualified Person responsible for the technical disclosure in this MD&A.

WISCO JOINT VENTURE ARRANGEMENT

On December 19, 2011, the Company and WISCO International Resources Development & Investment Limited ("WISCO") have entered into the definitive joint venture agreements (the "Definitive Joint Venture Agreements") for the Attikamagen and Sunny Lake Projects. Execution of the Definitive Joint Venture Agreement for the Duncan Lake project remains pending upon the completion of WISCO's internal processes which is expected shortly.

According to the Definitive Joint Venture Agreement of the Attikamagen Project (the "Attikamagen Shareholders Agreement"), the Company and WISCO agreed to establish and capitalize Labec Century on a 60:40 equity basis. WISCO will invest $40 million in exchange for a 40% voting and participating interest in Labec Century. WISCO's investment will be comprised of: (i) a $20 million investment on the closing date in accordance with the Attikamagen Shareholders Agreement, and (ii) a $20 million investment on the first anniversary of the closing date. 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.

According to the Definitive Joint Venture Agreement of the Sunny Lake Project ("Sunny Lake Joint Venture Agreement"), B.C. Ltd. will contribute its interest in the Sunny Lake Project for a 60% voting and participating interest in a new joint venture with WISCO. WISCO will invest $40 million in exchange for a 40% voting and participating interest. The joint venture, WISCO Century Sunny Lake Iron Mines Limited ("WISCO Century")was incorporated on June 29, 2012. The Company is now in the process of transferring the interest in the Sunny Lake Project from B.C. Ltd. to WISCO Century as a prescribed closing procedure provided for in the Sunny Lake Joint Venture Agreement.

OUTLOOK

The major objectives of the 2012 detailed planning are as follows:

- *Duncan Lake Property:* The Company targets to have the NI43-101 mineral resource estimate update report completed in the third quarter of 2012 and the preliminary economic assessment to be completed by the end of the year.

- *Attikamagen Property:* The Company continues to carry out RC drilling at the Joyce Lake DSO target. The results will be used for the resources calculation which is planned to be completed by end of 2012, to be followed with the preliminary economic assessment immediately. A resource calculation at the Hayot taconite deposit will be completed by the end of the year.

- *Sunny Lake Property:* The Company continues the exploration program and expect to complete the resource definition drilling of the Full Moon target by end of September 2012. The results of the 2012 drilling program will be used for the resource calculation and scoping study of the Full Moon target, which is planned to be completed at the end of 2012 and early 2013 respectively. The Company also targets to complete the resource definition drilling of the Prospect #3 and #8 DSO targets this year and the results will be used for resource calculation and the preliminary economic assessment.

- *Altius Properties:* Over the summer of 2012, the Company will carry out an active exploration program including geological mapping sampling and geophysical surveys, followed by drilling of the best targets as soon as feasible.

SUMMARY OF FINANCIAL RESULTS

The Company's financial statements are presented in Canadian Dollars and are prepared in accordance with IFRS.

Summary of Quarterly Results

Quarters ended	June 30, 2012 ($)	March 31, 2012 ($)	December 31, 2011 ($)	September 30, 2011 ($)
Other operating income	206,613	372,654	252,725	290,690
Loss for the period	(2,599,263)	(1,294,672)	(4,143,245)	(3,456,772)
Basic and diluted loss per share	(0.027)	(0.014)	(0.044)	(0.037)
Total assets	121,069,302	123,154,655	122,532,798	122,759,857
Shareholder's equity	107,955,831	109,369,932	109,248,530	107,640,143

Quarters ended	June 30, 2011 ($)	March 31, 2011 ($)	December 31, 2010 ($)	September 30, 2010 ($)
Other operating income	99,335	(30,405)	27,055	37,500
Loss for the period	(6,760,594)	(755,358)	(635,861)	(107,539)
Basic and diluted loss per share	(0.096)	(0.015)	(0.014)	(0.004)
Total assets	118,840,927	20,357,460	12,693,152	7,437,300
Shareholder's equity	109,749,824	2,054,409	5,523,228	(554,368)

RESULTS OF OPERATIONS

This section should be read in conjunction with the condensed consolidated interim statement of comprehensive loss for the three months ended June 30, 2012 and the notes associated therewith. All references to 2012 and 2011 refer to those three months ended June 30, unless otherwise stated. Note, the Company does not have any material revenues as it is an exploration stage company.

Analysis of Results of Operations for the three months ended June 30, 2012 compared with the three months ended June 30, 2011

The Company reported a loss of $2,599,263 for the three months ended June 30, 2012 compared to a loss of $6,760,594 for the comparable period of 2011.

Other operating income increased from $99,335 in 2011 to $206,613 in 2012. The amount increased as more bank deposits were placed with a bank to earn interest income.

Administrative expenses amounted to $2,805,876 in 2012 compared to $6,113,327 in 2011. The decrease was a net result of the following changes: a decrease in consulting and professional fees, a decrease in share option expense and an increase in salaries expense. More consulting and professional fees were incurred in 2011 for the completion of the Qualifying Transaction of the Company. Share option expense was higher in 2011 as 5,500,000 stock options were granted following the completion of the Qualifying Transaction, while only 600,000 stock options were granted in 2012. Salaries expenses increased as a result of the expanded operations of the Company in 2012 compared with 2011.

Other operating expense of $746,602, being the Qualifying Transaction cost, was incurred in 2011. There is no such expense in 2012.

CONSOLIDATED FINANCIAL POSITION

This section should be read in conjunction with the condensed consolidated interim statement of financial position and the condensed consolidated interim statement of changes in equity as at June 30, 2012 and the condensed consolidated interim statement of cash flows for the three months ended June 30, 2012.

Consolidated Assets

Consolidated assets were $121,069,302 as at June 30, 2012 as compared to $123,154,655 as at March 31, 2012. The decrease was a net result of the following changes: a decrease in cash and cash equivalents, an increase in exploration and evaluation assets, and an increase in sales taxes recoverable. Cash and cash equivalents were spent to support the Company's exploration and administrative activities. Exploration and evaluation assets increased as the Company incurred exploration expenditure in its mineral properties. Sales taxes recoverable increased as the Company incurred expenses on exploration and administrative activities.

Consolidated Liabilities

Consolidated liabilities were $13,113,471 as at June 30, 2012 as compared to $13,784,723 as at March 31, 2012. The decrease was primarily due to the settlement of the Company's accounts payable with vendors.

Shareholder's Equity

Shareholder's equity decreased by $1,414,101 from $109,369,932 as at March 31, 2012 to $107,955,831 as at June 30, 2012. The decrease was resulted from the expenses incurred on the Company's administrative activities in the current quarter.

DISCLOUSURE OF OUTSTANDING SHARE DATA

As at the date of this MD&A, the Company had 94,864,071 common shares issued and outstanding, 9,430,000 stock options outstanding, and 2,479,027 common share purchase warrants outstanding.

LIQUIDITY

The Company's primary source of funding has been the issuance of equity securities for cash, principally through private placement financings to sophisticated investors and institutions.

As at June 30, 2012, the Company had cash and cash equivalents of $54,437,941 to settle current accounts payable and accrued liabilities of $4,930,949. The net working capital of the Company was $48,985,707 as at June 30, 2012. Included in current liabilities is an advance from a related party pertaining to an off-take deposit of US$8,000,000 (CAD equivalent $8,144,800 as at June 30, 2012).

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet its liabilities when due. See "Risks and Uncertainties – Liquidity Risk", below. It is the Company's intention to fund its liabilities and obligations through equity financing and shareholder loans.

The current cash position is adequate to cover the Company's exploration and other expenditures over the next 12 months.

OFF-BALANCE SHEET ARRANGEMENTS

The Company did not enter into any off-balance sheet arrangements during the quarter.

RELATED PARTY TRANSACTIONS

Transactions with related parties

As at June 30, 2012, the Company had accounts receivable of $16,950 (March 31, 2012: $16,950), respectively, from Augyva, of which the President and CEO of the Company is a director.

During the three months ended June 30, 2011, the Company incurred accounting expenses of $15,432 from Chim and Seto Consulting Services Inc., of which an immediate family member of the President and CEO of the Company is a shareholder.

The off-take deposit of US$8 million from Prosperity Macao, which amounted to $8,144,800 as at June 30, 2012 (March 31, 2012: $7,973,048), is non-interest bearing and repayable on demand.

On May 25, 2011, the Company repaid $6.5 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 to the shareholder. The loan was non-interest bearing and repayable on demand.

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

Remuneration of key management personnel

	Three months ended June 30	
	2012	2011
	$	$
Salaries	932,031	130,000
Share option expenses	936,865	1,221,486
	1,868,896	1,351,486

CAPITAL COMMITMENTS

Pursuant to the Altius Agreement, 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.

INTERNAL CONTROL OVER FINANCIAL REPORTING

Management is responsible for the establishment and maintenance of a system of internal control over financial reporting. During the quarter, management has designed and implemented the internal control system to provide reasonable assurance that assets are safeguarded and that the financial reporting is accurate and reliable. The condensed consolidated interim financial statements have been prepared by management in accordance with IFRS and in accordance with accounting policies set out in the notes to the condensed consolidated interim financial statements for the three months ended June 30, 2012.

DISCLOSURE CONTROLS AND PROCEDURES

The Company has established and maintained disclosure controls and procedures over financial reporting.

There are inherent limitations in all control systems and no disclosure controls and procedures can provide complete assurance that no future errors or fraud will occur. An economically feasible control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

CRITICAL ACCOUNTING ESTIMATES

The Company makes estimates and assumptions concerning the future that are believed to be reasonable under the circumstances. Estimates and judgements 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 Company's financial statements.

i) Valuation of exploration and evaluation assets

The Company carries its exploration and evaluation assets at cost less provision for impairment. The Company 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 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.

FINANCIAL AND OTHER INSTRUMENTS

The Company's financial liabilities consist of accounts payable and accrued liabilities. It is management's opinion that Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these instruments approximates their carrying value due to the short-term nature of their maturity.

RISKS AND UNCERTAINTIES

Due to the nature of the Company's business and the present stage of exploration and development of the Mineral Exploration Projects, the Company may be subject to significant risks, including those set out below, and the Company's actual exploration and operating results may be materially different from those expected as at the date of this MD&A. Readers are encouraged to carefully consider all such risks, including those set out in the discussion below.

Nature of the Company's Exploration Activities

The exploration for and development of mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not mitigate. Few properties that are explored are ultimately developed into producing mines. The

Mineral Exploration Projects are still in the exploration and development stages. Significant expenditures will be required to establish ore reserves and to construct mining and material handling facilities at the Mineral Exploration Projects. It is impossible to provide any assurance that the exploration programs completed and further planned by the Company will result in a profitable commercial mining operation.

No assurance can be given that the Company's exploration activities will result in the discovery of minerals in sufficient quantities and/or grades to justify commercial operations or that funds required for additional exploration or development can be obtained on a timely basis. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot accurately be predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, explosions, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in the operation of mines and the conduct of exploration programs. The Company will rely upon consultants and others for exploration, development, construction and operating expertise. Substantial expenditures will be required to establish mineral resources and mineral reserves through drilling, to develop metallurgical processes to extract the metal from mineral resources and to develop the mining and processing facilities and infrastructure at any site chosen for mining.

Future Profits/Losses and Production Revenues/Expenses

There can be no assurance that significant losses will not occur in the near future or that the Company will be profitable in the future. The Company's operating expenses and capital expenditures may increase in subsequent years as required consultants, personnel and equipment associated with advancing exploration, development and commercial production, if any, of the Mineral Exploration Projects and any other properties the Company may acquire are added. The amounts and timing of expenditures will depend on the progress of ongoing exploration and development, the results of consultants' analyses and recommendations, the rate at which operating losses are incurred, the execution of joint venture agreements with strategic partners and other factors, many of which are beyond the Company's control. The Company does not expect to receive revenues from operations in the foreseeable future, if at all. The Company expects to incur losses unless and until such time as the Mineral Exploration Projects and any other properties the Company may acquire enter into commercial production and generate sufficient revenues to fund its continuing operations. The development of the Mineral Exploration Projects and any other properties the Company may acquire will require the commitment of substantial resources to conduct the time-consuming exploration and development of properties. There can be no assurance that the Company will generate any revenues or achieve profitability. There can be no assurance that the underlying assumed levels of expenses will prove to be accurate.

Title to Properties

The acquisition of title to resource properties is a very detailed and time-consuming process. Title to, and the area of, resource claims may be disputed. Although the Company believes it has taken reasonable measures to ensure that title to its Mineral Exploration Projects, there is no guarantee that title to any of the claims comprising the Mineral Exploration Projects will not be challenged or impaired. No assurances can be given that title defects to the Mineral Exploration Projects do not exist. The Mineral Exploration Projects may be subject to prior unregistered agreements, interests or native land claims and title may be affected by undetected defects. There may be valid challenges to the title of any of the concessions and licence agreements comprising the Mineral Exploration Projects that, if successful, could impair development and/or operations. A defect could result in the Company losing all or a portion of its right, title, estate and interest in and to the properties to which the title defect relates.

Iron Ore Prices

The development and success of the Mineral Exploration Projects will be dependent, in part, on the future price of iron ore. Iron ore prices are subject to fluctuation and are affected by a number of factors which are beyond the control of the Company. Such factors include, but are not limited to, global and regional supply and demand and the political and economic conditions of major steel producing countries throughout the world. Any future significant price declines could cause continued exploration and development of the Mineral Exploration Projects to be impracticable.

The market price of iron ore affects the economics of any potential development project, the Mineral Exploration Projects, and the ability of the Company to raise capital. A decrease in the market price of iron ore could affect the Company's ability to finance the continued exploration and the development of the Mineral Exploration Projects. There can be no assurance that the market price of iron ore will remain at current levels or that such prices will improve or that market prices will not fall.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company has a planning and budgeting process to help determine the funds required to support its normal operating requirements on an ongoing basis as well as its expansion plans.

Capitalization, Additional Funding Requirements and Dilution

The operating and capital expenditures of the Company are expected to substantially increase in subsequent years with the advancing of exploration and development activities. Further exploration and development of the Mineral Exploration Projects will require additional capital. In addition, a positive production decision at the Mineral Exploration Projects or any other development projects acquired in the future would require significant capital for project engineering and construction. The Company does not currently have sufficient funding to commence or complete the development of the Mineral Exploration Projects. Accordingly, the continuing development of the Company's properties will depend upon the Company's ability to obtain financing through debt financing, equity financing, the joint venturing of projects, or other means. The Company's historical capital needs have been met by the issuance of common shares and shareholder loans. In order to finance the development of the Mineral Exploration Projects, the Company will have to pursue one or more financing alternatives including issuing additional equity, borrowing sufficient funds from third party lenders, or completing arrangements with one or more strategic partners. Failure to obtain such additional financing could result in a further delay or indefinite postponement of the development of the Mineral Exploration Projects. The terms of any additional financing obtained by the Company could result in substantial dilution to the shareholders of the Company.

The continuation of adverse market conditions experienced in 2009 could have negative implications for the Company in terms of the ability to continue as a going concern and to continue the development of the Mineral Exploration Projects.

Regulatory Requirements

Mining operations, development and exploration activities are subject to extensive laws and regulations governing prospecting, development, production, exports, taxes, labour standards, occupational health, waste disposal, environmental protection and remediation, protection of endangered and protected species, mine safety, toxic substances and other matters. Changes in these regulations or in their application are beyond the control of the Company and could adversely affect its operations, business and results of operations.

Government approvals and permits are currently, and may in the future be, required in connection with the Mineral Exploration Projects. To the extent such approvals are required and not obtained, the Company may be restricted or prohibited from proceeding with planned exploration or development activities. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may be liable for civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Amendments to current laws, regulations and permitting requirements, or more stringent application of existing laws, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reductions in levels of production at producing properties or require abandonment or delays in development of properties.

Enforcement of Civil Liabilities

Certain of the directors of the Company are nationals and residents of countries other than Canada. As a result, it may be difficult or impossible for shareholders to bring an action against the Company or against these individuals in Canada in the event that shareholders believe that their rights have been infringed under the relevant Canadian securities laws or otherwise. In addition, it may not be possible to enforce against the Company and certain of its directors judgements obtained in Canadian courts predicated upon the civil liability provisions of applicable securities laws in Canada.

Environmental and Health Matters

All of the Company's operations will be subject to environmental regulations and health standards, which can make operations expensive or prohibit them altogether.

To the extent the Company is subject to environmental liabilities, the payment of such liabilities or the costs that it may incur to remedy environmental pollution would reduce funds otherwise available to it and could have a material adverse effect on the Company. If the Company is unable to fully remedy an environmental problem, it might be required to suspend operations or enter into interim compliance measures pending completion of the required remedy. The potential exposure may be significant and could have a material adverse effect on the Company.

All of the Company's exploration, development and production activities will be subject to regulation under one or more of the various provincial, federal and other environmental laws and regulations and health standards. Many of the regulations require the Company to obtain permits for its activities. The Company must update and review its permits from time to time, and is subject to environmental impact analyses and public review processes prior to approval of the additional activities. It is possible that future changes in applicable laws, regulations and permits or changes in their enforcement or regulatory interpretation could have a significant impact on some portion of the Company's business, causing those activities to be economically re-evaluated at that time.

There is no assurance that future changes in environmental regulation or health standards, if any, will not adversely affect the Company's operations.

Risks of Non-Availability of Insurance

Where considered practical to do so, the Company will maintain insurance against risks in the operation of its business and in amounts that it believes to be reasonable. Such insurance, however, will contain exclusions and limitations on coverage. There can be no assurance that such insurance will continue to be available, will be available at economically acceptable premiums or will be adequate to cover any resulting liability. The Company may become subject to liability for pollution or hazards against which it cannot insure. In some cases, such as with respect to environmental risks, coverage is not available or considered too expensive relative to the perceived risk. The payment of such liabilities could result in an increase in the Company's operating expenses which could, in turn, materially affect the Company's financial position and results of operations.

Competition

The Company's business is intensely competitive and the Company will compete with other mining companies, many of which have greater resources and experience. Competition in the metals mining industry is primarily for mineral rich properties which can be developed and can produce economically; the technical expertise to find, develop, and operate such properties; the labour to operate the properties; and the capital for the purpose of funding such properties. Many competitors not only explore for and mine metals, but also conduct refining and marketing operations on a world-wide basis. Such competition may result in the Company being unable to acquire desired properties, to recruit or retain qualified employees or to acquire the capital necessary to fund its operations and develop its properties. The Company's inability to compete with other mining companies for these resources would have a material adverse effect on the Company's results of operation and business.

Loss of Key Employees

The Company will depend on a number of key employees, the loss of any one of whom could have an adverse effect on the Company. The Company is not expected to purchase key person insurance on such individuals, which insurance would provide the Company with insurance proceeds in the event of their death. Without key person insurance, the Company may not have the financial resources to develop or maintain its business until it replaces the individual. The development of the business of the Company will be dependent on its ability to attract and retain highly qualified management and mining personnel. The Company will face competition for personnel from other employers. If the Company is unable to attract or retain qualified personnel as required, it may not be able to adequately manage and implement its business plan.

Conflicts of Interest

The Company's directors and officers may serve as directors or officers of other natural resource companies or companies providing services to the Company, or they may have significant shareholdings in other resource companies. Specifically, Mr. Sandy Chim, the President and Chief Executive Officer of the Company, is a director and control person of Century (Netherlands) Enterprises Coöperatie U.A., a substantial shareholder of the

Company, and a director of Augyva. Mr. Michael R. Skutezky, the General Counsel & Secretary of the Company, is a director of Augyva.

Situations may arise where the directors and/or officers of the Company may be in competition with the Company. In the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. From time to time, several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the Company making the assignment. In accordance with applicable laws, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Current Global Financial Conditions

Current global financial conditions have been characterized by increased volatility and several financial institutions have either gone into bankruptcy or have had to be rescued by governmental authorities. These factors may impact the ability of the Company to obtain equity or debt financing in the future on terms favourable to it. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. If such increased levels of volatility and market turmoil continue, the operations of the Company could be adversely impacted and the price of the Company's shares may be adversely affected.

Currency Exposure

The Company is not exposed to material currency fluctuations insofar as its funds are mainly maintained in Canadian dollars and its operations and costs incurred are mainly in Canadian dollars and all of its exploration properties are in Canada. However the Company does have some exposure in that it has administrative offices in Hong Kong and Beijing of China, and it has received a small advance pertaining to an off-take deposit that is repayable in US Dollars.

Share Price Fluctuations

In recent years, the securities markets have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered development stage companies (such as the Company), have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continued fluctuations in price will not occur.

Limited Operating History and Financial Resources

The Company has a limited operating history, no history of mining iron ore and is unlikely to generate any revenues from operations in the foreseeable future as the Mineral Exploration Projects are still in the exploration and development stage. The Company anticipates that its existing cash resources, together with the net proceeds of recent financing activities, will be sufficient to cover its projected funding requirements for the next two ensuing years. If its exploration program is successful, additional funds will be required for further exploration and development to determine if any deposits are economic and if economic, to bring such deposits to production. Additional funds will also be required for the Company to acquire and explore other mineral interests. The Company has limited financial resources and there is no assurance that sufficient additional funding will be available to enable it to fulfill its obligations or for further exploration and development on acceptable terms or at all. The future development of the Mineral Exploration Projects will require the construction and operation of mines and related infrastructure. The costs, timing and complexities of mine construction and development are increased by the remote northern location of the Mineral Exploration Projects. It is common in new mining operations to experience unexpected problems and delays during construction, development, and mine start-up. In addition, delays in the commencement of mineral production often occur. Accordingly, there are no assurances that the Company's activities will result in profitable mining operations, that the Company will successfully establish mining operations or profitably produce iron ore, or that the Company will meet any of its current timelines or schedules. Failure to obtain additional funding on a timely basis could result in delay or indefinite postponement of further exploration and development and could cause the Company to forfeit its interests in some or all of its properties or to reduce or terminate its operations. Sources of funds now available to the Company are limited and may include the sale of equity capital, properties, royalty interests, the entering into of future joint ventures and the exercise of outstanding options.

Additional financing may not be available when needed or, if available, the terms of such financing might not be favourable to the Company and might involve substantial dilution to existing shareholders. Failure to raise capital when needed would have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Remote Northern Location and Access to Transportation Infrastructure

The Mineral Properties, because of their remote northern location and limited accessibility, are subject to special climate and transportation risks. These risks include the inability to operate efficiently or at all during periods of extreme cold, the unavailability of materials and equipment, and unanticipated transportation costs. Adverse weather conditions may also prevent the operation of equipment on land, in the air or on the ocean. Such factors can add to the cost of mine exploration, development, production and operation, thereby affecting the Company's financial condition.

Access to transportation infrastructure to ship mineral products economically within Northern Quebec and Labrador, and to export mineral products internationally is currently limited. Lack of access to transportation may hinder the expansion of production at the Mineral Exploration Projects and the Company may be required to use more expensive transportation alternatives.

Cautionary Statement Regarding Forward-Looking Information

This MD&A contains forward-looking statements that reflect management's current expectations, estimates and projections with regard to future events regarding the Company's business and the economic environment in which it operates. Forward-looking information is subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements. Such risks include, but are not limited to: (i) risks inherent in the exploration for and development of mineral deposits; (ii) financing, capitalization and liquidity risks, including the risk that financing necessary to fund the exploration and development activities at the Mineral Exploration Projects may not be available on satisfactory terms, or at all; (iii) regulatory risks, including risks relating to the acquisition of the necessary licenses and permits; (iv) uncertainties inherent in the estimation of mineral reserves and resources; (v) risks that production estimates may be inaccurate; (vi) construction and operational risks inherent in the conduct of mining activities, including the risk of increases in capital and operating costs and the risk of delays or increased costs that might be encountered during the construction and development process; (vii) risks relating to changes in iron ore prices and the worldwide demand for and supply of iron ore; (viii) risks relating to the remoteness of the Mineral Exploration Projects including access and supply risks and reliance on key personnel; (ix) environmental risks, including risks relating to climate change and the potential impact of global warming on project timelines and on construction and operating costs; (x) the risk of fluctuations in the Canadian/U.S. dollar exchange rate; (xi) insurance risks; and (xii) volatility in the Company's stock price. See "*Risks and Uncertainties*".

These statements speak only as of the date on which they are made, are not guarantees of future performance and involve risks and uncertainties that are difficult to control or predict. Actual outcomes and results may differ materially from those expressed in these forward-looking statements and readers should not place undue reliance on such statements.

Forward-looking information is based on certain factors and assumptions regarding, among other things, the estimation of mineral reserves and resources and the realization of such estimates, the timing and amount of future exploration expenditures, the estimation of initial and sustaining capital requirements, the estimation of labour and operating costs, the availability of necessary financing to develop the Mineral Exploration Projects in the short and long-term, the progress of construction and development activities, the receipt of necessary regulatory approvals, iron ore prices, the feasibility of constructing and operating a direct-shipping iron ore mine at the Mineral Exploration Projects, assumptions with respect to environmental risks, title disputes or claims, weather conditions, climate change and other similar matters. In particular, in stating that WISCO will provide an investment in respect of each of the Mineral Exploration Projects, the Company has assumed, among other things, that definitive agreements in respect of each of the Duncan Lake, Attikamagen and Sunny Lake Properties will be executed within the time-frame contemplated by the Joint Venture Agreement, or at all, and has assumed receipt of all applicable regulatory approvals including the approval from the TSX and the People's Republic of China in respect of the definitive joint venture agreements. While the Company considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect and there can be no assurance that such developments can be completed on satisfactory terms or at all.

Investors are advised to carefully review and consider the risk factors identified in this MD&A under the heading "*Risks and Uncertainties*" for a discussion of the factors that could cause the Company's actual results, performance and achievements to be materially different from any anticipated results, performance or achievements expressed or implied by the forward-looking statements. Investors are further cautioned that the foregoing list of assumptions and risks factors is not exhaustive and it is recommended that prospective investors consult the more complete discussion of the Company's business, financial condition and prospects included in this MD&A. The forward-looking information and statements contained in this MD&A are made as of the date hereof and, accordingly are subject to change after such date.

The Company does not undertake to update any forward-looking information, except as, and to the extent required by applicable securities laws. The forward-looking statements contained herein are expressly qualified by this cautionary statement.