CENTURY IRON MINES CORPORATION

(An exploration stage mining company)

Management's Discussion and Analysis

of Financial Conditions and Results of Operations

for the Three and Nine Months Ended December 31, 2012

This Management's Discussion and Analysis ("MD&A") dated February 14, 2013 provides a review of the financial conditions and results of operations of Century Iron Mines Corporation (TSX: FER) (the "Company") to assist readers in understanding and evaluating the significant changes in the Company as at and for the three and nine months ended December 31, 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 and nine months ended December 31, 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 unaudited condensed consolidated interim financial statements for the three and nine months ended December 31, 2012 of the Company and its subsidiaries (the "Group") 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 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 Statements" sections at the end of this MD&A. This MD&A also contains technical information, which should be read in conjunction with the "Cautionary Statement Regarding Technical Information" section 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 and exploration and development of mineral 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 has interests in a number of mineral exploration projects located in the Provinces of Quebec and Newfoundland and Labrador and conducts mineral exploration activities through the following subsidiaries and joint ventures incorporated under the BCBCA: Grand Century Iron Ore Inc. ("Grand Century"), Canadian Century Iron Ore Corporation ("Canadian Century"), 0849873 B.C. Ltd. ("B.C. Ltd."), Labec Century Iron Ore Inc. ("Labec Century") and WISCO Century Sunny Lake Iron Mines Limited ("WISCO Century").

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.

QUARTERLY HIGHTLIGHTS

We have a two-prong strategy for achieving production of our mineral projects. First, we intend to develop our high grade Direct Shipping Ore ("DSO") deposits into production. Over the longer term, the Company intends to develop its taconite deposits which are potentially a much larger resource and therefore may provide much higher production output than the DSO deposits.

In October 2012, the Company reported the first phase mineral resource statement for the Rainy Lake iron deposit (also known as the "Full Moon" iron deposit) with an indicated mineral resource of 7.26 billion tonnes at an average grade of 30.18% total iron and 8.69 billion tonnes of inferred mineral resource at an average grade of 29.86% total iron. In December 2012, the NI 43-101 report on the deposit was filed on SEDAR. See "Mineral Exploration Properties Overview – Sunny Lake Property" below. This is a milestone achievement for the Company to have an NI 43-101 compliant mineral resource estimate for a world class major taconite deposit.

On the joint venture side, the Company completed the formation of its Sunny Lake joint venture with our strategic partner, WISCO International Resources Development & Investment Limited ("WISCO") in November 2012. The WISCO team has arrived in Canada and is in the process of integrating its personnel with the Company's project teams.

MINERAL EXPLORATION PROPERTIES OVERVIEW

Sunny Lake Property

CURRENT DEVELOPMENT

On October 22, 2012, the Company announced its first mineral resource statement for its Rainy Lake iron deposit (also referred to as the "Full Moon" iron deposit), which is part of the Company's Sunny Lake Property. The Full Moon iron deposit is estimated to contain an Indicated Mineral Resource of 7.26 billion tonnes grading at an average of 30.18% total iron and an Inferred Mineral Resource of 8.69 billion tonnes grading an average of 29.86% total iron at a cut-off grade of 20% total iron ("FeT"). The first mineral resource statement for the Full Moon iron deposit has been prepared by SRK Consulting (Canada) Inc. ("SRK Canada").

Mineral Resource Statement*, Full Moon Iron Deposit, Sunny Lake Project, Quebec
SRK Consulting (Canada) Inc., October 17, 2012

	Tonnes (in billions)	Total Iron, Fe (%)
Indicated Mineral Resources	7.260	30.18
Inferred Mineral Resources	8.694	29.86

* *Reported at a cut-off grade of 20 percent Total Iron inside a conceptual pit envelope optimized considering reasonable open pit mining, processing and selling technical parameters and costs benchmark against similar taconite iron projects and a selling price of US$110 per dry metric tonne of iron concentrate. All figures are rounded to reflect the relative accuracy of the estimates. Mineral Resources are not Mineral Reserves and do not have a demonstrated economic viability.*

On December 14, 2012, the corresponding NI 43-101 compliant technical report on the mineral resources of the Full Moon iron deposit dated December 6, 2012, was filed on SEDAR. The report was prepared by SRK Canada. This report is available on our website at *www.centuryiron.com*.

From 2010 to 2012, the Company drilled 148 core boreholes (30,941m) at Rainy Lake, of which 116 core boreholes (24,555m) were drilled in 2012. The Mineral Resource model is based on 124 core boreholes (22,900m) distributed on section lines spaced at 500 metres and borehole spacing on each section line of 400 metres.

MINERAL EXPLORATION PROPERTIES OVERVIEW (CONT'D)

The Full Moon iron deposit is a relatively large taconite iron deposit hosted in banded iron formations of the Proterozoic Sokoman Formation. The area investigated by drilling measures approximately 11 kilometres along strike and up to 3.5 kilometres across strike. The combined true thickness of the iron-bearing units often exceeds 200 metres.

ABOUT THE PROPERTY

On November 28, 2012, the Company completed the closing procedures of a joint venture arrangement for the Company's interest in the Sunny Lake Property with WISCO.

According to the Definitive Joint Venture Agreement of the Sunny Lake Property ("Sunny Lake Joint Venture Agreement"), WISCO will make an aggregate investment valued at $40 million into the Sunny Lake Property. The investment will be completed through (i) a reimbursement of Century for certain exploration expenditures incurred on the Sunny Lake Property for the period from January 13, 2011 to November 28, 2012, and (ii) the funding of new exploration expenditures for the Sunny Lake Property. WISCO will on a going forward basis fund new exploration expenses for Sunny Lake until the aggregate of its reimbursement of Century and new exploration expenses funded is valued at $40 million. WISCO will earn 1% of interest in the joint venture for every $1 million funded and expended on the property. After WISCO has funded $40 million, Century will own 60% and WISCO will own 40% of the Sunny Lake Property.

The Sunny Lake Property includes two separate groups of claims in Lac Le Fer and Rainy Lake with a total of 567 titles covering an aggregate area of approximately 27,468 hectares. The Sunny Lake Property 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 kilometres and 85 kilometres northwest of the town of Schefferville, Quebec and are accessible by air.

In 2009, reconnaissance work on the property indicated 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, warranting the drilling program in 2011.

MINERAL EXPLORATION PROPERTIES OVERVIEW (CONT'D)

In the fall of 2010, the Company retained SRK Canada to prepare a technical report, compliant with NI 43-101 – Standards of Disclosure for Mineral Projects, of the Sunny Lake Property. The report was completed and filed on SEDAR in May 2011. This report is available on our website at *www.centuryiron.com*. In the technical report, SRK Canada 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.

As described above, a NI 43-101 compliant technical report dated December 6, 2012 on the mineral resources of the Full Moon iron deposit (which forms a part of the Sunny Lake property) was filed on SEDAR on December 14, 2012. The report was prepared by SRK Canada. This report is available on our website at *www.centuryiron.com*.

2011-2012 Drilling Program

Rainy Lake – Full Moon Deposit

During the 2011 drilling program, the Company completed 31 diamond drill holes in 5 sections, totalling 6,387 metres, covering an area of taconite iron mineralization that is approximately 6.5 kilometres long and between 1.5 kilometres and 3.2 kilometres wide, located on the Full Moon iron deposit in the eastern part of Rainy Lake area. The thickness of the iron bed varies from 120 metres to 340 metres, grading at 27.9%-31.2% FeT. Preliminary drilling indicated that the iron formation at the Full Moon iron deposit is generally flat bedded, 5 degrees-10 degrees, with iron beds that are frequently stacked due to trust faulting increasing the overall thickness up to 340 metres.

During the 2012 drilling program, the Company completed 116 holes with a total of 24,555 metres, covering whole taconite iron mineralization area, about 10.5 kilometres long along the strike and 2.0 – 3.5 kilometres wide at eastern part of Rainy Lake area. At the same time, a bulk sample for metallurgical testworks was collected from 4 HQ sized drill holes. The metallurgical testworks on the bulk sample are now being processed by COREM for grinding, liberation and recovery tests.

MINERAL EXPLORATION PROPERTIES OVERVIEW (CONT'D)

Lac Le Fer – Prospect 3 DSO Target

Following reconnaissance mapping, magnetic and gravity surveys, a 826 metre drill program was carried out. Hole LLF-P3-11-004 returned 45 metres at 62.7% FeT. The hole ended in mineralization at 54 metres. Follow up drilling is planned for 2013.

MINERAL EXPLORATION PROPERTIES OVERVIEW (CONT'D)

Attikamagen Property

CURRENT DEVELOPMENT

Joyce Lake DSO Target

On November 14, 2012, the Company announced the drilling update for Joyce Lake DSO target. The assay results confirmed the continuity and extension down plunge, along strike of the high grade mineralization (>60% TFe) at Joyce Lake with a thickness up to 66 metres.

A bulk sample of 30 tonnes, of representative DSO type mineralization, was collected from trenches in different sectors of the mineralized zone. The bulk sample is now being processed by SGS Canada Inc. for grinding and recovery tests and mineralogy.

An NI 43-101 compliant resource estimate is in progress and should be completed in February 2013.

The environmental study and environmental impact assessment for the Company's Joyce Lake DSO Target are ongoing.

Hayot Lake

On November 12, 2012, the NI 43-101 compliant technical report on the mineral resources of Hayot Lake iron deposit dated November 9, 2012, was filed on SEDAR. The report was prepared by SRK Canada. This report is available on our website at *www.centuryiron.com*.

The Hayot Lake iron deposit is estimated to contain an Inferred Mineral Resource of 1.7 billion tonnes grading an average of 31.25% total iron at a cut-off grade of 20% total iron. The initial mineral resource statement, which was prepared by SRK Canada, includes the following key results:

MINERAL EXPLORATION PROPERTIES OVERVIEW (CONT'D)

Mineral Resource Statement*, Hayot Lake Iron Ore, Quebec, SRK Canada, September 25, 2012			
	Tonnes (in millions)	**SG**	**FeT%****
Inferred Mineral Resources	1,723	3.25	31.25%

* *Reported at a cut-off grade of 20 percent total iron inside a conceptual pit envelope optimized considering reasonable open pit mining, processing and selling technical parameters and costs benchmark against similar taconite iron projects and a selling price of US$110 per dry metric tonne of iron concentrate. All figures are rounded to reflect the relative accuracy of the estimates. Mineral Resources are not Mineral Reserves and do not have a demonstrated economic viability.*

** *Total Iron converted from estimated oxide*

ABOUT THE PROPERTY

The Company's joint venture Labec Century has a registered 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. Labec Century has exercised its right to acquire a further 4% interest in the Attikamagen Property. Champion is completing its due diligence investigations with respect to the transfer of the 4% interest.

On September 26, 2012, the Company announced that it has completed the closing procedures of a joint venture arrangement for Labec Century's interest in the Attikamagen Property with WISCO. WISCO injected $20 million to Labec Century on September 26, 2012, with a commitment to inject a further $20 million by September 26, 2013. The Company and WISCO own 60% and 40% interests respectively in Labec Century. Representatives of WISCO have been appointed to the board of directors and the management team of Labec Century. Management of Labec Century will be carried out together by the Company and WISCO in accordance with the shareholder agreement dated December 19, 2011 between the Company, Century Iron Ore Holdings Inc., WISCO and WISCO Canada Attikamagen Resources Development & Investment Limited (the "Attikamagen Shareholders Agreement").

MINERAL EXPLORATION PROPERTIES OVERVIEW (CONT'D)

The Attikamagen Property includes 405 designated claims located in Quebec (Hayot Lake) and 617 claims located in Newfoundland and Labrador (Joyce Lake), covering an aggregate area of approximately 34,348 hectares. The Attikamagen Property is located approximately 20 kilometres northeast of Schefferville, Quebec.

The Attikamagen Property hosts a Superior-type iron formation with significant potential to host taconite and DSO type deposits. The Hayot Lake iron deposit is a large taconite iron deposit hosted in folded banded iron formations of the Proterozoic Sokoman Formation.

Since 2008, geological mapping, sampling and exploratory drilling were carried out on the property, which proved that the property has potential to host a large open pit taconite type deposit and local high grade DSO deposits in several targets.

In 2010, fourteen core boreholes (1,182 m) 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 was tested in the Hayot Lake area. All targets were selected based on geological and geophysical data.

In the fall of 2010, the Company retained SRK Canada to prepare an updated NI 43-101 compliant technical report on the Attikamagen Project, which was completed and filed on SEDAR on May 11, 2011. This report is available on our website at *www.centuryiron.com*.

As described above, an NI 43-101 compliant technical report on the mineral resources of Hayot Lake iron deposit (which forms part of the Attikamagen Project), dated November 9, 2012, was filed on SEDAR on November 12, 2012. The report was prepared by SRK Canada. This report is available on our website at www.centuryiron.com.

An NI 43-101 compliant technical report on the Joyce Lake DSO project will be made available on SEDAR within 45 days of the date of the announcement by the Company of its initial mineral resources estimate on the Joyce Lake DSO project.

MINERAL EXPLORATION PROPERTIES OVERVIEW (CONT'D)

2011 - 12 Drilling Program

The drilling program focused on potential taconite and DSO targets near Hayot Lake, in northeastern Quebec and Joyce Lake, in western Labrador, respectively.

Joyce Lake DSO

During the 2011 drilling program, 32 reverse circulation ("RC") holes were completed for a total of 3,917 metres, and 8 diamond core drill holes, totaling 1,242 metres were completed at the southern part of Joyce Lake area. Drill hole JOY-11-06 intersected 139.0 metre grading 52.8% FeT, including 42 metre grading 64.19% FeT; and drill hole JOY-11-07 intersected 81.0 metre grading 52.46% FeT, including 42.0 metre 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 press releases on July 6, 2011 and December 8, 2011 respectively.

During the 2012 drilling program, 7,807 metres of RC drilling were completed.

On September 24, 2012, the Company released the first batch of assay results which confirmed a zone of high grade iron mineralization with intercepts up to 54 metres over 60% FeT, and with an average of 6.09% silica (SiO2).

Hayot Lake

During the 2011 drilling program, 41 diamond drill holes were completed at Hayot Lake, for a total of approximately 5,700 metres. 1,200 samples were sent to Activation Laboratories Ltd. ("ActLabs") for analysis. These drillings corroborated results of 2010 drilling and proved that the taconite iron target at Hayot is over 5 kilometres long, 0.8 kilometres - 1.2 kilometres wide. The average thickness of the iron bed is between 80 metres and 120 metres, grading at 31%-34% FeT. Drill hole HAY-11-10 intersected 110.9 metre grading 32.3% FeT.

MINERAL EXPLORATION PROPERTIES OVERVIEW (CONT'D)

Duncan Lake Property

CURRENT DEVELOPMENT

On October 12, 2012, the NI 43-101 compliant technical report on the mineral resources of Duncan Lake Property dated October 11, 2012, was filed on SEDAR. The report was prepared by Met-Chem Canada Inc. ("Met-Chem"). This report is available on our website at *www.centuryiron.com*.

An updated independent mineral resources estimate by Met-Chem has defined 1.05 billion tonnes of Measured and Indicated Resources at a grade of 24.4% Fe, compared to a previously reported 31.3 million tonnes at a grade of 23.7% Fe in 2010. Inferred resources are 563 million tonnes at a grade of 24.7% Fe compared to a previously reported 821 million tonnes at a grade of 24.6% Fe.

The following is a summary of the Duncan Lake Iron Ore Property Mineral Resources at 16% Fe cutoff:

Mineral Resource Class	Million Tonnes	Fe %	DTWR %	DT Fe %
Measured	406	23.9	26.8	67.3
Indicated	645	24.7	28.1	66.9
Measured & Indicated	**1,050**	**24.4**	**26.5**	**67.0**
Inferred	563	24.7	28.0	66.5

Note 1: DTWR % is the Davis Tube Weight Recovery; DT Fe % is the Davis Tube Fe Concentrate Grade.

Note 2: Total tonnage may vary due to rounding.

Note 3: The effective date of the mineral resource estimate is August 24th, 2012.

Note 4: Resource estimate is based on all six Duncan Lake zones.

An environmental baseline study and a transportation study are ongoing during the period.

MINERAL EXPLORATION PROPERTIES OVERVIEW (CONT'D)

In October 2012, the Company notified Augyva Mining Resources Inc. ("Augyva"), the Company's joint venture partner with respect to the Duncan Lake Property, that it had completed an expenditure of $14 million to increase its interest from a 51% to a 65% interest in the Duncan Lake Property in accordance with the option and joint venture agreement described below.

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. The Company has notified Augyva that it has increased its interest from 51% interest to a 65% interest in the Duncan Lake Property, having expended a further and final $14 million on the Duncan Lake Property under the option and joint venture agreement. Counsel has been instructed to prepare the transfer documents for registration.

Execution of a joint venture or shareholder agreement with WISCO (the "Duncan Lake Agreement") remains pending and is expected to advance upon the completion of WISCO's internal processes which is expected shortly.

The Duncan Lake Property is comprised of 528 exploration claims covering 25,448.8 hectares.

The Duncan Lake Property 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. The 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 Property is located approximately 141 kilometres from the developing Eleonor Mine, 86 kilometres east of James Bay and 575 kilometres 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.

MINERAL EXPLORATION PROPERTIES OVERVIEW (CONT'D)

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 metres, 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 quality assurance/quality control (QA/QC) program was followed in the sampling method and approach and analytical procedures.

In the fall of 2009, Met-Chem 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 on May 11, 2011. This report is available on our website at *www.centuryiron.com*.

2011-2012 Drilling Program

Phase II of the drilling program for this property commenced in January 2011 and was completed in April 2012. Since the last resource estimate was completed in 2010, the Company has drilled an additional 44,007 metres of core in 125 drill holes. This drilling program targeted zones 3, 4 and 6 and the drilling results were used to provide information for an NI 43-101 updated mineral resource estimate released in October 2012. The drilling results will also be used to perform a preliminary economic assessment.

In February 2012, Met-Chem 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 on October 11, 2012. This report is available on our website at *www.centuryiron.com*.

MINERAL EXPLORATION PROPERTIES OVERVIEW (CONT'D)

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, located 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 also to be paid to Virginia, which royalty is subject to a buyback right allowing the purchase of 50% of this royalty (1% NSR) for a total payment of $5 million.

MINERAL EXPLORATION PROPERTIES OVERVIEW (CONT'D)

Altius Projects

The Altius Projects are comprised of four projects, namely Astray, Grenville, Menihek and Schefferville.

CURRENT DEVELOPMENT

Astray

In April 2012, a Helicopter-borne Falcon Airborne Gravity Radiometry Survey was completed at the Astray area, totaling 2,674 line kilometres, covering 530 square kilometres, followed by the ground geophysical anomalous follow-ups and reconnaissance mapping and sampling; two RC holes were drilled to test the selected target at north of Astray area, totalling 121.5 metres.

Grenville

In June 2012, a Helicopter-borne Resolve EM/magnetic geophysical survey, totaling 1,308 line kilometres was completed at the Grenville area, followed by a ground gravity survey. A total of 1,735 gravity stations were collected along 41 cross lines with 50 metre nominal sample spacing. During the current quarter, mapping/sampling programs were carried out at the Grenville area. The results are currently under evaluation and are expected to be used for the planning of 2013 exploration programs.

Menihek

During the current quarter, the mapping/sampling programs were carried out at Menihek area. The results are currently under evaluation and are expected be used for the planning of 2013 exploration programs.

MINERAL EXPLORATION PROPERTIES OVERVIEW (CONT'D)

Schefferville

Since March 2012, two phases of ground gravity survey were carried out at Schefferville west areas. A total of 2,774 gravity stations were collected along 79 cross lines with 50 metre nominal sample spacing at selected targeting areas. From August to October, 1,221.5 metres of RC drilling were completed in 16 holes on four selected targets. The results are currently under evaluation and are expected to be used for the planning of 2013 exploration programs.

ABOUT THE PROPERTIES

The Company and Altius Minerals Corporation (TSX: ALS) ("Altius") signed, on September 19, 2011, 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. Under the Altius Agreement, Century will acquire a 100% interest in the Altius Projects for exploration expenditures of $7 million per project cumulatively over a 5-year period and the issuance to Altius 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 Projects 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 Projects cover 1,647 square kilometres 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 kilometre 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.

MINERAL EXPLORATION PROPERTIES OVERVIEW (CONT’D)

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.

On November 30, 2012, the Company entered into a shareholders’ agreement (the “X-Star Agreement”) with X-Star Mining (Luxembourg) Limited (“X-Star”) and Northern Star Minerals Ltd. (“Northern Star”), whereby the Company agreed to transfer its rights to acquire the Astray-X project (which represents 85.25% of the Astray property acquired under the Altius Agreement) and the project’s associated obligations to Northern Star, in exchange for a 20% equity interest in and 1,500,000 non-voting redeemable preference shares of Northern Star, plus $5 million of funding from X-Star on the Astray-X project. The Company will account for the impact of the transaction on the completion of the X-Star capital contribution and the release of the title transfer documents from escrow.

On the same date, Altius agreed to amend the provisions of the Altius Agreement to provide for an option to replace the remaining 750,000 common shares of the Company issuable to Altius for the acquisition of the Astray project, and up to a maximum of 8 million “bonus” shares for the project, with common shares issuable by Northern Star as adjusted by certain equivalence formulae stipulated in an assignment agreement.

On December 17, 2012, Northern Star redeemed 500,000 of the non-voting redeemable preference shares from the Company at a price of $500,000 pursuant to the X-Star Agreement. This has been accounted for as a refundable deposit at December 31, 2012 pending final transfer of the property. The remaining 1,000,000 preference shares are redeemable by Northern Star upon satisfaction of certain conditions specified in the X-Star Agreement. The redemption value of the remaining preference shares will be calculated as the sum of 85.25% of the fair market value of the Company’s shares issued to Altius for the acquisition of the Astray property and the actual exploration expenditure incurred by the Company on the Astray-X project before November 30, 2012, less the $500,000 deposit already received.

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, net of investment tax credits	2,803,350	5,017,831	9,815,088	3,970,927	(5,196)	21,602,000
Deemed disposal of Labec Century	-	(21,587,655)	-	-	-	(21,587,655)
Balance - December 31, 2012	19,792,668	-	17,408,871	9,307,155	192,154	46,700,848

OUTLOOK

The Company's plans for its active projects in 2013 are as follows:

Sunny Lake Property

- Full Moon iron deposit (taconite): Following the release of the first NI 43-101 compliant mineral resources estimate of 7.26 billion tonnes of indicated iron ore at an average grade of 30.18% Fe and 8.69 billion tonnes of inferred iron ore at an average grade of 29.86% Fe for the Full Moon iron deposit by SRK Canada, the Company targets the completion of a preliminary economic assessment of the Full Moon iron deposit, which is already under way, within the first six calendar months of 2013.

- DSO targets: The Company also plans to commence the resource definition drilling of the Prospect #3 and #8 DSO targets of Lac Le Fer in the field season of 2013.

Attikamagen Property

- Joyce Lake DSO target: The Company plans to have a NI 43-101 mineral resource estimate completed in February 2013, to be followed by a preliminary economic assessment. Two other DSO targets, about 3 kilometres south and south west of Joyce Lake, with similar geophysical signatures will be drill tested.

Duncan Lake iron deposit

- The Company targets to have the preliminary economic assessment completed around the end of the fourth quarter of its fiscal year.

Altius Projects

- During the coming field season, the Company will continue the next phase of active exploration programs of the projects with the objective of adding reosources to the future operations of the Company.

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	December 31, 2012 ($)	September 30, 2012 ($)	June 30, 2012 ($)	March 31, 2012 ($)
Other operating income	117,379	169,321	206,613	372,654
Profit / (loss) for the period	(3,099,934)	49,891,901	(2,599,263)	(1,294,672)
Basic and diluted earnings / (loss) per share	(0.033)	0.526	(0.027)	(0.014)
Total assets	160,736,736	173,692,875	121,069,302	123,154,655
Shareholder's equity	156,763,653	159,178,114	107,955,831	109,369,932
Quarters ended	**December 31, 2011 ($)**	**September 30, 2011 ($)**	**June 30, 2011 ($)**	**March 31, 2011 ($)**
Other operating income	252,725	290,690	99,335	(30,405)
Loss for the period	(4,143,245)	(3,456,772)	(6,760,594)	(755,358)
Basic and diluted loss per share	(0.044)	(0.037)	(0.096)	(0.015)
Total assets	122,532,798	122,759,857	118,840,927	20,357,460
Shareholder's equity	109,248,530	107,640,143	109,749,824	2,054,409

RESULTS OF OPERATIONS

This section should be read in conjunction with the condensed consolidated interim statement of comprehensive income or loss for the three and nine months ended December 31, 2012 and the notes associated therewith. All references to 2012 and 2011 refer to the three and nine months (as the case may be) ended December 31 of those year, unless otherwise stated. Note, the Company does not have any material revenues from operation as it is an exploration stage mining company.

Analysis of Results of Operations for the nine months ended December 31, 2012 compared with the nine months ended December 31, 2011

The Company reported a profit of $44,192,704 for the nine months ended December 31, 2012 compared to a loss of $14,360,611 for the comparable period of 2011. Without the one-time gain from the deemed disposal of Labec Century described below, the Company would have had a loss of $9,278,042 for 2012.

Other operating income decreased to $493,313 in 2012 from $642,750 in 2011. The income mainly consists of bank interest income, which decreased in 2012 as cash is used in supporting the Company's exploration and administrative activities.

The Company recorded a gain of $53,470,746 from the deemed disposal of Labec Century in 2012. On September 26, 2012, the closing procedures prescribed in the Attikamagen Shareholders Agreement were completed, with Labec Century issuing shares representing 40% of its shareholding to WISCO Canada Attikamagen Resources Development & Investment Limited ("WISCO Attikamagen"), a subsidiary of WISCO, for an investment sum of $20 million on September 26, 2012 and a further $20 million by September 26, 2013. After the share issuance, Labec Century ceases to be a subsidiary and becomes a joint venture of the Group and is accounted for in accordance with IFRS 11 *Joint Arrangements*. The gain is calculated as the difference between the fair value of investment retained in Labec Century and the net assets of Labec Century disposed of plus realization of profit on intercompany management fee charged to Labec Century.

Administrative expenses amounted to $9,771,355 in 2012 compared to $14,256,759 in 2011. The decrease was largely due to lower share option expenses incurred in 2012 compared with 2011, as 5,500,000 stock options were granted following the completion of the Qualifying Transaction in 2011 whereas in 2012, 3,995,000 stock options were granted.

In addition, the option value calculated from the Black-Scholes option pricing model was smaller in 2012 due to the lower market price of the Company's shares on the dates of the option grant. The consulting and professional fees were also higher in 2011 compared with 2012 as fees were paid for the completion of the Qualifying Transaction of the Company during the first quarter of 2011 and the negotiation of joint venture arrangements with WISCO.

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

Analysis of Results of Operations for the three months ended December 31, 2012 compared with the three months ended December 31, 2011

The Company reported a loss of $3,099,934 for the three months ended December 31, 2012 compared to a loss of $4,143,245 for the comparable period of 2011.

Other operating income decreased to $117,379 in 2012 from $252,725 in 2011. The income mainly consists of bank interest income, which decreased in 2012 as cash is used in supporting the Company's exploration and administrative activities.

Administrative expenses amounted to $3,217,313 in 2012 compared to $4,395,970 in 2011. The decrease was a net result of the following major changes: a decrease in consulting and professional fees, a decrease in share option expense, a decrease in listing fees and an increase in exchange loss. More consulting and professional fees were incurred in 2011 for the negotiation of joint venture arrangements with WISCO. Share option expenses were lower in 2012 as the option value calculated from the Black-Scholes option pricing model was smaller due to the lower market price of the Company's shares on the dates of the option grant. More listing fees were incurred in 2011 for the Company's graduation to TSX and the issuance of the Company's shares to Altius for acquisition of the Altius properties. The exchange loss recorded in 2012 arose mainly from the effect of the depreciation of Canadian dollars against US dollars during the period on the repayment of the US$8 million off-take deposit.

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 December 31, 2012 and the condensed consolidated interim statement of cash flows for the three and nine months ended December 31, 2012.

Consolidated Assets

Consolidated assets were $160,736,736 as at December 31, 2012 as compared to $123,154,655 as at March 31, 2012. The increase was a net result of the following major changes: a decrease in cash and cash equivalents, an increase in the interest in a joint venture, an increase in accounts receivable and an increase in sales taxes recoverable. Cash and cash equivalents were spent to support the Company's exploration and administrative activities. The interest in a joint venture represents the Company's investment in Labec Century with WISCO on the Attikamagen Property formed in 2012. The increase in accounts receivable mainly comes from a balance owing from Labec Century which is exploration expenditure of the Attikamagen Property incurred and paid by other companies of the Group on behalf of Labec Century. Sales taxes recoverable increased as the Company incurred expenses on exploration and administrative activities.

Consolidated Liabilities

Consolidated liabilities were $3,973,083 as at December 31, 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 and an off-take deposit of US$8 million with a related party, net of a $500,000 deposit received from Northern Star for the transfer of the Astray-X project.

Shareholder's Equity

Shareholder's equity increased to $156,763,653 as at December 31, 2012 from $109,369,932 as at March 31, 2012. The increase resulted primarily from the gain recorded by the Company for the deemed disposal of Labec Century in September 2012.

DISCLOSURE OF OUTSTANDING SHARE DATA

As at the date of this MD&A, the Company had 94,595,739 common shares issued and outstanding, and 9,870,000 stock options 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. The Company also has contractual rights to recover certain previously incurred exploration expenditures on properties which are now the subject of joint venture agreements.

As at December 31, 2012, the Company had cash and cash equivalents of $25,296,374 to settle current accounts payable and accrued liabilities of $3,935,361. The net working capital of the Company was $47,119,243 as at December 31, 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.

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 of December 31, 2012, the Group had accounts receivable of $17,873,081 from Labec Century. The balance includes a receivable of $17,177,923 representing the amounts owed to the Group by Labec Century at September 26, 2012 for exploration expenditures previously funded by the Group. This amount is subject to audit and approval by the Group's joint venture partner, WISCO, which could subsequently result in an adjustment to its recoverable amount upon completion of the aforementioned audit and applicable approval by WISCO. The Group expects the measurement of this receivable to be agreed prior to March 31, 2013.

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

During the nine months ended December 31, 2012 and the three months ended December 31, 2012, the Company incurred professional service fees of $8,650 (for the nine months ended December 31, 2011: $35,537) and $4,450 (for the three months ended December 31, 2011: $3,325) respectively from Chim and Seto Consulting Services Inc., of which an immediate family member of the President and CEO of the Company is a shareholder.

On October 10 and December 3, 2012, the Group repaid the refundable off-take deposit with a total of US$8 million to Prosperity Macao. The deposit was non-interest bearing and repayable on demand.

Remuneration of key management personnel

	Three months ended December 31		**Nine months ended December 31**	
	2012	**2011**	**2012**	**2011**
	$	**$**	**$**	**$**
Salaries	218,500	259,657	1,624,972	689,007
Share option expenses	681,070	1,067,698	2,882,801	4,838,532
	899,570	1,327,355	4,507,773	5,527,539

CAPITAL COMMITMENTS

Pursuant to the Altius Agreement, the Company agreed to issue (i) an aggregate of 5,000,000 common shares at nil proceeds (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.

In connection with the transfer of Astray-X project to Northern Star, on November 30, 2012, Altius agreed to amend the provisions of the Altius Agreement to provide for an option to replace the remaining 750,000 common shares of the Company issuable to Altius for the acquisition of the Astray project, and up to a maximum of 8 million "bonus" shares for the project, with common shares issuable by Northern Star as adjusted by certain equivalence formulae stipulated in an assignment agreement. Pursuant to the X-Star Agreement, the Company has transferred the associated obligations of the Astray-X project to Northern Star.

The Company initiated an automatic purchase plan under a normal course issuer bid beginning on September 12, 2012. The number of common shares to be purchased during the period of the bid from August 22, 2012 to August 21, 2013 will not exceed 500,000 common shares or approximately 0.5% of the issued and outstanding common shares. Daily purchases will be limited to 4,503 common shares, save and except that the Company may be permitted to make block purchases. All purchases made pursuant to the bid will be made through the facilities of the TSX or other Canadian market places. Common shares purchased pursuant to the bid will be cancelled.

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 and nine months ended December 31, 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) Valuation of accounts receivable

The fair value of accounts receivable is estimated at the present value of future cash flows, discounted at the market rate of interest at the reporting date. A degree of judgment is required in establishing the fair value. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of accounts receivable.

iii) 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.

iv) Classification of joint arrangements

The Group now owns 60% interest in Labec Century. Pursuant to the agreement between the shareholders of Labec Century, the approval of significant financial and operating policies of Labec Century requires consent from both shareholders. Consequently, the Group does not have control over Labec Century. As the Group has the right to the net assets of Labec Century, Labec Century is classified as a joint venture under IFRS 11 *Joint Arrangements*, and is accounted for using the equity method.

v) Estimation of the initial fair value of Labec Century

The Group's investment in Labec Century was initially recognized at fair value at the date of acquisition. The fair value of the investment is estimated with reference to the present value of the consideration paid or payable by WISCO Attikamagen amounting to $39,698,732. In establishing the fair value, management has estimated the discount rate and made the assumption that the consideration receivable from WISCO Attikamagen represents the underlying fair value of Labec Century sold. Consequently, the estimation is subject to judgment and uncertainty.

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 of the Company's mineral exploration projects (the "Mineral Exploration Projects"), the Company may be subject to significant risks, and the Company's actual exploration and operating results may be materially different from those expected as at the date of this

MD&A or as described in forward-looking statements relating to the Company. Additional risks not currently known to the Company, or that which the Company deems immaterial, may also impair the Company's operations. 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 the subsequent development of mineral deposits (if warranted), involve significant risks that 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 stages. Significant expenditures will be required to establish mineral 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 that 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.

Uncertainty in the Estimation of Mineral Resources

The figures for mineral resources contained in this MD&A are estimates only and no assurance can be given that the anticipated tonnages and grades will be achieved or that mineral resources will be converted to mineral reserves. There are numerous uncertainties inherent in estimating mineral reserves and mineral resources, including many factors beyond the Company's control. Such estimation is a subjective process, and the accuracy of any mineral reserve or mineral resource estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. The volume and grade of mineral resources mined and processed (if at all) and recovery rates may not be the same as estimated. Any material reductions in estimates of mineral resources could have a material adverse effect on the Company's financial condition.

Uncertainty Relating to Inferred Mineral Resources and Exploration Potential

Inferred mineral resources that are not mineral reserves do not have demonstrated economic viability. Due to the uncertainty which may attach to inferred mineral resources, there is no assurance that inferred mineral resources will be upgraded to indicated or measured mineral resources as a result of continued exploration. The disclosure of exploration potential is conceptual in nature by definition and there is no assurance that exploration of the mineral potential identified will result in any category of mineral resources being identified.

Joint Ventures

There is no assurance that the Company, its joint venture partners or the partners to the shareholders agreements signed by the Company will successfully perform as contemplated in those agreements. Even if the Company and those other parties are able to perform as contemplated by the applicable agreements, the Company will be exposed to all risks to which participants in mining joint ventures are typically exposed including as set out below.

Although the terms of the Duncan Lake Agreement in respect of the Duncan Lake Property have been agreed to with WISCO, that agreement has not been signed. Although the

Company and WISCO have entered into the Interim Joint Venture Agreement to, among other things, govern the joint venture between the Company and WISCO for the development and exploration of the Duncan Lake Property, there is no assurance that the Duncan Lake Agreement will be executed in the form the Company anticipates, or at all.

The Company's interests in its material properties are subject to the risks normally associated with the conduct of joint ventures and the operation of complex agreements among shareholders. The existence or occurrence of one or more of the following circumstances and events could have a material adverse impact on the Company: (i) disagreement with joint venture partners, or fellow shareholders in holding or operating companies, on how to explore and develop the properties; (ii) inability to exert influence over certain strategic decisions made in respect of the Mineral Exploration Projects; (iii) inability of joint venture partners, or fellow shareholders in holding or operating companies, to satisfy or perform their obligations to the joint venture, to joint venture partners, to fellow shareholders or to third parties; (iv) litigation between joint venture partners or fellow shareholders regarding joint venture or company matters; and (v) our inability to achieve agreement with WISCO and its subsidiaries as to key decisions regarding advancement of our Duncan Lake, Attikamagen and Sunny Lake Properties due to the shareholder approval requirements that will apply under the respective joint venture or shareholder agreements for each of these properties. In addition, under the Attikamagen Shareholders Agreement, the Sunny Lake Joint Venture Agreement and, if it is executed in the anticipated form, the Duncan Lake Agreement, the Company's partner each has significant approval rights over a number of fundamental matters. Any exercise of those rights by the Company's partner may have a material adverse impact on the Company.

To the extent that the Company is not the operator of its joint venture properties, the success of any such operations will be dependent on such operators for the timing of activities related to such properties and the Company will be largely unable to direct or control the activities of the operators. The Company is subject to the decisions made by the operators of the property, and will rely on the operators for accurate information about the properties. Although the Company expects that the operators of the properties to which it owns an interest will operate such properties with the highest standards and in accordance with the respective joint venture agreements, there can be no assurance that all decisions of the operators will achieve expected goals.

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 it holds 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.

First Nations Claims

The Company conducts its operations in western Labrador in the Province of Newfoundland and Labrador and in north-eastern Québec, which areas are subject to conflicting First Nations land claims. There are a number of First Nations peoples living in the Québec-Labrador peninsula with overlapping claims to asserted aboriginal land rights. Aboriginal claims to lands, and the conflicting claims to traditional rights between aboriginal groups are not currently governed by any existing treaty rights and may have an impact on the Company's ability to develop its projects. The boundaries of the traditional territorial claims by these groups, if established, may impact on the areas which constitute the Company's mineral projects. Mining licenses and their renewals may be affected by land and resource rights negotiated as part of any settlement agreements entered into by governments with First Nations.

The Company's planned exploration activities and any development activities, should the Company's properties be brought into production, may require the Company to consult with First Nations peoples. Consultations can vary depending on the nature of the aboriginal right affected and the degree of impact. The results of the consultations may conclude that the interests of the aboriginal group be accommodated wherever appropriate, however there is no assurance regarding the outcome of any consultations. Obligations can range from information sharing to provisions for the participation of the aboriginal group in the development and compensation for impacts. Consultation must be meaningful with the view to accommodating the interests of the aboriginal group affected. The Company is committed to effectively managing any impacts to such rights, title and claims and any resulting consultation requirements that may arise. However, there is no assurance that the Company will not face material adverse consequences because of the legal and factual uncertainties associated with these issues.

There can be no assurance that the Company will be successful in reaching any agreement with any First Nations groups who may assert aboriginal rights or may have a claim which affects the Company's properties or may be impacted by the Company's projects.

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 Mineral Exploration Projects 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.

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 depends on a number of key employees, the loss of any one of whom could have an adverse effect on the Company. The Company does not have and 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.

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 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 Exploration Projects, 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 Statements

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. Generally, forward-looking statements be identified by the use of forward-looking language such as "plans", "targets", "expects", "is expected", "aims", "estimates", "intends", "anticipates", "believes", or the negative connotation thereof, or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative connotation thereof. Forward-looking statements included in this MD&A include statements made with respect to future drilling, exploration and expenditure plans, conducting and completing preliminary economic assessments with respect to certain of its Mineral Exploration Projects, the publication of further resource estimates and progress of the joint venture arrangements with WISCO, including, but not limited to, those Company objectives as described above under "Outlook". Forward-looking statements are 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 statements are made 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, performance by the Company’s joint venture partners as contemplated in its joint venture agreements, 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. 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. And although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. Accordingly, readers should not place undue reliance on forward-looking statements.

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 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 statements except in accordance with applicable securities laws. The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement.

Cautionary Statement Regarding Technical Information

This MD&A contains disclosure of scientific or technical information for the Company's mineral projects that is based on technical reports, as disclosed above, for each of the Company's material properties. It also contains disclosure derived from public announcements of exploration results issued by the Company. Each of these reports and public announcements was prepared in accordance with National Instrument 43-101 – Standards for Disclosure for Mineral Projects of the Canadian Securities Administrators, by or under the supervision of "qualified persons" (as defined in that National Instrument).

Any mineral resource figures referred to in this MD&A are estimates, and no assurances can be given that the indicated levels of iron will be produced. Such estimates are expressions of judgment based on knowledge, mining experience, analysis of drilling results and industry practices. Valid estimates made at a given time may significantly change when new information becomes available. While the Company believes that the resource estimates included in this MD&A are well established, resource estimates are by their nature imprecise and depend, to a certain extent, upon statistical inferences which may ultimately prove unreliable. If such estimates are inaccurate or are reduced in the future, this could have a material adverse impact on the Company.

This MD&A uses the terms "measured", "indicated" and "inferred" mineral resources. Mineral resources are not mineral reserves and do not have demonstrated economic viability. Furthermore, "inferred mineral resources" have a great amount of uncertainty as to their existence, are estimated on limited information not sufficient to verify geological and grade continuity or to allow technical and economic parameters to be applied, and are subject to great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Estimates of inferred mineral resources may not form the basis of feasibility or other economic studies. Readers are cautioned not to assume that all or any part of an inferred mineral resource exists, or is economically or legally mineable. Readers are also cautioned not to assume that all or any part of measured or indicated mineral resources will ever be converted into reserves.

Pursuant to NI 43-101, Wenlong Gan, P.Geo., an employee of the Company and a Qualified Person as defined in NI 43-101, has reviewed and approved all of the technical disclosure contained in this MD&A.