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 Six Months Ended September 30, 2013

This Management's Discussion and Analysis ("MD&A") of Century Iron Mines Corporation (TSX: FER) (the "Company" or "Century Iron") was prepared as of November 13, 2013. The MD&A provides a review of the financial conditions and results of operations of the Company to assist readers in understanding and evaluating the significant changes in the Company as at and for the three and six months ended September 30, 2013. 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 six months ended September 30, 2013.

Additional information about the Company is available under the Company's profile on SEDAR at www.sedar.com, including the Company's most recent Annual Information Form.

Management is responsible for the preparation of the financial statements and MD&A. The Company's condensed consolidated interim financial statements for the three and six months ended September 30, 2013 have been prepared in accordance with International Financial Reporting Standards ("IFRS"). Notes 2 to 3 of the Company's condensed consolidated interim financial statements for the three and six months ended September 30, 2013 set out in the IFRS accounting principles applied in preparing the financial statements.

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 discussions in the "Risks and Uncertainties" and "Cautionary Statement Regarding 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

In this Management's Discussion and Analysis, the terms "Company" or "Century Iron" refer to Century Iron Mines Corporation and all its subsidiaries together unless the context otherwise clearly requires. Certain terms used herein are defined in the technical report from the applicable disclosure was taken.

Century Iron Mines Corporation is incorporated under the *Canada Business Corporations Act*. It was originally incorporated under the name "Red Rock Capital Corp." and changed its name to "Century Iron Mines Corporation" on May 16, 2011, upon the completion of the Qualifying Transaction through which it ceased being a capital pool company and became an active company listed on the TSX Venture Exchange. In September 2011, the Company graduated to the Toronto Stock Exchange.

Century Iron owns its mineral properties and conducts mineral exploration activities on properties acquired from Altius Resources Inc. ("Altius Properties") itself, and all other properties through the following direct and indirect wholly-owned subsidiaries:

- Century Iron Ore Holdings Inc. ("Century Holdings"), a holding company;
- Grand Century Iron Ore Inc. ("Grand Century"), a holding company;
- Canadian Century Iron Ore Corporation ("Canadian Century"), a holding company and the owner of the Company's 65% interest in its Duncan Lake property ("Duncan Lake Property"); and
- 0849873 B.C. Ltd. ("B.C. Ltd."), the owner of the Company's interest in the Sunny Lake Joint Venture (as defined hereinafter) and a 60% interest in WISCO Century Sunny Lake Iron Mines Limited, the operator of the Sunny Lake Joint Venture (as defined hereinafter), which is the registered owner of a 100% interest in Sunny Lake property ("Sunny Lake Property").

Century Holdings is also the majority shareholder of Labec Century Iron Ore Inc. ("Labec Century"), a joint venture company owned by Century Holdings and WISCO Attikamagen Resources Development and Investment Limited ("WISCO Attikamagen"). Labec Century holds a 56% registered interest in the Attikamagen property ("Attikamagen Property") and has funded sufficient expenditures to increase its interest in the Attikamagen Property to 60%.

Each of Century Holdings, Grand Century, Canadian Century, Labec Century and B.C. Ltd. are

incorporated under the *Business Corporations Act* (British Columbia) (the "BCBCA").
The head and registered office of the Company is located at Suite 1301, 200 University Avenue, Toronto, Ontario, Canada M5H 3C6, telephone (416) 977-3188, facsimile (416) 977-8002. The Company's website address is www.centuryiron.com.

MINERAL EXPLORATION PROPERTIES OVERVIEW

The Company is the direct/indirect owner of interests in four properties on which it conducts exploration activities. Three of these properties contain areas of exploration and development that are material to the Company, namely the Attikamagen Property and the Sunny Lake Property, both of which are located in the area of Northeastern Québec and Western Labrador known as the "Labrador Trough", and the Duncan Lake Property, which is located in the James Bay region of Northwestern Québec. The fourth property, which the Company refers to as the Altius Properties, is also located in the Labrador Trough and is described below under "Other Properties". Presently, the Altius Properties are not considered material to the Company.

During the six months ended September 30, 2013, Century Iron released preliminary economic assessment reports on the Joyce Lake property ("Joyce Lake Property"), which is located on Century Iron's Attikamagen Property (report dated May 8, 2013), and Duncan Lake Property (report issued May 6, 2013). In addition, during the same period a mineral resource evaluation report was prepared on the Joyce Lake Property (issued April 18, 2013). These reports and the exploration work and results underlying them have helped to solidify the Company's position as one of the largest attributable contained iron resource companies in Canada.

Attikamagen Property

The Company's Attikamagen Property includes two areas of exploration and development that are material to the Company: the Joyce Lake Property and the Hayot Lake Property.

<u>Joyce Lake Deposit</u>

Joyce Lake PEA Results
The Company received a report entitled "Preliminary Economic Assessment (PEA) Study Report for the Joyce Lake DSO Project" dated May 8, 2013 ("Joyce Lake PEA"). The report was prepared by CIMA+. The Joyce Lake Property is located in the Province of Newfoundland and Labrador near Schefferville, Québec.

A summary of the Joyce Lake PEA results (based on 100% ownership of the Joyce Lake Property) is as follows:

- Net Present Value ("NPV") of $90.4 M (pre-tax) and $51.8M (after-tax) at 8% discount rate
- Internal Rate of Return ("IRR") of 37% (pre-tax) and 27.1% (after-tax)
- Pre-tax Payback estimated at 2.5 years (pre-tax) and 2.6 years (after-tax) (years from production start-up)
- Mine life 4 years at 2 million tonnes per year ("Mtpy") of lump and sinter fines
- Initial Project Capex of $96.6 M
- Average total operating cost of $62.80/tonne of product (lump and sinter fines)
- Estimate with an accuracy of -15% and +30%

The Joyce Lake PEA results are based on production of 1 Mtpy for the first year and 2 Mtpy of product for the remaining years (35% of lump and 65% sinter fines). The proposed mining activities would be year-round, but mineralized rock would be hauled across Iron Arm Bay of Lake Attikamagen by an ice bridge during winter. The mineralized rock will be sized using crushing and screening equipment (dry process). The lump and sinter fines will be hauled by truck 28 kilometres to a new rail loop. The two products will be loaded by wheeled loader into rail cars for shipment. The Project envisaged is a mix of local and fly-in/fly-out operations, with camps near the crushing and screening plant.

Important caution regarding the economic analysis

The economic analysis contained in this report is preliminary in nature. It incorporates inferred mineral resources that are considered too geologically speculative to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. It should not be considered a prefeasibility or feasibility study. There can be no certainty that the estimates contained in this report will be realized. In addition, mineral resources that are not mineral reserves do not have demonstrated economic viability.

The results of the economic analysis are forward-looking information that is subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those presented here.

For further information regarding the results of the Joyce Lake PEA, please refer to the full report as filed on the Company's website (www.centuryiron.com) or under the Company's profile at www.sedar.com.

Joyce Lake Report-Mineral Resource Statement

On April 18, 2013, the NI 43-101 compliant technical report on the mineral resources of the Joyce Lake Property was filed on SEDAR. The report was prepared by SGS Canada Inc. The report is entitled "NI 43-101 Technical Report, Joyce Lake DSO Iron Project, Newfoundland & Labrador" dated April 18, 2013 prepared by SGS Canada Inc. – SGS Geostat Group ("Joyce Lake Report"). The Joyce Lake Property shows 10 million tonnes of measured and indicated mineral resources at an average grade of 59.45% total iron (Fe) plus an additional 5.6 million tonnes of inferred minerals resources, at a cutoff grade of 50% total iron.

Mineral Resource Statement of the Joyce Lake Property

Cut-Off 55% Fe	Tonnes	%Fe	%SiO_2	%Al_2O_3	%Mn
Measured	4,050,000	62.31	7.42	0.58	0.93
Indicated	3,500,000	60.82	9.28	0.60	1.06
M+I	7,550,000	61.62	8.29	0.59	0.99
Inferred	2,700,000	59.62	11.82	0.49	0.48

Cut-Off 50% Fe	Tonnes	%Fe	%SiO_2	%Al_2O_3	%Mn
Measured	5,050,000	60.44	10.21	0.58	0.88
Indicated	4,950,000	58.44	12.77	0.62	0.98
M+I	10,000,000	59.45	11.48	0.60	0.93
Inferred	5,600,000	55.78	17.50	0.47	0.46

Note: The resource estimate was restricted within the interpreted mineralized envelope. Specific gravity of 3.2 was used. All numbers are rounded. The base case for public disclosure is the statement with Fe cut-off of 50%.

Mineral resources are not mineral reserves and do not have a demonstrated economic viability. The mineral resource estimates discussed herein may be affected by subsequent assessments of mining, environmental, processing, permitting, taxation, socio-economic, legal, political and other factors. There is insufficient information available to assess the extent to which the potential development of the mineral resources described herein may be affected by the foregoing risk factors and the other risk factors discussed in the Company's most recent Annual Information Form.

For further information regarding the results of the Joyce Lake Report, please refer to the full report as filed on the Company's website (www.centuryiron.com) or under the Company's profile at www.sedar.com.

Hayot Lake Property

Mineral Resource Evaluation* Hayot Lake Taconite Iron Project, Schefferville, Québec, SRK Consulting (Canada), September 25, 2012

	Tonnes (in millions)	Specific Gravity	Total Iron Fe (%)
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 benchmarked 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. The mineral resource estimates discussed herein may be affected by subsequent assessments of mining, environmental, processing, permitting, taxation, socio-economic, legal, political and other factors. There is insufficient information available to assess the extent to which the potential development of the mineral resources described herein may be affected by these risks and the other risk factors discussed in the Company's most recent Annual Information Form.

For further information regarding the results of the Hayot Lake Report, please refer to the full report as filed on the Company's website (www.centuryiron.com) or under the Company's profile at www.sedar.com.

Attikamagen Property Ownership

The Company's interests in the Attikamagen Property (including the Joyce Lake Property and the Hayot Lake Property) are held through Labec Century, a joint venture company in which it shares ownership with WISCO Attikamagen, a subsidiary of WISCO International Resources Development & Investment Limited ("WISCO"). Labec Century has a registered 56% interest in the Attikamagen Property, and sufficient exploration expenditures on this project have been funded for Labec Century to hold a 60% interest in the project pursuant to the Company's option and joint venture agreement with Champion Iron Mines Limited (or "Champion", formerly

Champion Minerals Inc.). The ownership and management of Labec Century is governed by a shareholders agreement dated December 19, 2011 among the Company, Century Holdings, WISCO and WISCO Attikamagen ("Attikamagen Shareholders Agreement"). This shareholders agreement contemplates an aggregate investment of $40 million by WISCO into Labec Century in consideration for a 40% equity interest in Labec Century. WISCO Attikamagen completed its initial $20 million investment into Labec Century on September 26, 2012 and became the owner of 40% of the outstanding voting non-equity shares of Labec Century and 25% of the non-voting equity common shares of Labec Century. On September 19, 2013, WISCO (or WISCO Attikamagen) further increased its ownership from 25% to 40% of the non-voting equity common shares of Labec Century for a payment of $20 million. After the completion of these transactions and as of the date of this MD&A, the Company and WISCO (or WISCO Attikamagen) share an ownership of 60% and 40% of Labec Century's voting non-equity and non-voting equity shares, respectively, in accordance with the Attikamagen Shareholders Agreement.

On September 30, 2013, the Company entered into an agreement to acquire from Champion its remaining interest in the Attikamagen property. Consideration for the purchase is 2 million common shares issued from the Company's treasury and 1 million warrants of the Company with variable exercise prices of $0.75 to $2.50 per share over the 5-year life of the warrants. In addition, Champion will receive a 2% net smelter return royalty on iron and minerals produced from the property. Upon completion of the transaction, the Company, indirectly and directly, together with Labec Century will own 100% interest in the property. The transaction has been approved by the Company's Board of Directors and the TSX. The closing date of the transaction is expected to be on or before November 29, 2013.

Sunny Lake Property

Full Moon Taconite Deposit

Mineral Resource Evaluation* Full Moon Taconite Iron Deposit,
Rainy Lake Property, Schefferville, Québec,
SRK Consulting (Canada) Inc., October 22, 2012

	Tonnes (in millions)	**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 material reserves and do not have a demonstrated economic viability. The mineral resource estimates discussed herein may be affected by subsequent assessments of mining, environmental, processing, permitting, taxation, socio-economic, legal, political and other factors. There is insufficient information available to assess the extent to which the potential development of the mineral resources described herein may be affected by these risk factors and the other risk factors discussed in the Company's most recent Annual Information Form.

For further information regarding the results of the Full Moon Report, please refer to the full report as filed on the Company's website (www.centuryiron.com) or under the Company's profile at www.sedar.com.

Sunny Lake Property Ownership

The Company's Sunny Lake Property includes the Full Moon/Rainy Lake area, an area of exploration and development that is material to the Company.

On December 19, 2011, the Company entered into a definitive joint venture agreement (the "Sunny Lake JV Agreement") with B.C. Ltd., WISCO and WISCO Canada Sunny Lake Resources Development & Investment Limited ("WISCO Sunny Lake"), a wholly-owned subsidiary of WISCO, in respect of the contractual joint venture (the "Sunny Lake Joint Venture") to be formed between B.C. Ltd. and WISCO Sunny Lake for the exploration and development of the Sunny Lake Property. Under the terms of the Sunny Lake JV Agreement, the Company agreed to contribute its interest in the Sunny Lake Property for a 60% voting and participating interest in the Sunny Lake Joint Venture. WISCO, in turn, agreed to invest $40 million in exchange for a 40% voting and participating interest.

Further to the Sunny Lake JV Agreement, the parties incorporated WISCO Century Sunny Lake Iron Mines Limited as the operator of the Sunny Lake Joint Venture (the "Sunny Lake Operator" or "WISCO Century Sunny Lake") in advance of the formation of the Sunny Lake Joint Venture. The Sunny Lake Operator is owned 60% as to B.C. Ltd. and 40% as to WISCO Sunny Lake.

The mineral claims comprising the Sunny Lake Property were transferred to the Sunny Lake Operator in advance of the formation of the Sunny Lake Joint Venture. Effective upon formation of the Sunny Lake Joint Venture, the Sunny Lake Operator executed a trust deed confirming that it holds the mineral claims comprising the Sunny Lake Property in trust for B.C. Ltd. and WISCO Sunny Lake in accordance with their respective interests in the Sunny Lake Joint Venture, which are currently 82.9% in favour of B.C. Ltd. and 17.1% in favour of WISCO Sunny Lake.

Duncan Lake Property

Duncan Lake PEA Results

A preliminary economic assessment was completed on the Duncan Lake Property in 2013. The report, entitled "Preliminary Economic Assessment of the Duncan Lake Iron Property, James Bay, Québec, Canada" with an effective date of March 22, 2013 and an issue date of May 6, 2013, was prepared by Met-Chem Canada Inc. ("Duncan Lake PEA"). The economic analysis results presented in the Duncan Lake PEA are as follows:

Economic Analysis

The pre-tax economic analysis results are summarized as:

- Net Present Value ("NPV") of $4.1 billion at an 8% discount;
- Internal Rate of Return ("IRR") of 20.1 %;
- Payback period of 4.2 years;
- Mine life of 20 years at 12 Mtpy of pellet production;
- Cost estimate accuracy of ± 35%.

The post-tax economic analysis results are summarized as:

- Net Present Value of $2.2 billion at an 8% discount;
- Internal Rate of Return ("IRR") of 15.9 %;
- Payback period of 4.8 years;
- Mine life of 20 years at 12 Mtpy of pellet production;
- Cost estimate accuracy of ± 35%.

The economic assumptions used in the analyses presented in the Duncan Lake PEA are summarized as:

- USD 125 per tonne of 62% iron concentrate, CFR China (basis);

- USD 134 per tonne for 66.3% Fe grade of Duncan Lake Pellet;
- Iron Pellet Premium of USD 35 per tonne;
- Transport cost to China USD 35 per tonne;
- Transport cost to Europe USD 15 per tonne;
- Ship loading costs USD 2 per tonne;
- Market split LOM tonnage of pellets shipped to China: Europe assumed at 70:30;
- Weighted average CFR price of USD 169 per tonne of Duncan Lake pellet;
- Life of Mine for financial analysis 20 years;
- Exchange rate at par for 2013 to 2017 and 0.95 USD/CAD for 2018 and beyond;
- Fuel prices of $1.05 per liter of diesel and $0.62 per liter of bunker C (pellet plant);
- Electricity rate of $0.09 per kWh for mine and concentrator (primary transformation) and $0.045 per kWh for secondary transformation and pellet plant;
- Mine mobile production and auxiliary equipment are leased;
- Camp facilities are leased.

Important caution regarding the economic analysis

The economic analysis contained in this report is preliminary in nature. It incorporates inferred mineral resources that are considered too geologically speculative to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. It should not be considered a prefeasibility or feasibility study. There can be no certainty that the estimates contained in this report will be realized. In addition, mineral resources that are not mineral reserves do not have demonstrated economic viability.

The results of the economic analysis are forward-looking information that is subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those presented here.

For further information regarding the results of the Duncan Lake PEA, please refer to the full report as filed on the Company's website (www.centuryiron.com) or under the Company's profile at www.sedar.com.

Duncan Lake Report

Summary of the Mineral Resource (Cut-Off of 16% Head Fe), Met-Chem Canada Inc., Effective date August 24, 2012, issue date October 11, 2012

Mineral Resource Category	Tonnes (Million)	Fe (%)	DTWR (%)	DT Fe (%)	DT SiO2 (%)
Measured	405.6	23.92	26.78	67.26	5.25
Indicated	644.9	24.73	28.09	66.87	5.60
Measured + Indicated	**1,050.5**	**24.42**	**27.58**	**67.02**	**5.46**
Inferred	563.1	24.69	27.97	66.46	6.03

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

Note 2: Total tonnage may vary due to rounding.

Note 3: Resource estimate is based on all six Duncan Lake zones.

Mineral resources are not mineral reserves and do not have a demonstrated economic viability. The mineral resource estimates discussed herein may be affected by subsequent assessments of mining, environmental, processing, permitting, taxation, socio-economic, legal, political and other factors. There is insufficient information available to assess the extent to which the potential development of the mineral resources described herein may be affected by these risks and the other risk factors discussed in the Company's most recent Annual Information Form.

For further information regarding the results of the Duncan Lake Report, please refer to the full report as filed on the Company's website (www.centuryiron.com) or under the Company's profile at www.sedar.com.

Duncan Lake Property Ownership

The Duncan Lake Property is the subject of an option and joint venture agreement between Canadian Century and Augyva Mining Resources Inc. ("Augyva") dated May 20, 2008 ("Duncan Lake Joint Venture Agreement"). In October 2012, Canadian Century notified Augyva that it had spent a further $14 million on the project. Pursuant to the Duncan Lake Joint Venture Agreement, Canadian Century has now earned a cumulative 65% interest in the Duncan Lake Property. Augyva holds a 35% interest in the Duncan Lake Property. Canadian Century and Augyva formed a contractual joint venture for the exploration, and if warranted, development and exploitation of the Duncan Lake Property and the operation of any mine or mines to be constructed on the property.

The Company has been engaged in discussions with WISCO regarding a shareholders agreement proposed to be entered into for the Duncan Lake Property. This shareholders agreement would govern WISCO’s investment in the Duncan Lake Property (“Duncan Lake Shareholders Agreement”). The Company presently anticipates that the ultimate Duncan Lake Shareholders Agreement will include certain terms that are different from the proposed material terms originally disclosed in the Company’s Annual Information Form for the year ended March 31, 2012 available on SEDAR (“2012 AIF”) and as more fully described in the Company’s Annual Information Form for the year ended March 31, 2013 available on SEDAR (“2013 AIF”). The Company cautions that these discussions are still in progress and subject to finalization. Currently, the Duncan Lake Property is not held under a joint venture with WISCO.

Altius Properties

The Altius Properties were acquired in 2011 from a party that retains a 1% to 4% sliding scale gross sales royalty on the properties. On November 18, 2011, the Company issued 2,000,000 common shares to the party from whom it acquired this property. A further 3,000,000 common shares are issuable by November 18, 2013.

In November 2012, the Company sold an 80% interest in a substantial portion of the Astray property (which is part of the Altius Properties) to Northern Star Minerals Ltd., and retained a 20% interest in that property.

SELECTED EXPLORATION EXPENDITURES

The following is a summary of the exploration expenditures incurred by the Company on its properties during the six months ended September 30, 2013 and 2012.

	Duncan Lake Property ($)	Attikamagen Property ($)	Sunny Lake Property ($)	Altius Properties ($)	Other ($)	Total ($)
Balance - March 31 and April 1, 2013	15,729,444	-	15,983,419	7,283,494	632,729	39,629,086
Additions, net of investment tax credits	(772,989)	-	(5,127,180)	535,841	(63,768)	(5,428,096)
Reimbursement of exploration expenditures	-	-	(8,612,875)	-	-	(8,612,875)
Balance - September 30, 2013	14,956,455	-	2,243,364	7,819,335	568,961	25,588,115

	Duncan Lake Property ($)	Attikamagen Property ($)	Sunny Lake Property ($)	Altius Properties ($)	Other ($)	Total ($)
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	2,126,782	5,017,831	7,726,606	2,862,105	14,372	17,747,696
Deemed disposal of Labec Century	-	(21,587,655)	-	-	-	(21,587,655)
Balance - September 30, 2012	19,116,100	-	15,320,389	8,198,333	211,722	42,846,544

Analyses of the expenditures in the properties of the Company that contain material projects during the six months ended September 30, 2013 and 2012 are as follows:

Duncan Lake Property

	2013 ($)	2012 ($)
Balance – April 1	15,729,444	16,989,318
Drilling	-	33,592
Geology	157,794	1,642,912
Camp operations	8,559	369,300
Salaries	47,318	80,978
Investment tax credits	(986,660)	-
Balance – September 30	14,956,455	19,116,100

Sunny Lake Property

	2013 ($)	2012 ($)
Balance – April 1	15,983,419	7,575,756
Drilling	8,923	6,001,657
Geology	-	677,166
Metallurgy testing	258,331	16,023
Land claims	68,460	-
Camp operations	159,840	793,230
Salaries	65,825	256,557
Investment tax credits	(5,688,559)	-
Reimbursement of exploration expenditures	(8,612,875)	-
Balance – September 30	2,243,364	15,320,389

Altius Properties

	2013 ($)	2012 ($)
Balance – April 1	7,283,494	5,336,228
Drilling	-	622,437
Geology	130,002	1,945,533
Land claims (deposit returned)	180	(69,600)
Camp operations	202,104	299,091
Salaries	203,555	64,644
Balance – September 30	7,819,335	8,198,333

OUTLOOK

The Company plans to advance its Direct Shipping Ore ("DSO") projects toward production, as its priority and direction of development, commencing with the Joyce Lake DSO Project, to create shareholder value. Accordingly, it will focus its activities in fiscal year of 2013/14 as follows:

Attikamagen Property

- Joyce Lake DSO Project: The Company completed its winter 2012-13 drilling program with encouraging results. The results indicate the possible expansion and upgrade of the in-pit high-grade DSO resources previously reported in the PEA Study Report dated May 8, 2013. The results further revealed that the Joyce Lake deposit has extensions previously not drilled which represents the additional potential to become a larger high-grade DSO deposit than estimated in the last NI 43-101-compliant resource update. Building from these positive results, the Company is currently executing the summer/fall exploration drilling program to further broaden the DSO resources base with the objective of increasing the current resource of the deposit and testing additional DSO targets in the area. This summer/fall exploration program includes in-fill drilling of the currently defined ore body and resource definition drilling of its extension as a priority. The program is planned to improve the results of the previously reported PEA in order to establish optimum economics for the project with the advancement of the feasibility study, which is expected to be completed by the fourth quarter of 2014, through its joint venture.
- Century Iron anticipates that the feasibility study and drilling program will be fully covered by Labec Century's existing financial resources after the additional capital contribution of $20 million from WISCO on September 19, 2013 in accordance with the Attikamagen Shareholders Agreement.
- The Company's proposed agreement with Champion announced on September 30, 2013 is expected to consolidate Labec Century's interest in the Joyce Lake DSO Project to a full 100% ownership and simplify forthcoming project development.

Sunny Lake Property

- Both the Company and WISCO plan to develop this property and Attikamagen with the strategy of advancing the DSO projects towards production as a priority.
- DSO targets: The Company also plans to commence the resource definition drilling of Prospect #3 and #8 DSO targets of Lac Le Fer in the 2014 field season.
- Full Moon iron deposit (taconite): The Company is targeting the completion of a preliminary

economic assessment of the Full Moon iron deposit in 2014.

- These activities are to be funded by WISCO to earn a 40% voting and participating interest in the Sunny Lake Property under the terms of the Sunny Lake JV Agreement.

Altius Properties

- During the 2013 field season, the Company continued the next phase of active exploration programs of the projects by conducting orientation drilling. The exploration program is primarily focused on DSO. The initial assay results on Red Dragon, one of the target areas in the Schefferville West project, indicates encouraging high grade DSO type mineralization. These assay results also indicates that the Schefferville West Iron formation may have the potential of hosting several DSO deposits. The Altius Properties are in close proximity to the town of Schefferville and are accessible by road. A follow up retrenching was completed in the summer of 2013. A planned drilling program will commence shortly to focus on the key geophysical anomalies to explore the Properties' DSO potential.
- Century Iron expects that the exploration programs on these properties will be funded from the available cash reserves 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	September 30, 2013 ($)	June 30, 2013 ($)	March 31, 2013 ($)	December 31, 2012 ($)
Other operating income	98,324	59,237	83,511	117,379
Loss for the period	(3,003,137)	(2,068,542)	(9,042,478)	(3,099,934)
Basic and diluted loss per share	(0.032)	(0.022)	(0.096)	(0.033)
Total assets	145,110,451	147,915,000	151,376,737	160,736,736
Shareholder's equity	143,290,712	146,101,982	147,858,630	156,763,653

Quarters ended	September 30, 2012 ($)	June 30, 2012 ($)	March 31, 2012 ($)	December 31, 2011 ($)
Other operating income	169,321	206,613	372,654	252,725
Profit / (loss) for the period	49,891,901	(2,599,263)	(1,294,672)	(4,143,245)
Basic and diluted earnings / (loss) per share	0.526	(0.027)	(0.014)	(0.044)
Total assets	173,692,875	121,069,302	123,154,655	122,532,798
Shareholder's equity	159,178,114	107,955,831	109,369,932	109,248,530

RESULTS OF OPERATIONS

This section should be read in conjunction with the condensed consolidated interim statement of comprehensive loss for the three and six months ended September 30, 2013 and the notes associated therewith.

Overview

The Company does not have any material revenues as it is an exploration stage company.

Analysis of Results of Operations for the six months ended September 30, 2013 compared with the six months ended September 30, 2012

For the six months ended September 30, 2013 ("2013"), the Company reported a loss of $5,071,679 compared to a profit of $47,292,638 for the comparable period in 2012 ("2012").

The Company recorded a gain of $53,470,746 from the deemed disposal of Labec Century in 2012, as explained in the Management's Discussion and Analysis for the three and six months ended September 30, 2012. Excluding the one-time gain, the Company had a loss of $6,178,108 for the six months ended September 30, 2012.

The loss for 2013 is $1,106,429 less than the loss for 2012 before the one-time gain. The principal factors for this decrease are as follows:

- Administrative expenses were $5,242,073 in 2013 compared to $6,554,042 in 2012. The decrease was mainly attributable to the following major changes: an increase in director's remuneration and salaries expense, an increase in consulting, legal and professional fees, and an increase in rental expense are more than offset by a decrease in travelling expenses and a decrease in stock option expense (as further explained below).

  Director's remuneration and salaries expense increased by $519,445 from $1,529,229 in 2012 to $2,048,674 in 2013 due to a general rise in salary level and a higher bonus payment in 2013. Consulting, legal and professional fees increased by $155,050 from $957,160 in 2012 to $1,112,210 in 2013 due to more spending on financial advisory services, corporate governance improvement and logistics studies. Rental expense increased by $103,367 from $267,611 in 2012 to $370,978 in 2013 as the Company has rented more storage areas for its samples and expanded its head office.

  Travelling expenses decreased by $193,823 from $415,274 in 2012 to $221,451 in 2013 as the Company incurred more site visits and meetings with its strategic shareholders in 2012 for the execution and closing of the joint venture agreements. Stock option expense was $678,812 in 2013 compared to $2,494,634 in 2012. The lower stock option expense in 2013 was mainly due to the lower option value calculated from the Black-Scholes option pricing model for the Company's more recent grants as the market price of the Company's shares was lower. Besides, 2,955,000 options were granted in July 2012 with 1/3 of them vested on the grant date, resulting in a higher share option expense in 2012.

  Other administrative expense items of $809,948 in 2013 ($890,134 in 2012) mainly comprised investor relations and promotion expenses, amortization of fixed assets and office general expenses.

- Other operating income was $157,561 in 2013 compared to $375,934 in 2012. The income mainly comprised interest earned from the Group's short term deposits. The decrease was mainly due to the reduction of bank interest income from $375,751 in 2012 to $135,889 in 2013 as the Group's average bank balance and the interest rate during the period decreased.

Analysis of Results of Operations for the second quarter ended September 30, 2013 compared with the second quarter ended September 30, 2012

For the quarter ended September 30, 2013 ("2013 Q2"), the Company reported a loss of $3,003,137 compared to a profit of $49,891,901 for the comparable quarter in 2012 ("2012 Q2").

The Company recorded a gain of $53,470,746 from the deemed disposal of Labec Century in 2012 Q2, as explained in the Management's Discussion and Analysis for the three and six months ended September 30, 2012. Excluding the one-time gain, the Company had a loss of $3,578,845 for 2012 Q2.

The loss for 2013 Q2 is $575,708 less than the loss for 2012 Q2 before the one-time gain. The principal factors for this decrease are as follows:

- Administrative expenses were $3,114,294 in 2013 Q2 compared to $3,748,166 in 2012 Q2. The decrease was mainly attributable to the following major changes: an increase in director's remuneration and salaries expense, an increase in rental expense, and an exchange loss for 2013 Q2 compared with an exchange gain for 2012 Q2 are more than offset by a decrease in consulting, legal and professional fees, a decrease in travelling expenses, a decrease in fixed assets written off and a decrease in stock option expense (as further explained below).

  Director's remuneration and salaries expense increased by $691,547 from $822,881 in 2012 Q2 to $1,514,428 in 2013 Q2 as a bonus was paid in 2013 Q2, while the 2012 bonus was paid in 2012 Q1. Rental expense increased by $59,837 from $124,968 in 2012 Q2 to $184,805 in 2013 Q2 as the Company has rented more storage areas for its samples and expanded its head office. Exchange difference in 2013 Q2 mainly arose from the translation of foreign currency monetary items of the Company's overseas subsidiaries. The exchange loss of $115,847 recorded in 2013 Q2 was due to the appreciation of Canadian Dollars against Hong Kong Dollars during the period, whereas the exchange gain of $165,893 recorded in 2012 Q2 arose mainly from the effect of the appreciation of Canadian Dollars against US Dollars during 2012

Q2 on the translation of a US$8 million off-take deposit. The deposit was fully repaid in December 2012.

Consulting, legal and professional fees decreased by $135,038 from $764,144 in 2012 Q2 to $629,106 in 2013 Q2 due to a technical consultancy service was incurred for 2012 Q2. Travelling expenses decreased by $272,074 from $322,209 in 2012 Q2 to $50,135 in 2013 Q2 as the Company incurred more site visits and meetings with its strategic shareholders in 2012 for the execution and closing of the joint venture agreements. A loss of $82,819 on write off of fixed assets was recorded in 2012 Q2 as the Company removed an old camp in response to requests from aboriginal communities. There was no write off of fixed asset in 2013 Q2. Stock option expense was $165,697 in 2013 Q2 compared to $1,262,754 in 2012 Q2. The lower stock option expense in 2013 Q2 was mainly due to the lower option value calculated from the Black-Scholes option pricing model for the Company's more recent grants as the market price of the Company's shares was lower. Besides, 2,955,000 options were granted in July 2012 with 1/3 of them vested on the grant date, resulting in a higher share option expense in 2012 Q2.

Other administrative expense items of $454,276 in Q2 2013 ($534,284 in Q2 2012) mainly comprised investor relations and promotion expenses, amortization of fixed assets and office general expenses.

- Other operating income was $98,324 in 2013 Q2 compared to $169,321 in 2012 Q2. The income mainly comprised interest earned from the Group's short term deposits. The decrease was mainly due to the reduction of bank interest income from $169,138 in 2012 Q2 to $79,308 in 2013 Q2 as the Group's average bank balance and the interest rate during the quarter decreased.

CONSOLIDATED FINANCIAL POSITION

This section should be read in conjunction with the condensed consolidated interim statement of financial position as at September 30, 2013, and the condensed consolidated interim statement of changes in equity and the condensed consolidated interim statement of cash flows for the three and six months ended September 30, 2013.

Consolidated Assets

Consolidated assets decreased by $6,266,286 from $151,376,737 as at March 31, 2013 to $145,110,451 as at September 30, 2013. The major reasons for the decrease were as follows:

- The decrease in accounts receivable by $8,743,034 from $13,859,635 as at March 31, 2013 to $5,116,601 as at September 30, 2013. The decrease was mainly due to the repayment of $11,429,435 from the Group's joint venture Labec Century in relation to Labec Century's audited exploration expenditures previously funded by the Group and reimbursed pursuant to the Attikamagen Shareholders Agreement.
- The decrease in sales taxes recoverable by $1,844,890 from $5,185,956 as at March 31, 2013 to $3,341,066 as at September 30, 2013. The balance decreased as the Group received refunds during the period.
- The increase in investment tax credits receivable by $4,199,863 from $8,049,757 as at March 31, 2013 to $12,249,620 as at September 30, 2013. The increase was mainly due to the recognition of the Group's investment tax credits receivable from the Quebec government for its exploration expenditure incurred.
- The decrease in exploration and evaluation assets by $14,040,971 from $39,629,086 as at March 31, 2013 to $25,588,115 as at September 30, 2013. This decrease was primarily due to reimbursement of $8,612,875 of exploration expenditures of the Sunny Lake property received from WISCO Sunny Lake pursuant to the Sunny Lake JV Agreement and the Sunny Lake closing agreement, and the recording of $6,763,192 of investment tax credits for the Group's exploration expenditure spent.
- The increase in cash and cash equivalents and short term bank deposit by $14,334,038 from $19,359,987 as at March 31, 2013 to $33,694,025 as at September 30, 2013. The increase was primarily due to the collection of accounts receivable and exploration expenditures explained above, less consumption of cash in the investment of exploration and evaluation assets and in operations.

Consolidated Liabilities

Consolidated liabilities decreased by $1,698,368 from $3,518,107 as at March 31, 2013 to $1,819,739 as at September 30, 2013. The decrease in liabilities was mainly due to the payment of the Company's accounts payable with vendors. The liabilities were repaid using Company funds.

Shareholder's Equity

Shareholder's equity decreased by $4,567,918 from $147,858,630 as at March 31, 2013 to $143,290,712 as at September 30, 2013. The decrease is mainly due to the loss recorded by the Company for the first half of 2013.

The following table summarizes changes in share capital during the six months ended September 30, 2013:

	Number of common shares	**Value $**
Balance - April 1, 2013	94,474,158	115,023,227
Repurchase of common shares (a)	(315,587)	(142,549)
Balance - September 30, 2013	94,158,571	114,880,678

(a) The Company initiated an automatic purchase plan under a normal course issuer bid ("NCIB") beginning on September 12, 2012. The NCIB was amended in May 2013 such that the number of common shares authorized for purchase during the period of the bid from August 22, 2012 to August 21, 2013 would not exceed 2,500,000 common shares. Daily purchases were limited to 16,167 common shares, save and except that the Company was permitted to make block purchases. The NCIB expired in August 2013. During the period when the program operated, a total of 677,000 common shares were repurchased and cancelled.

The NCIB was renewed in September 2013. The renewed NCIB is effective between September 17, 2013 and September 16, 2014. The renewed NCIB allows for the purchase of up to 1,823,000 of the Company's outstanding common shares, and the purchase of up to 14,094 common shares on any given day other than under a block purchase or otherwise in a permitted transaction that is exempted from this daily limit under TSX policies.

During the six months ended September 30, 2013, the Company repurchased for cancellation 315,587 common shares under the plan with an aggregate cost of $142,549.

DISCLOUSURE OF OUTSTANDING SHARE DATA

As at the date of this MD&A, the Company had 93,951,571 common shares issued and outstanding and 9,870,000 stock options outstanding under the Company's equity incentive plan.

SIGNIFICANT EQUITY INVESTEE

As of September 30, 2013, the Group owns a 60% interest in the Labec Century Joint Venture. The summarized financial information of Labec Century is disclosed in the condensed consolidated interim financial statements of the Company for the three and six months ended September 30, 2013.

LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2013, the Company had cash and cash equivalents and short term bank deposit of $33,694,025 to settle current liabilities of $1,773,126. The net working capital of the Company was $53,700,863 as at September 30, 2013. The Company's cash and cash equivalents and short term bank deposit are deposited with major Canadian banks.

The additional capital contribution by WISCO pursuant to the Sunny Lake JV Agreement and Attikamagen Shareholders Agreement are anticipated to adequately cover the respective project costs of WISCO and the Company for this fiscal year on the Attikamagen Property and the Sunny Lake Property. The current cash position of the Company is sufficient to cover corporate administrative expenditures over the next 12 months, projected at approximately $8 million, and the exploration commitments relating to the Altius Properties.

Given the current equity market conditions, the Company is pursuing non-equity financing opportunities and potential further joint venture arrangements with third parties to support the future development of the projects.

The Company's contractual obligations relating to capital expenditures and operating lease commitments for the next five years and beyond are as follows:

	Payments due by period				
Contractual obligations	**Total ($)**	**Less than 1 year ($)**	**1-3 years ($)**	**4-5 years ($)**	**After 5 years ($)**
Operating lease commitments	2,079,573	796,742	1,282,831	-	-
Capital commitments	15,806,408	1,500,000	3,000,000	11,306,408	-
Total	17,885,981	2,296,742	4,282,831	11,306,408	-

The operating lease commitments are the minimum monthly lease payments due on the

Company's offices, warehouses and staff quarters.

The above capital commitments are the minimum exploration expenditures for the Astray, Grenville, Menihek and Schefferville Properties, excluding Astray-X project, pursuant to the Altius Agreement.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

Transactions with related parties

In addition to transactions detailed elsewhere in this MD&A, the Company has the following related party transactions:

(i) As of September 30, 2013, the Group had accounts receivable of $4,874,588 from Labec Century (March 31, 2013: $13,697,158). The balance represents exploration expenditure of the Attikamagen property incurred and paid by the Group on behalf of Labec Century after Labec Century became the Group's joint venture. In June 2013, the Group received the repayment of $11,429,435 from Labec Century in relation to Labec Century's audited exploration expenditures previously funded by the Group and reimbursed pursuant to the Attikamagen Shareholders Agreement.

(ii) As of September 30, 2013, the Group had accounts receivable of $16,950 (March 31, 2013: $16,950) from Augyva. The President and CEO and a key officer of the Group are directors of Augyva.

These related party transactions are in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. It is management's estimation that these transactions were undertaken under the same terms and conditions as transactions with non-related parties.

Remuneration of key management personnel

	Three months ended September 30,		Six months ended September 30,	
	2013	**2012**	**2013**	**2012**
	$	**$**	**$**	**$**
Salaries	1,319,878	319,567	1,645,197	1,251,598
Share option expenses	109,208	834,068	450,745	1,770,933
	1,429,086	1,153,635	2,095,942	3,022,531

CAPITAL COMMITMENTS

(i) 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.

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.

(ii) On September 30, 2013, the Company entered into an agreement to acquire from Champion its remaining interest in the Attikamagen property. Consideration for the purchase is 2 million common shares issued from the Company’s treasury and 1 million warrants of the Company with variable exercise prices of $0.75 to $2.50 per share over the 5-year life of the warrants. The closing date of the transaction is expected to be on or before November 29, 2013. Further details of the transaction are provided in the notes to the condensed consolidated interim financial statements.

(iii) The Company initiated an automatic purchase plan under an NCIB beginning on September 12, 2012. The NCIB was amended in May 2013 such that the number of common shares authorized for purchase during the period of the bid from August 22, 2012 to August 21, 2013 would not exceed 2,500,000 common shares. Daily purchases were limited to 16,167 common shares, save and except that the Company was permitted to make block purchases. The NCIB expired in August 2013. During the period when the program operated, a total of 677,000 common shares were repurchased and cancelled.

The NCIB was renewed in September 2013. The renewed NCIB is effective between September 17, 2013 and September 16, 2014. The renewed NCIB allows for the purchase of up to 1,823,000 of the Company's outstanding common shares, and the purchase of up to 14,094 common shares on any given day other than under a block purchase or otherwise in a permitted transaction that is exempted from this daily limit under TSX policies.

OFF-TAKE ARRANGEMENTS

WISCO Off-take Arrangement

On February 18, 2011, Century Holdings entered into a joint venture framework agreement with WISCO (the "WISCO JV Framework Agreement"). WISCO is entitled to a right of first refusal to purchase up to 40% of the production attributable to the joint venture company to be set up by the Company and WISCO at cost and has a right of first refusal to purchase an additional 20% at market according to the terms of the WISCO JV Framework Agreement.

Minmetals Off-take Arrangement

Pursuant to the terms of a subscription agreement with Minmetals Exploration & Development (Luxembourg) Limited S.à.r.l. ("Minmetals") dated May 10, 2011, Century Holdings and the Company have agreed, at least 180 days prior to the anticipated date of commencement of commercial production, to negotiate in good faith and use commercially reasonable efforts to enter into a definitive off-take agreement in favour of Minmetals in respect of iron ore produced from the Duncan Lake Project.

Under this off-take agreement, Minmetals will have a right to purchase 10% of Canadian Century's interest in all iron ore produced from the Duncan Lake Project (the "Product") from the first shipment of Product until the termination of production at a price equal to the price at which the Product is sold to WISCO pursuant to the terms of the WISCO JV Framework Agreement, which price will be based on market price, provided that if such price is not applicable, then the price of the Product will be agreed to by the parties and based on market price of iron ore of similar quantity and quality.

INTERNAL CONTROL OVER FINANCIAL REPORTING

Management is responsible for the establishment and maintenance of a system of internal control over financial reporting. 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 consolidated 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 six months ended September 30, 2013.

There has been no change in the Company's internal control over financial reporting during the six months ended September 30, 2013 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

DISCLOSURE CONTROLS AND PROCEDURES

The Company has established and maintained disclosure controls and procedures over financial reporting. Management has designed and implemented the disclosure controls and procedures to provide reasonable assurance that material information relating to the Company and its subsidiaries is made known to the CEO and the CFO.

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. Future events and risk factors inherent in the mining industry could result in changes in these estimates and assumptions. 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 judgements 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 equity incentive 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 is deemed to have joint control over Labec Century. Per application of IFRS 11 *Joint Arrangements*, the Group has the right to the net assets of Labec Century and as such, Labec Century is accounted for as a joint venture in accordance with IFRS 11.

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

In addition to considering the discussion provided in this report as to certain risks that are faced by, or that could be faced by, the Company in pursuing its plans for its properties, and more generally in implementing those plans, readers and investors are encouraged to consider the risk factors set out in the Company's Annual Information Form for the fiscal year ended March 31, 2013.

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 are identified by the use of forward-looking language such as "plans", "targets", "expects", "estimates", "intends", "anticipates", "believes", or the negative connotation thereof, or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", or "will", "occur" or the negative connotation thereof. Forward-looking statements included in this MD&A include statements made with respect to future exploration expenditure or other plans, conducting and completing preliminary economic assessments or feasibility studies with respect to certain of its properties, the publication of further resource estimates and the progress of 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 Company's properties may not be available on satisfactory terms, or at all; (iii) regulatory risks, including risks relating to the acquisition of 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 could 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 Company's properties 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.

Such forward-looking statements are necessarily based upon a number of factors and assumptions that, while considered reasonable by the Company as of the date of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The assumptions underlying the forward looking information in this MD&A, which may prove to be incorrect, include, but are not limited to, assumptions relating to:

- the Company's business and exploration and development plans;
- the costs of implementation of the Company's exploration and development plans;
- the availability of sufficient capital to enable the Company to carry out its exploration and development plans;
- the completion of the financings and transactions contemplated by the Company's joint venture agreements with WISCO;

- the state of the economy and the mineral exploration industry in general and global demand for iron ore;
- the provision of goods and services by contracted parties on agreed timeframes, plant and equipment work being advanced or otherwise functioning as anticipated;
- the accuracy of the estimates of mineral resource included in the NI 43-101 compliant technical reports on the Company's material properties;
- the accuracy of the projections derived from the preliminary economic analysis of the Company's Duncan Lake and Joyce Lake properties included in the NI 43-101 compliant technical reports on those properties;
- the results of future exploration and development programs will be consistent with results and estimates included in the Company's NI 43-101 technical reports on the Company's material properties;
- that aboriginal rights will be settled in a manner that will enable the Company to proceed with its planned exploration and development programs;
- the Company will be able to obtain the required regulatory approvals necessary to enable it to proceed with its exploration and development programs;
- the Company will not encounter any unanticipated geological or technical problems in carrying out is exploration and development programs;
- the price of iron ore remaining consistent with the Company's expectations; and
- there being no material adverse events or changes outside of the normal course of business for the Company.

No assurance can be given that these assumptions will prove to be correct. These assumptions should be considered carefully by readers. Readers are cautioned not to place undue reliance on the forward-looking information and statements or the assumptions on which the Company's forward-looking information and statements are based.

Investors are advised to carefully review and consider the discussion in this MD&A regarding risks that are faced by, or could be faced by, the Company in purusing its plans for its properties, as well as the risk factors provided in the Company's Annual Information Form for the year ended March 31, 2013. 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.