

Century Global Commodities Corporation

Consolidated Financial Statements

March 31, 2017

(Expressed in Canadian Dollars)

Management's Responsibility for Financial Reporting

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

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

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

(Signed) "Sandy Chim"

Sandy Chim
Chief Executive Officer

(Signed) "Alex Tsang"

Alex Tsang
Chief Financial Officer

June 23, 2017



June 23, 2017

Independent Auditor's Report

To the Shareholders of Century Global Commodities Corporation

We have audited the accompanying consolidated financial statements of Century Global Commodities Corporation which comprise the consolidated statements of financial position as at March 31, 2017 and 2016 and the consolidated statements of profit or loss, statements of comprehensive loss, statements of changes in equity and statements of cash flows for the years then ended and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

*PricewaterhouseCoopers LLP
PwC Tower, 18 York Street, Suite 2600, Toronto, Ontario, Canada M5J 0B2
T: +1 416 863 1133, F+1 416 365 8215*

"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Century Global Commodities Corporation at March 31, 2017 and 2016 and its financial performance and its cash flows for the years then ended March 31, 2017 and 2016 in accordance with International Financial Reporting Standards.

(Signed) "PricewaterhouseCoopers LLP"

Chartered Professional Accountants, Licensed Public Accountants

Century Global Commodities Corporation

Consolidated Statement of Financial Position

As of March 31, 2017

(Expressed in Canadian Dollars, unless otherwise stated)

	Notes	March 31, 2017 \$	March 31, 2016 \$
Assets			
Current assets			
Cash and cash equivalents		5,533,122	14,668,097
Short term bank deposits		13,006,352	10,103,303
Marketable securities	7	796,311	-
Accounts receivable	8, 24	10,088,604	9,813,385
Sales taxes and other taxes recoverable		159,144	241,928
Prepayments and deposits		514,098	931,893
Inventories	9	543,598	45,985
Total current assets excluding assets classified as held for sale		30,641,229	35,804,591
Assets classified as held for sale	10	-	155,745
		30,641,229	35,960,336
Non-current assets			
Property, plant and equipment	12	198,613	395,995
Investment in a joint venture	13	7,846,824	8,062,026
		8,045,437	8,458,021
		38,686,666	44,418,357
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	14	925,712	815,339
Shareholders' Equity			
Share capital	15	117,057,217	117,220,159
Contributed surplus		3,082,819	2,758,368
Deficit		(84,440,727)	(89,499,104)
Other components of equity		2,061,645	13,123,595
		37,760,954	43,603,018
		38,686,666	44,418,357

Approved by the Board of Directors

/s/ "Sandy Chim" Director
Date: June 23, 2017

/s/ "Kit Ying (Karen) Lee" Director
Date: June 23, 2017

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

Century Global Commodities Corporation

Consolidated Statement of Profit or Loss

For the year ended March 31, 2017

(Expressed in Canadian Dollars, unless otherwise stated)

		Years ended March 31,	
	Notes	2017 \$	2016 \$
Revenue	6, 18	1,425,424	87,165
Cost of sales	18	<u>(1,075,409)</u>	<u>(62,880)</u>
Gross profit		350,015	24,285
Other income	19	355,257	395,456
Gain from sale of assets classified as held for sale	10	399,955	-
Selling expenses		(241,481)	(23,101)
Administrative expenses	20	(6,274,295)	(7,064,681)
Project maintenance costs		(198,356)	-
Share-based compensation expenses	16	(127,759)	(889,527)
Impairment losses	21	-	(73,760,146)
Gain/(loss) on foreign exchange		(172,276)	105,936
Share of loss of a joint venture	13	<u>(215,202)</u>	<u>(308,018)</u>
Net loss for the year		<u>(6,124,142)</u>	<u>(81,519,796)</u>
Attributable to:			
Owners of the Company		(6,115,197)	(81,519,796)
Non-controlling interests		<u>(8,945)</u>	<u>-</u>
		<u>(6,124,142)</u>	<u>(81,519,796)</u>
Net loss per share attributable to owners of the Company			
– Basic and diluted	23	<u>(0.06)</u>	<u>(0.83)</u>
Weighted average number of shares outstanding		<u>98,586,749</u>	<u>98,794,180</u>

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

Century Global Commodities Corporation

Consolidated Statement of Comprehensive Loss

For the year ended March 31, 2017

(Expressed in Canadian Dollars, unless otherwise stated)

		Years ended March 31,	
	Notes	2017	2016
		\$	\$
Net loss for the year		<u>(6,124,142)</u>	<u>(81,519,796)</u>
Other comprehensive income/(loss)			
Exchange gain/(loss) on translation of operations in other currencies		193,602	(155,737)
Change in fair value of marketable securities	7	<u>94,798</u>	<u>-</u>
Other comprehensive income/(loss) for the year		<u>288,400</u>	<u>(155,737)</u>
Total comprehensive loss for the year		<u>(5,835,742)</u>	<u>(81,675,533)</u>
Attributable to:			
Owners of the Company		(5,826,797)	(81,675,533)
Non-controlling interests		<u>(8,945)</u>	<u>-</u>
		<u>(5,835,742)</u>	<u>(81,675,533)</u>

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

Century Global Commodities Corporation

Consolidated Statement of Changes in Equity

For the year ended March 31, 2017

(Expressed in Canadian Dollars, unless otherwise stated)

	Attributable to owners of the Company								Total \$
	Share capital \$	Contributed surplus \$	Deficit \$	Share-based compensation reserve \$	Warrants \$	Marketable securities \$	Foreign currency translation reserve \$	Non- controlling interests \$	
Balance – March 31, 2015	117,220,571	2,758,368	(7,979,308)	13,744,373	20,000	-	(1,374,568)	-	124,389,436
Net loss for the year	-	-	(81,519,796)	-	-	-	-	-	(81,519,796)
Other comprehensive loss for the year	-	-	-	-	-	-	(155,737)	-	(155,737)
Total comprehensive loss for the year	-	-	(81,519,796)	-	-	-	(155,737)	-	(81,675,533)
Shares repurchased (note 15)	(412)	-	-	-	-	-	-	-	(412)
Equity-settled share- based compensation arrangements (note 16)	-	-	-	889,527	-	-	-	-	889,527
Balance – March 31, 2016	117,220,159	2,758,368	(89,499,104)	14,633,900	20,000	-	(1,530,305)	-	43,603,018
Net loss for the year	-	-	(6,115,197)	-	-	-	-	(8,945)	(6,124,142)
Other comprehensive income for the year	-	-	-	-	-	94,798	193,602	-	288,400
Total comprehensive loss for the year	-	-	(6,115,197)	-	-	94,798	193,602	-	(5,835,742)
Shares repurchased (note 15)	(163,564)	-	-	-	-	-	-	-	(163,564)
Exercise of share- based awards (notes 15, 16)	622	303,913	-	(304,535)	-	-	-	-	-
Equity-settled share- based compensation arrangements (note 16)	-	-	-	127,759	-	-	-	-	127,759
Share options expired (note 16)	-	-	11,173,574	(11,173,574)	-	-	-	-	-
Disposal of partial interest in a subsidiary	-	20,538	-	-	-	-	-	-	20,538
Non-controlling interests on acquisition of a subsidiary	-	-	-	-	-	-	-	8,945	8,945
Balance – March 31, 2017	117,057,217	3,082,819	(84,440,727)	3,283,550	20,000	94,798	(1,336,703)	-	37,760,954

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

Century Global Commodities Corporation

Consolidated Statement of Cash Flows

For the year ended March 31, 2017

(Expressed in Canadian Dollars, unless otherwise stated)

Cash generated by/(used in)	Notes	Years ended March 31,	
		2017	2016
		\$	\$
Operating activities			
Net loss for the year		(6,124,142)	(81,519,796)
Adjustments for			
Bank interest income		(254,378)	(267,341)
Dividend income from marketable securities		(3,992)	-
Fair value gain on disposal of available-for-sale investments		(61,473)	-
Gain from sale of assets classified as held for sale	10	(399,955)	-
Loss/(gain) on disposal of fixed assets		3,843	(11,219)
Fixed assets written off		15,472	-
Loss/(gain) on foreign exchange		172,276	(105,936)
Depreciation	12	282,863	271,719
Share-based compensation arrangements	16	127,759	889,527
Impairment losses	21	-	73,760,146
Share of loss of a joint venture	13	215,202	308,018
Changes in working capital items			
Decrease/(increase) in accounts receivable		(304,277)	1,352,692
Decrease in sales taxes and other taxes recoverable		53,899	676,311
Decrease/(increase) in prepayments and deposits		409,395	(504,016)
Increase in inventories		(497,613)	(45,985)
Increase/(decrease) in accounts payable and accrued liabilities		110,373	(1,312,631)
Net cash used in operating activities		<u>(6,254,748)</u>	<u>(6,508,511)</u>
Investing activities			
Bank interest received		254,378	172,627
Short term bank deposits invested		(2,903,049)	(8,060,395)
Dividends received from marketable securities		3,992	-
Marketable securities purchased		(1,138,103)	-
Proceeds from sale of marketable securities		559,670	-
Exploration and evaluation assets		-	(106,052)
Investment tax credit refunds received		28,885	621,712
Purchases of property, plant and equipment		(104,743)	(20,316)
Net proceeds from sale of property, plant and equipment		-	76,858
Net proceeds from sale of assets classified as held for sale		555,700	-
Investment in a joint venture		-	(108,671)
Net cash used in investing activities		<u>(2,743,270)</u>	<u>(7,424,237)</u>
Financing activities			
Funds used in or advanced for repurchase of shares		(163,564)	-
Capital contribution by non-controlling interests		5,333	-
Net cash used in financing activities		<u>(158,231)</u>	<u>-</u>
Net change in cash and cash equivalents		<u>(9,156,249)</u>	<u>(13,932,748)</u>
Cash and cash equivalents – Beginning of year		14,668,097	28,651,312
Effect of foreign exchange rate changes, net		<u>21,274</u>	<u>(50,467)</u>
Cash and cash equivalents – End of year		<u>5,533,122</u>	<u>14,668,097</u>
Cash in bank and on hand		3,352,979	4,317,937
Short term bank deposits with original maturity of three months or less		<u>2,180,143</u>	<u>10,350,160</u>
Cash and cash equivalents – End of year		<u>5,533,122</u>	<u>14,668,097</u>

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

Century Global Commodities Corporation

Notes to the Consolidated Financial Statements

March 31, 2017

(Expressed in Canadian Dollars, unless otherwise stated)

1. Nature of operations

Century Global Commodities Corporation (the “Company”) is a limited liability company incorporated in Canada. In February 2016, the Company completed the continuation of its jurisdiction of incorporation from Canada to the Cayman Islands (“Continuation”). Its registered address is PO Box 309, Uglund House, Grand Cayman, KY1-1104, Cayman Islands. The Company’s shares are traded on the Toronto Stock Exchange (“TSX”).

The Company is primarily an exploration and mining company with assets in the Provinces of Newfoundland and Labrador, and Québec, Canada. Following the implementation of the Company’s diversification strategy, the Company has expanded its operations into the distribution of food and other consumer goods in China.

These audited consolidated financial statements were approved by the Board of Directors for issue on June 23, 2017.

2. Basis of preparation

The consolidated financial statements of the Company and its subsidiaries (the “Group”) have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

3. Significant accounting policies

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

Basis of measurement

The consolidated financial statements have been prepared under the historical cost convention. These consolidated financial statements are presented in the Canadian Dollar, which is the Group’s presentation currency.

Century Global Commodities Corporation

Notes to the Consolidated Financial Statements

March 31, 2017

(Expressed in Canadian Dollars, unless otherwise stated)

Principles of consolidation

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

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

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

At the balance sheet date, the primary entities of the Group include:

Name of entity	Place of registration	Ownership	
		Direct	Indirect
Grand Century Iron Ore Inc.	Cayman Islands	100%	-
Century Iron Ore Holdings Inc.	Canada	100%	-
Canadian Century Iron Ore Corporation	Canada	-	100%
0849873 B.C. Ltd.	Canada	-	100%
Century Iron Mines Hong Kong Holdings Limited	Hong Kong	-	100%
Century Food Company Limited	Hong Kong	-	100%

Translation of foreign currency

Items included in the financial statements of the Company and each of the Company's subsidiaries is measured using the currency of the primary economic environment in which each entity operates (the functional currency). Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities not denominated in the functional currency of an entity are recognized in the profit or loss.

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

During the year, the functional currency is the Canadian Dollar for the Company's subsidiaries in Canada, and the Hong Kong Dollar for the Company and its subsidiaries in Cayman Islands and Hong Kong.

Starting from April 1, 2016, the Company and its wholly-owned subsidiary Grand Century Iron Ore Inc. ("Grand Century") changed their functional currency from Canadian Dollar to Hong Kong Dollar. The change is resulted from the completion of the Continuation and legal entity reorganization, whereby the Company and Grand Century have moved its principal place of operations from Canada to Hong Kong.

Century Global Commodities Corporation

Notes to the Consolidated Financial Statements

March 31, 2017

(Expressed in Canadian Dollars, unless otherwise stated)

Joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has rather than the legal structure of the joint arrangement. Joint operator recognizes its interest in the joint operation's assets, liabilities, revenue and expenses. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognized in the consolidated statement of financial position at initial cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses and other comprehensive income of the joint venture. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the joint ventures. In addition, when there has been a change recognized directly in the equity of the joint venture, the Group recognizes its share of any changes, when applicable, in the consolidated statement of changes in equity.

Unrealized gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Cash and cash equivalents

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

Short term bank deposits

Short term bank deposits include short term deposits with banks with original maturities at purchase date of one year or less, but more than three months.

Financial instruments

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

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

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

Century Global Commodities Corporation

Notes to the Consolidated Financial Statements

March 31, 2017

(Expressed in Canadian Dollars, unless otherwise stated)

- (i) Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Group's loans and receivables comprise cash, short term bank deposits and accounts receivable, and are included in current assets due to their short-term nature. Loans and receivables are initially recognized at fair value. Subsequently, loans and receivables are measured at amortized cost using the effective interest method less a provision for impairment.
- (ii) Available-for-sale ("AFS") financial assets: Equity investments classified as AFS are those that are neither classified as held for trading nor designated at fair value through profit or loss. The Group's marketable securities are classified as AFS. AFS financial assets are initially recognized and re-measured at fair value at each quarter end for quarterly financial reporting. Fair value changes on AFS assets are recognized and disclosed separately as gain or loss in other comprehensive income directly in equity during the period; and the cumulative gain and loss is reclassified from equity to profit or loss when the AFS financial asset is derecognized.
- (ii) Financial liabilities at amortized cost: Financial liabilities are initially recognized at the amount required to be paid, less, when material, a discount to reduce the payables to fair value. Subsequently, financial liabilities are measured at amortized cost using the effective interest method. The Group's financial liabilities are accounts payable and accrued liabilities and classified as current liabilities. They are not discounted due to their short-term nature.

Inventories

Inventories are stated at the lower of cost and net realizable value. Cost of inventories is determined using the weighted average method. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Exploration and evaluation expenditures

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

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

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

Tax credits and mining credits on duties

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

Century Global Commodities Corporation

Notes to the Consolidated Financial Statements

March 31, 2017

(Expressed in Canadian Dollars, unless otherwise stated)

Property, plant and equipment

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

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

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

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

Asset impairment

(i) Financial assets

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

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

(ii) Exploration and evaluation assets

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

Century Global Commodities Corporation

Notes to the Consolidated Financial Statements

March 31, 2017

(Expressed in Canadian Dollars, unless otherwise stated)

(iii) Property, plant and equipment

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

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

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

(iv) Investment in joint ventures

The Group determines at each reporting date whether there is any objective evidence that the investment in the joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value and recognizes the amount in the income statement.

Share-based compensation expenses and reserve

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

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

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

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

Century Global Commodities Corporation

Notes to the Consolidated Financial Statements

March 31, 2017

(Expressed in Canadian Dollars, unless otherwise stated)

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph. All cancellations of equity-settled transaction awards are treated equally. Where an equity-settled award expires, the equity amount is released to retained earnings.

Provisions

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

Income taxes

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

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

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

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

Century Global Commodities Corporation

Notes to the Consolidated Financial Statements

March 31, 2017

(Expressed in Canadian Dollars, unless otherwise stated)

Sales taxes

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

The net amount of sales taxes recoverable from or payable to, the relevant taxation authorities is presented as sales taxes recoverable or payable in the consolidated statement of financial position.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts and returns. The Group recognizes revenue when the amount of revenue can be reliably measured and when it is probable that future economic benefits will flow to the Group.

The Group's revenue from the sale of goods is recognized when the significant risks and rewards of the ownership of the goods have been passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of discounts and returns.

Leases

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

Net earnings (loss) per share

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

Related parties

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

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

or

Century Global Commodities Corporation

Notes to the Consolidated Financial Statements

March 31, 2017

(Expressed in Canadian Dollars, unless otherwise stated)

- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third party;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a); and
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

4. Critical accounting estimates and judgments

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

- (i) Valuation of exploration and evaluation assets

The Group carries its exploration and evaluation assets at cost less provision for impairment. The Group reviews the carrying value of its exploration and evaluation assets whenever events or changes in circumstances indicate that their carrying values may not be recoverable, based on IFRS 6 *Exploration for and Evaluation of Mineral Resources* and IAS 36 *Impairment of Assets*. 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. In the event that the prospects for the development of the investment project and the mineral projects are enhanced in the future, an assessment of the recoverable amount of the projects will be performed at that time, which may lead to a reversal of part or all of the impairment that has been recognized.

- (ii) Valuation of property, plant and equipment

The Group carries its property, plant and equipment at cost less accumulated depreciation and accumulated impairment losses. The Group reviews the carrying value of its property, plant and equipment whenever events or changes in circumstances indicate that their carrying values may not be recoverable based on IAS 36 *Impairment of Assets*. A market approach is used in estimating the fair value less costs of disposal ("FVLCD") of the Company's long term property, plant & equipment, primarily operational drills, field equipment and camps. In the event that the prospects for the development of the investment project and the mineral projects are enhanced in the future, an assessment of the recoverable amount of the projects will be performed at that time, which may lead to a reversal of part or all of the impairment that has been recognized.

Century Global Commodities Corporation

Notes to the Consolidated Financial Statements

March 31, 2017

(Expressed in Canadian Dollars, unless otherwise stated)

(iii) 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.

(iv) Share-based compensation expenses

The Company grants share options and awards 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 the fair value of share rewards is estimated using the quoted market price plus an estimate for the number of units expected to vest. Share options costs 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.

(v) Classification of joint arrangements

The Group owns 60% interest in Labec Century Iron Ore Inc. ("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.

(vi) Valuation of investment in a joint venture

The Company's investment in Labec Century was initially recognized at fair value at the date of acquisition and accounted for using the equity method of accounting at each reporting period. The Company applies IAS 39 *Financial Instruments: Recognition and Measurement* to identify whether any objective evidence exists indicating the possibility for potential impairment; Where there is objective evidence of impairment, the entire carrying amount of the investment is tested for impairment in accordance with IAS 36 *Impairment of Assets*, the guideline for impairment assessment of the Company's assets. Management use their judgement in assessing the factors and making estimates and assumptions that are supported by quantifiable market information, supplemented by internal analysis as required. These assessment and estimates have been applied in a manner consistent with prior periods. In the event that the prospects for the development of the investment project and the mineral projects are enhanced in the future, an assessment of the recoverable amount of the projects will be performed at that time, which may lead to a reversal of part or all of the impairment that has been recognized.

Century Global Commodities Corporation

Notes to the Consolidated Financial Statements

March 31, 2017

(Expressed in Canadian Dollars, unless otherwise stated)

5. New standards and interpretations

No new standards were adopted by the Company during the year ended March 31, 2017.

The following is a list of standards and interpretations that have been issued and are not yet effective.

IFRS 9 Financial Instruments

Effective for the Company's annual consolidated financial statements beginning April 1, 2018, this standard replaces the guidance in IAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model. The Company is currently evaluating the impact of adopting this standard on its consolidated financial statements.

IFRS 15 Revenue from Contracts with Customers

Effective for the Company's annual consolidated financial statements beginning April 1, 2018, this standard includes new guidance on revenue recognition criteria, recognition of variable consideration, licenses, contract costs and disclosures. The Company is currently evaluating the impact of adopting this standard on its consolidated financial statements.

IFRS 16 Leases

Effective for the Company's annual consolidated financial statements beginning April 1, 2019, this standard replaces the current guidance in IAS 17 and requires lessees to recognize a lease liability reflecting future lease payments and a "right-of-use asset" for virtually all lease contracts. The IASB has included an optional exemption for certain short-term leases and leases of low-value assets. The Company is currently evaluating the impact of adopting this standard on its consolidated financial statements.

Amendments to IFRS 2: Classification and Measurement of Share-based Payment Transactions

Effective for the Company's annual consolidated financial statements beginning April 1, 2018, these amendments clarify the measurement basis for cash-settled, share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled. An exception is also introduced to the principles in IFRS 2 that will require an award to be treated as if it was wholly equity-settled, where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority. Management of the Company do not anticipate that the adoption of these amendments will have a significant impact on its consolidated financial statements.

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments clarify the accounting treatment for sales or contribution of assets between an investor and its associates or joint ventures. They confirm that the accounting treatment depends on whether the non-monetary assets sold or contributed to an associate or joint venture constitute a "business". The effective date of the amendments has yet to be set by IASB; however, earlier application of the amendments is permitted. The Company anticipates that the application of these amendments may have an impact on the Company's consolidated financial statements in future periods should such transaction arise.

Century Global Commodities Corporation

Notes to the Consolidated Financial Statements

March 31, 2017

(Expressed in Canadian Dollars, unless otherwise stated)

Amendments to IAS 7: Disclosure Initiative

Effective for the Company's annual consolidated financial statements beginning April 1, 2017, the amendments require an entity to explain changes in its liabilities arising from financing activities. This includes changes arising from cash flows (e.g. drawdowns and repayments of borrowings) and non-cash changes such as acquisitions, disposals, accretion of interest and unrealized exchange differences. Management of the Company do not anticipate that the adoption of these amendments will have a significant impact on its consolidated financial statements.

Amendments to IAS 12: Recognition of Deferred Tax Assets for Unrealized Losses

Effective for the Company's annual consolidated financial statements beginning April 1, 2017, the amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount. Management of the Company do not anticipate that the adoption of these amendments will have a significant impact on its consolidated financial statements.

IFRIC 22 Foreign Currency Transactions and Advance Consideration

Effective for the Company's annual consolidated financial statements beginning April 1, 2018, this interpretation addresses foreign currency transactions or parts of transactions where there is consideration that is denominated or priced in a foreign currency. The interpretation provides guidance for when a single payment/receipt is made as well as for situations where multiple payments/receipts are made. The guidance aims to reduce diversity in practice. Management of the Company do not anticipate that the adoption of the interpretation will have a significant impact on its consolidated financial statements.

Century Global Commodities Corporation

Notes to the Consolidated Financial Statements

March 31, 2017

(Expressed in Canadian Dollars, unless otherwise stated)

6. Segment information

The Group's operating segments are as follows:

- (i) the mining and investment segment, which engages in the exploration and development of mineral projects in Canada and the investment in global mining securities;
- (ii) the food and distribution segment, which engages in the distribution of food and other consumer goods in Hong Kong and mainland China;
- (iii) the business development segment, which engages in various business development projects and activities, including the provision of mining database services; and
- (iv) the corporate and others segment, which mainly represents the Group's corporate and managerial functions.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements. In measuring segment performance, segment assets and segment liabilities, management applied certain judgments and assumptions to determine the appropriate allocation of certain centrally incurred costs, jointly used or shared assets and liabilities for individual segment. However, the Group's financing activities (including cash and cash equivalents, short term bank deposits and bank interest income) are managed on a Group basis and are presented under the corporate and others segment.

Century Global Commodities Corporation

Notes to the Consolidated Financial Statements

March 31, 2017

(Expressed in Canadian Dollars, unless otherwise stated)

The following tables present information for the Group's operating segments for the years ended March 31, 2017 and 2016, respectively. Comparative figures for the year ended March 31, 2016 have been restated accordingly.

For the year ended March 31, 2017	Mining & Investment \$	Food & Distribution \$	Business Development \$	Corporate & Others \$	Total \$
Segment revenue					
Sales to external customers	-	1,425,424	-	-	1,425,424
Segment profit or loss					
Gross profit	-	350,015	-	-	350,015
Income and gains:					
Interest income	-	-	-	254,549	254,549
Gain from sale of assets classified as held for sale	399,955	-	-	-	399,955
Other income or gains	80,198	17,808	-	2,702	100,708
	480,153	17,808	-	257,251	755,212
Expenses:					
Selling expenses	-	241,481	-	-	241,481
Salaries, pension and directors' fees	542,736	1,186,645	806,044	1,067,988	3,603,413
Consulting and professional fees	211,190	181,982	398,463	567,074	1,358,709
Corporate promotion and listing fees	-	13,773	29,301	51,839	94,913
Other administrative expenses	200,748	523,315	310,866	354,607	1,389,536
Project maintenance costs	198,356	-	-	-	198,356
Share-based compensation expenses	14,680	23,900	13,557	75,622	127,759
Share of loss of a joint venture	215,202	-	-	-	215,202
	1,382,912	2,171,096	1,558,231	2,117,130	7,229,369
Net loss for the year	(902,759)	(1,803,273)	(1,558,231)	(1,859,879)	(6,124,142)
Segment assets					
Investment in a joint venture	7,846,824	-	-	-	7,846,824
Total assets	18,562,422	1,146,525	53,544	18,924,175	38,686,666
Segment liabilities					
Total liabilities	248,003	173,813	-	503,896	925,712
Other segment information					
Depreciation	133,060	5,844	-	143,959	282,863
Capital expenditure	-	21,701	-	83,042	104,743

Century Global Commodities Corporation

Notes to the Consolidated Financial Statements

March 31, 2017

(Expressed in Canadian Dollars, unless otherwise stated)

For the year ended March 31, 2016	Mining & Investment \$	Food & Distribution \$	Business Development \$	Corporate & Others \$	Total \$
Segment revenue					
Sales to external customers	-	87,165	-	-	87,165
Segment profit or loss					
Gross profit	-	24,285	-	-	24,285
Income and gains:					
Interest income	4,394	-	-	276,826	281,220
Other income or gains	114,236	-	-	-	114,236
	118,630	-	-	276,826	395,456
Expenses:					
Selling expenses	-	23,101	-	-	23,101
Salaries, pension and directors' fees	941,779	742,209	1,272,154	1,011,339	3,967,481
Consulting and professional fees	596,766	85,988	524,850	387,403	1,595,007
Corporate promotion and listing fees	7,194	811	20,557	98,968	127,530
Other administrative expenses	638,598	142,211	317,122	170,796	1,268,727
Share-based compensation expenses	200,576	143,653	267,034	278,264	889,527
Impairment losses	73,760,146	-	-	-	73,760,146
Share of loss of a joint venture	308,018	-	-	-	308,018
	76,453,077	1,137,973	2,401,717	1,946,770	81,939,537
Net loss for the year	(76,334,447)	(1,113,688)	(2,401,717)	(1,669,944)	(81,519,796)
Segment assets					
Investment in a joint venture	8,062,026	-	-	-	8,062,026
Total assets	18,805,241	518,131	42,539	25,052,446	44,418,357
Segment liabilities					
Total liabilities	438,804	2,855	-	373,680	815,339
Other segment information					
Depreciation	904,857	1,516	-	27,460	933,833
Capital expenditure	-	6,931	-	13,385	20,316

Included in the revenue of the Group's food and distribution segment are revenue of \$758,520 (2016: \$78,842) which was derived from sales to two (2016: three) major external customers. Revenue contributed by each of the major customers of the Group in descending order of value were \$583,401 and \$175,119 (2016: \$45,147, \$23,653 and \$10,042).

Century Global Commodities Corporation

Notes to the Consolidated Financial Statements

March 31, 2017

(Expressed in Canadian Dollars, unless otherwise stated)

The Group operates in two principal geographical areas – Canada and China (including Hong Kong). The following table presents information for the Group’s geographical segments for the years ended March 31, 2017 and 2016, respectively. Comparative figures for the year ended March 31, 2016 have been restated accordingly.

	Canada \$	China \$	Total \$
Sales to external customers			
Year ended March 31, 2017	-	1,425,424	1,425,424
Year ended March 31, 2016	-	87,165	87,165
Non-current assets			
March 31, 2017	7,955,605	89,832	8,045,437
March 31, 2016	8,440,610	17,411	8,458,021

7. Marketable securities

The Group invested in Canadian and US equity securities denominated in Canadian and US Dollars during the year. These marketable securities are classified as AFS investments.

An analysis of marketable securities as at the balance sheet date is as follows:

	2017 \$	2016 \$
Listed equity securities – Canada, at fair value	796,311	-

During the year, the following gains were recognized in profit or loss and other comprehensive income:

	2017 \$	2016 \$
Gains recognized in other comprehensive income	156,271	-
Gains recognized in profit or loss, being reclassified from other comprehensive income on sale of AFS investments	61,473	-

8. Accounts receivable

	2017 \$	2016 \$
Trade receivables	362,615	59,747
Other receivables	172,428	216,271
Receivable from Labec Century (note 24)	6,342,790	6,326,596
Receivable from WISCO Century Sunny Lake (note 24)	3,210,771	3,210,771
	10,088,604	9,813,385

Century Global Commodities Corporation

Notes to the Consolidated Financial Statements

March 31, 2017

(Expressed in Canadian Dollars, unless otherwise stated)

Trade receivables are non-interest bearing and are generally on terms of 60 to 90 days.

Due to the short-term nature of trade and other receivables, their carrying amount is considered to be the same as their fair value.

As of 31 March 2017, trade receivables of \$10,438 (2016: nil) were past due but not impaired. There has not been a significant change in credit quality of these trade receivables, and the amounts are still considered recoverable. The aging analysis of these trade receivables, based on invoice date, is as follows:

	2017	2016
	\$	\$
<u>Trade receivables that are past due but not impaired</u>		
Over 90 days	10,438	-

9. Inventories

	2017	2016
	\$	\$
Trading merchandise held for sale	543,598	45,985

10. Assets classified as held for sale

On February 1, 2016, the Company's management committed a plan to put three properties located in Schefferville on sale. These properties were previously used for staff accommodations during the operation seasons. The total net book value of these properties was \$155,745, and were reclassified separately in current assets as "assets classified as held for sale" as at March 31, 2016. These assets were disposed of on May 12, 2016 for net cash consideration of \$555,700, resulting in a gain of \$399,955 on the disposal.

11. Exploration and evaluation assets

Impairment assessment

At March 31, 2016, with the weakening iron ore market condition, an impairment review was performed on both the Duncan Lake property and Sunny Lake property, and the review has resulted in impairment charges of \$17,494,260 and \$3,160,465 to the Duncan Lake property and Sunny Lake property, respectively. After the impairment charges, the net book value of both properties became nil. Further details about the assumptions and conditions pertaining to the impairment review are provided in note 15 of the audited consolidated annual financial statements for the year ended March 31, 2016.

At March 31, 2017, the net book value of the above two properties remains nil. In the event that the prospects for the development of the mineral projects are enhanced in the future, an assessment of the recoverable amount of the projects will be performed at that time, which may lead to a reversal of part or all of the impairment that has been recognized.

Century Global Commodities Corporation

Notes to the Consolidated Financial Statements

March 31, 2017

(Expressed in Canadian Dollars, unless otherwise stated)

Duncan Lake property

On May 20, 2008, the Company's wholly-owned subsidiary Canadian Century Iron Ore Corporation ("Canadian Century") entered into an option and joint venture agreement (the "Augyva Agreement") with Augyva Mining Resources Inc. ("Augyva") to have an option to obtain a 51% interest in the Duncan Lake property once \$6.0 million has been funded on or before the fourth anniversary of the date of the Augyva Agreement. The Group completed its funding commitment of \$6.0 million on the Duncan Lake property in November 2010 and, as a result, obtained a 51% interest in this property. Canadian Century recognized its share of costs incurred in the Duncan Lake property. Canadian Century had an additional option to obtain a further 14% of the Duncan Lake property by spending an additional \$14.0 million in exploration costs, construction, and/or operating costs or completing a feasibility report on or before the eighth anniversary of the date of the Augyva Agreement. In October 2012, Canadian Century notified Augyva that it has expended a further \$14.0 million on the project under the Augyva Agreement. The transfer registration of 14% was completed in May 2013.

As of March 31, 2017, the Group has a 65% registered interest in the Duncan Lake property and is in the process of registering approximately an additional 3% interest as a result of its contribution to the exploration expenditure incurred for the property subsequent to the earn-in of its 65% interest in the property.

Sunny Lake property

On December 19, 2011, the Company and WISCO International Resources Development & Investment Limited ("WISCO") entered into the Sunny Lake joint venture agreement (the "Sunny Lake JV Agreement") that governs the joint venture formed between the Company and WISCO for the exploration and development of the Sunny Lake property (the "Sunny Lake Joint Venture"). Under the Sunny Lake JV Agreement, WISCO could earn a 40% interest in the Sunny Lake property by investing a total of \$40.0 million in the Sunny Lake Joint Venture.

The operating company for the Sunny Lake Joint Venture, WISCO Century Sunny Lake Iron Mines Limited ("WISCO Century Sunny Lake" or the "Operator"), was incorporated on June 29, 2012. The Sunny Lake property was held in trust for 0849873 B.C. Ltd. ("B.C. Ltd."), a wholly-owned subsidiary of the Company, and WISCO Canada Sunny Lake Resources Development & Investment Limited ("WISCO Sunny Lake") in accordance with their interests in the Sunny Lake Joint Venture under the Sunny Lake JV Agreement.

On November 28, 2012, the Company and WISCO entered into a closing agreement (the "Sunny Lake Closing Agreement"), providing WISCO Sunny Lake with an option to purchase from B.C. Ltd. up to a 40% interest in the Sunny Lake Joint Venture.

On April 2, 2013, pursuant to the Sunny Lake Closing Agreement, WISCO Sunny Lake acquired a 17.1% interest in the Sunny Lake property for the consideration of \$8,612,875 paid to B.C. Ltd. The amount represents the exploration expenditure of \$17,096,459 previously incurred by the Group, less estimated tax credits relating to such exploration expenditures of \$8,483,584 that are available to the Group. As a result of this payment, WISCO Sunny Lake acquired a 17.1% interest in the Sunny Lake property.

Century Global Commodities Corporation

Notes to the Consolidated Financial Statements

March 31, 2017

(Expressed in Canadian Dollars, unless otherwise stated)

Subsequent to the acquisition of ownership interest of 17.1%, WISCO Sunny Lake acquired an additional 1.8% interest in the Sunny Lake property for the consideration of \$1,800,000, increasing its interest in the property to 18.9%. On January 1, 2016, WISCO Sunny Lake was amalgamated with WISCO Canada ADI Resources Development & Investment Limited (“WISCO ADI”).

As at March 31, 2017, the Company owns 81.1% of the Sunny Lake property and the remaining funding obligation of WISCO ADI to earn in up to a 40% of interest in the property is \$21.1 million.

12. Property, plant and equipment

	Land \$	Drilling & field equipment \$	Camp and properties \$	Leasehold improvements, furniture & fixtures \$	Computer & office equipment \$	Vehicles \$	Total \$
Cost							
Balance - March 31, 2015	169,677	2,672,433	1,612,765	265,257	341,458	401,265	5,462,855
Additions	-	-	-	-	20,316	-	20,316
Disposals	-	(4,567)	(36,588)	(36,054)	(12,830)	(277,027)	(367,066)
Exchange differences	-	-	-	1,523	576	-	2,099
Transferred to assets classified as held for sale (note 10)	(32,500)	-	(478,892)	(5,080)	-	-	(516,472)
Balance - March 31, 2016	137,177	2,667,866	1,097,285	225,646	349,520	124,238	4,601,732
Additions	-	-	-	74,247	30,496	-	104,743
Disposals	-	-	-	(173,206)	(49,249)	(2,750)	(225,205)
Exchange differences	-	-	-	1,743	948	-	2,691
Balance - March 31, 2017	137,177	2,667,866	1,097,285	128,430	331,715	121,488	4,483,961
Accumulated depreciation and impairment							
Balance - March 31, 2015	-	1,847,648	936,923	147,357	309,100	264,446	3,505,474
Depreciation	-	522,248	285,784	48,756	24,552	52,493	933,833
Disposals	-	(4,567)	(31,365)	(24,867)	(12,830)	(227,798)	(301,427)
Impairment	100,000	169,477	150,992	1,115	668	4,897	427,149
Exchange differences	-	-	-	1,016	419	-	1,435
Transferred to assets classified as held for sale (note 10)	-	-	(358,425)	(2,302)	-	-	(360,727)
Balance - March 31, 2016	100,000	2,534,806	983,909	171,075	321,909	94,038	4,205,737
Depreciation	-	133,060	56,600	45,331	25,198	22,674	282,863
Disposals	-	-	-	(155,495)	(48,445)	(1,925)	(205,865)
Exchange differences	-	-	-	1,863	750	-	2,613
Balance - March 31, 2017	100,000	2,667,866	1,040,509	62,774	299,412	114,787	4,285,348
Net book value							
Balance - March 31, 2017	37,177	-	56,776	65,656	32,303	6,701	198,613
Balance - March 31, 2016	37,177	133,060	113,376	54,571	27,611	30,200	395,995

Century Global Commodities Corporation

Notes to the Consolidated Financial Statements

March 31, 2017

(Expressed in Canadian Dollars, unless otherwise stated)

13. Investment in a joint venture

The Group's investment in Labec Century is as follows:

	\$
Balance – March 31, 2015	60,277,531
Share of loss of Labec Century, excluding impairment loss	(308,018)
Impairment	(52,678,272)
Additions	770,785
Balance – March 31, 2016	8,062,026
Share of loss of Labec Century	(215,202)
Balance – March 31, 2017	<u>7,846,824</u>

The financial information of Labec Century is summarized as follows:

	March 31, 2017 \$'000	March 31, 2016 \$'000
Assets		
Current assets	17,696	17,743
Non-current assets	4,172	3,744
Liabilities		
Current liabilities	8,745	7,989
Non-current liabilities	-	-
Cash and cash equivalents	14,048	13,955
	Years ended March 31, 2017 \$'000	2016 \$'000
Loss from continuing operations	(359)	(39,293)
Total comprehensive loss	(359)	(39,293)

The principal activities of Labec Century are to explore and develop the Attikamagen property. Since January 1, 2016, Labec Century reduced its exploration activities to claims maintenance only to preserve cash for the iron ore market to recover in the future. The principal place of business is in the Province of Québec, Canada. Labec Century is the sole owner of the Attikamagen property.

On December 19, 2011, the Company and WISCO entered into a shareholders agreement (the "Attikamagen Shareholders Agreement") that governs the joint venture to be formed between the Company and WISCO for the exploration and development of the Attikamagen property. Under the Attikamagen Shareholders Agreement, WISCO can obtain a 40% interest in the Group's share of the Attikamagen property by investing a total of \$40 million.

Century Global Commodities Corporation

Notes to the Consolidated Financial Statements

March 31, 2017

(Expressed in Canadian Dollars, unless otherwise stated)

On September 26, 2012, the initial closing procedures prescribed in the Attikamagen Shareholders Agreement were completed, with WISCO Canada Attikamagen Resources Development & Investment Limited (“WISCO Attikamagen”) purchasing from Labec Century:

- (i) 40 million Class A voting common shares, representing 40% of the outstanding voting common shares of Labec Century, for \$4,000, and
- (ii) 20 million Class B non-voting shares, representing 25% of the outstanding non-voting common shares of Labec Century, for \$20 million.

As part of a reorganization completed prior to the initial closing procedures, the Company’s wholly-owned subsidiary, Century Iron Ore Holdings Inc. (“Century Holdings”), purchased:

- (i) 60 million Class A voting shares, representing 60% of the outstanding voting common shares of Labec Century, for \$6,000, and
- (ii) exchanged its then 100% outstanding common shares of Labec Century for 60 million Class C non-voting shares, representing 75% of the outstanding non-voting shares of Labec Century.

As a result of completion of the initial closing transactions in 2012, Labec Century ceased to be a subsidiary of the Group and became a joint venture of the Group that is accounted for in accordance with IFRS 11. The disposition of the subsidiary resulted in a non-cash accounting gain of \$47,722,258 for the year ended March 31, 2013.

On September 19, 2013, WISCO Attikamagen purchased an additional 20 million Class B non-voting shares for a subscription price of \$20 million. After the subscription, WISCO Attikamagen’s ownership is increased to 40% of the non-voting shares of Labec Century, while Century Holdings’ ownership is reduced to 60% of the non-voting shares. On January 1, 2016, WISCO Attikamagen was amalgamated with WISCO ADI.

As at March 31, 2017, the Group continues to own a 60% interest in Labec Century.

14. Accounts payable and accrued liabilities

	2017	2016
	\$	\$
Trade payables	133,088	-
Other payables and accruals	792,624	815,339
	<hr/>	<hr/>
	925,712	815,339
	<hr/>	<hr/>

Trade payables are non-interest bearing and are generally paid within 30 days.

The carrying amounts of accounts payable and accrued liabilities are considered to be the same as their fair values due to their short-term nature.

Century Global Commodities Corporation

Notes to the Consolidated Financial Statements

March 31, 2017

(Expressed in Canadian Dollars, unless otherwise stated)

15. Share capital

Authorized

Prior to the Continuation, authorized share capital was unlimited number of common shares, with no par value. Upon the Continuation on February 1, 2016, authorized share capital was changed to 5,000,000,000 ordinary shares, with \$0.001 par value each.

Issued and fully paid

At March 31, 2017, the Company had 98,485,071 ordinary shares issued and outstanding, representing an amount of \$117,057,217. The changes in issued share capital for the year are as follows:

	Number of shares	\$
Balance – March 31, 2015	98,794,571	117,220,571
Repurchase of common shares	(1,000)	(412)
	<hr/>	<hr/>
Balance – March 31, 2016	98,793,571	117,220,159
Ordinary shares issued under an equity incentive plan (note 16)	621,500	622
Repurchase and cancellation of ordinary shares	(930,000)	(163,564)
	<hr/>	<hr/>
Balance – March 31, 2017	98,485,071	117,057,217

Normal course issuer bid

The Company initiated an automatic share repurchase plan under a normal course issuer bid (“NCIB”) in September 2012. The NCIB was renewed for additional one year periods after the first NCIB expired. On October 20, 2016, the Company received approval from the TSX to amend the terms of the 2015 NCIB. Pursuant to the amendments, up to 2,000,000 ordinary shares of the Company may be purchased for cancellation during the one-year period of the program’s operation, with a daily limit of 1,000 shares other than under a block purchase or otherwise in a permitted transaction exempted under TSX policies. The amendments to the NCIB took effect on October 26, 2016, and the NCIB program (as amended) expired on November 3, 2016.

On October 26, 2016, the Company purchased from Champion Iron Mines Limited (“Champion”) 930,000 ordinary shares of the Company’s capital stock at a price of \$0.175 per share for \$163,564 including broker’s commissions of \$814. Champion originally acquired those shares in consideration for Champion’s sale of the remaining interest in the Attikamagen property to Labec Century in December 2013. All the 930,000 ordinary shares repurchased from Champion were cancelled on November 4, 2016.

As of March 31, 2017, the Company had repurchased and cancelled 2,000,500 shares since the initiation of the original NCIB plan with an aggregate cost of \$774,175.

Holder of the Company’s securities may obtain a copy of the Company’s filings with the TSX for the NCIB without charge, by contacting the Company at its headquarters in Hong Kong with that request.

Century Global Commodities Corporation

Notes to the Consolidated Financial Statements

March 31, 2017

(Expressed in Canadian Dollars, unless otherwise stated)

16. Share-based compensation arrangements

	2017 \$	2016 \$
Share options expense	384,096	653,443
Share awards expense	(256,337)	236,084
	<u>127,759</u>	<u>889,527</u>

The Group has adopted an equity incentive plan (the “Plan”) which is administered by the Board of Directors of the Group. The Plan provides that the Board of Directors of the Group may from time to time, at its discretion and in accordance with TSX requirements, grant to directors, officers, employees and consultants to the Group, options to purchase shares and other forms of equity-based incentive compensation, provided that the number of shares issued and reserved for issuance will not exceed 15% of the issued and outstanding shares.

Share options

Share options granted under the Plan are exercisable for a period of up to 5 years or 10 years from the date of grant. Options issued pursuant to the Plan will have an exercise price determined by the directors of the Group provided that the exercise price shall not be less than the price permitted by the TSX.

On August 4, 2016, 3,770,000 options were granted. The fair value of the options granted has been estimated at the date of grant using the Black-Scholes option pricing model, using the following assumptions: an average risk-free interest rate of 0.84%, dividend yield of 0%, volatility of 55.04% and an expected life of 7 years. 1/3 of the options will vest on the first anniversary of the option date, 1/3 of the options will vest on the second anniversary of the option date and 1/3 will vest on the third anniversary of the option date. The fair value of the options granted was estimated at \$339,300, respectively, or \$0.09 per unit.

The share options outstanding as of March 31, 2017 are as follows:

	Number of options	Weighted average exercise price \$
Balance – March 31, 2015	12,290,000	1.67
Granted	775,000	0.345
Forfeited	<u>(1,245,000)</u>	1.49
Balance – March 31, 2016	11,820,000	1.60
Granted	3,770,000	0.22
Expired	(3,885,000)	2.93
Forfeited	<u>(1,617,500)</u>	0.73
Balance – March 31, 2017	<u>10,087,500</u>	0.71

Century Global Commodities Corporation

Notes to the Consolidated Financial Statements

March 31, 2017

(Expressed in Canadian Dollars, unless otherwise stated)

The exercise prices and exercise periods of the share options outstanding as of March 31, 2017 are as follows:

Number of options	Exercise price \$	Exercise period
1,335,000	2.92	July 18, 2012 to July 17, 2017
260,000	2.92	November 12, 2012 to November 11, 2017
4,277,500	0.345	March 9, 2015 to March 8, 2025
300,000	0.345	June 1, 2015 to May 31, 2025
100,000	0.345	November 11, 2015 to November 10, 2025
245,000	0.345	February 5, 2016 to February 4, 2026
<u>3,570,000</u>	0.22	August 4, 2016 to August 3, 2026
<u>10,087,500</u>		

As of the balance sheet date, the weighted average remaining contractual life of the outstanding share options is 7.3 years, and 4,661,667 options are vested and exercisable.

Share awards

Under the Plan, the Board may grant awards of share units subject to vesting and other terms and conditions at its discretion as to performance, milestones, other internal or external conditions, or length of the grantee's employment or service provision. The Board shall also determine at its discretion, at any time before or after vesting until actual settlement, whether payment under the share units will be made in shares, cash, securities or other property, or a combination thereof.

Share units outstanding under the Plan are shown as follows:

	Time-based (i)	Operational (ii)	Financial (iii)	Number of share units	Weighted average fair value at the measurement date \$
Balance – March 31, 2015	785,360	408,195	396,945	1,590,500	0.49
Forfeited	(106,565)	(53,282)	(53,282)	(213,129)	0.49
Balance – March 31, 2016	678,795	354,913	343,663	1,377,371	0.49
Vested and shares exercised	(621,500)	-	-	(621,500)	0.49
Forfeited	(27,795)	(54,788)	(54,788)	(137,371)	0.49
Balance – March 31, 2017	<u>29,500</u>	<u>300,125</u>	<u>288,875</u>	<u>618,500</u>	0.48

Century Global Commodities Corporation

Notes to the Consolidated Financial Statements

March 31, 2017

(Expressed in Canadian Dollars, unless otherwise stated)

The share units have been allocated to the grantees under three types of vesting conditions: time-based targets, operational targets and financial targets.

- (i) **Time-based target:** the share units will be fully vested if the individual grantee is still employed by the Company on the third anniversary of the grant date.
- (ii) **Operational target:** the share units will be vested upon the achievement of certain mining and exploration-related targets set out by the Board. The actual amount of share units to be vested under these operational targets will vary depending on the level of performance relative to the targets based on an award multiplier of 0% to 200%. The vesting date of the share units will be the earlier of: five years from the grant date or the achievement dates of the respective operational targets. Management estimated that the period of vesting would occur between November 2018 and March 2020.
- (iii) **Financial target:** the share units will be vested if the two-year average annualized cash costs of iron ore produced and shipped for the projects of the Company or under its joint arrangements meet certain target set out by the Board and the two-year earnings before interest, taxes, depreciation and amortization (EBITDA) of the projects is positive. The actual amount of share units to be vested under the financial target will vary depending on the level of performance relative to the target based on an award multiplier of 0% to 200%. The vesting date of the share units will be the earlier of: five years from the grant date or the achievement date of the financial target. Management estimated that the period of vesting would occur between November 2018 and March 2020.

On December 9, 2016, the Company issued a treasury direction to execute the issuance of 621,500 shares for the share units vested under the time-based target. The shares were issued on December 22, 2016 at nil consideration. An amount of \$304,535 was transferred from the share award reserve to share capital and contributed surplus upon the issuance of the shares.

The fair value of the share units granted was estimated based on the market price of the Company's shares on the date of grant.

17. Warrants

The warrants issued and outstanding as of March 31, 2017 are as follows:

	Number of warrants	Weighted average exercise price \$
Issued on November 29, 2013 and balance – March 31, 2017	<u>1,000,000</u>	2.00

On November 29, 2013, the Company issued to Champion 1 million warrants as part of the consideration paid for the acquisition of Champion's remaining interest in the Attikamagen property. The warrants have an expiry date of November 29, 2018 and are exercisable as follows:

Exercise period	Exercise price \$
November 30, 2016 to November 29, 2017	2.00
November 30, 2017 to November 29, 2018	2.50

Century Global Commodities Corporation

Notes to the Consolidated Financial Statements

March 31, 2017

(Expressed in Canadian Dollars, unless otherwise stated)

The fair value of the warrants on the date of the grant was estimated at \$20,000 at the date of issue using a binomial option pricing model. The assumptions used were as follows: (i) annual risk-free interest rate of 1.07%, (ii) implied volatility of 34% and (iii) expected life of 5 years.

Labec Century has agreed to pay the Company the fair value of any warrants exercised by Champion based on the difference between the exercise price and the market price at the exercise date of any warrants. As at March 31, 2017, the difference was estimated as nominal in nature and no derivative asset was recognized as a result.

As of the balance sheet date, the remaining contractual life of the outstanding warrants is 1.7 years.

18. Revenue and cost of sales

Revenue represents the net invoiced value of goods sold, after allowances for returns and trade discounts, during the year.

Cost of sales represents cost of inventories sold during the year.

19. Other income

	2017	2016
	\$	\$
Bank and other interest income	254,549	281,220
Dividend income	3,992	-
Gain on disposal of marketable securities	76,206	-
Rental income	-	114,236
Other income	20,510	-
	<u>355,257</u>	<u>395,456</u>

20. Administrative expenses

	2017	2016
	\$	\$
Salaries, pension and directors' fees	3,603,413	3,967,481
Consulting and professional fees	1,358,709	1,595,007
Rental and office expenses	867,732	724,770
Travel	199,725	378,174
Corporate promotion and listing fees	94,913	127,530
Depreciation	149,803	271,719
	<u>6,274,295</u>	<u>7,064,681</u>

Century Global Commodities Corporation

Notes to the Consolidated Financial Statements

March 31, 2017

(Expressed in Canadian Dollars, unless otherwise stated)

21. Impairment of mineral properties and property, plant and equipment

	Impairment losses			Total impairment losses	Total impairment losses
	Exploration and evaluation assets	Property, plant and equipment	Investment in a joint venture		
	2016	2016	2016	2016	2017
	\$	\$	\$	\$	\$
Investment in Labec Century (a)	-	-	52,678,272	52,678,272	-
Duncan Lake Project (b)	17,494,260	-	-	17,494,260	-
Sunny Lake Properties (b)	3,160,465	-	-	3,160,465	-
Property, plant and equipment (c)	-	427,149	-	427,149	-
	<u>20,654,725</u>	<u>427,149</u>	<u>52,678,272</u>	<u>73,760,146</u>	<u>-</u>

In accordance with the Company's accounting policy, assets are tested for impairment when events or changes in circumstances suggest that the carrying amounts may not be recoverable.

Management has assessed investment in a joint venture, exploration and evaluation assets ("E&E assets") and property, plant and equipment for indicators of impairment, and has identified primary indicators of impairment, including the weakening of iron ore market condition with a long recovery cycle, the uncertainty of the development of these projects, and minimum operational budgets for these projects in the next three years. As such, management has concluded to use FVLCD to assess the recoverable amounts of the above assets.

(a) Investment in a joint venture

As at March 31, 2016, the Company's 60% owned joint venture, Labec Century, performed an impairment review on its E&E assets using the discounted cash flow/income approach under FVLCD method and resulted in an impairment loss of \$38,780,000. The Company's management subsequently assessed the joint venture's impairment analysis and concurred with the assumptions and methodology used which were consistent with those used by the Company on the impairment review on its own E&E assets. The recoverable amount of the Company's investment in Labec Century was determined to be \$8,062,026, which represented 60% of the total of the net working capital value of the joint venture and its E&E assets value post impairment in the joint venture's financial statements as at March 31, 2016. As such, the Company reported a total impairment charge of \$52,678,272 on its investment in Labec Century as at March 31, 2016, which included \$23,268,000 of the Company's 60% share of the joint venture's impairment and an additional impairment loss of \$29,410,272 at the Company's reporting level (note 13).

Century Global Commodities Corporation

Notes to the Consolidated Financial Statements

March 31, 2017

(Expressed in Canadian Dollars, unless otherwise stated)

(b) Exploration and evaluation assets

As at March 31, 2016, the Company used FVLCD income method to determine the recoverable values of E&E assets of both Duncan Lake Project and Sunny Lake properties. Management performed the impairment assessment by first referencing to the Preliminary Economic Assessment (“PEA”) financial models initially provided by the third parties engineering professional service companies and then updating the financial models with the current market consensus on future long term price and exchange rates. For FVLCD calculation, the Company recalculated the 8% discounted net present value of the PEA financial models for both projects by using the market forecasted long term iron ore price of US\$69/Mt, with long term foreign exchanges from the range of US\$ 0.75/CAD to US\$0.83/CAD. The recoverable amounts on the two projects were determined as nil as at March 31, 2016. As such, at March 31, 2016, impairment losses of \$17,494,260 and \$3,160,465 were recorded for Duncan Lake project and Sunny Lake properties, respectively (note 11).

(c) Property, plant and equipment

As at March 31, 2016, a market approach was used in determining the FVLCD of the Company’s property, plant and equipment, primarily operational drills, camps and field equipment. Management performed an impairment assessment based on the transaction values of the similar assets in the open market and the conditions of those assets, recording a total impairment loss of \$427,149.

As at March 31, 2017, management has reviewed the impairment provision of the mineral properties, property, plant and equipment, and concluded that the current provision is adequate.

22. Income taxes

Effective on February 1, 2016, the Company and its subsidiary Grand Century changed their corporate registrations from Canada to Cayman Islands, and emigrated their tax residency to Hong Kong, where they are subject to income taxes at Hong Kong statutory rate of 16.5%.

Significant items causing the Group’s effective income tax rate to differ from Hong Kong statutory rate of 16.5% (2016: Canadian combined federal and provincial statutory rate: 26.59%) are as follows:

	2017	2016
	\$	\$
Loss before income taxes	(6,124,142)	(81,519,796)
Expected income tax recovery at statutory rates	1,010,483	21,676,114
Different tax rates in other jurisdictions	269,313	(278,229)
Expenses not deductible for tax	(141,070)	(390,026)
Tax losses and other deductible temporary differences not recognized	(1,190,900)	(21,007,859)
Utilization of tax losses previously not recognized	52,174	-
Income tax recovery	-	-

The Canadian, Hong Kong and Chinese tax rates for the fiscal year 2017 are 26.65% (2016: 26.59%), 16.5% (2016: 16.5%) and 25% (2016: 25%), respectively. The tax rates are different due to the different locations of each entity of the group.

Century Global Commodities Corporation

Notes to the Consolidated Financial Statements

March 31, 2017

(Expressed in Canadian Dollars, unless otherwise stated)

No deferred tax assets or liabilities are recognized in the consolidated financial statements at March 31, 2017 and 2016.

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

	2017	2016
	\$	\$
Non-capital loss carry-forwards (expires between 2029 and 2037)	22,018,662	17,880,363
Investment tax credits (expires between 2030 and 2034)	1,950,445	1,950,445
Exploration and evaluation assets	-	3,650,552
	<u>23,969,107</u>	<u>23,481,360</u>

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

Deferred tax liabilities have not been recognized on the temporary difference arising from the Company's investment in a joint venture for which the Company is able to control the timing of the reversal of the temporary difference, and it is probable that the temporary difference will not reverse in the foreseeable future. Such temporary difference amounted to approximately \$215,202 as of March 31, 2017 (2016: \$202,917).

23. Net loss per share attributable to owners of the Company

The basic net loss per share calculated amount is the same as the fully diluted net loss per share amount as the Company's share-based compensation plans and warrants are anti-dilutive.

24. Related party transactions

- (a) In addition to transactions detailed elsewhere in the consolidated financial statements, the Group has the following related party transactions:
- (i) As of March 31, 2017, the Group had accounts receivable of \$6,342,790 (2016: \$6,326,596) from Labec Century. The balance mainly comprised of 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. The balance is repayable upon request.
 - (ii) As of March 31, 2017, the Group had accounts receivable of \$3,210,771 (2016: \$3,210,771) from WISCO Century Sunny Lake. The balance represented exploration expenditure of the Sunny Lake property incurred and paid by the Group on behalf of WISCO Century Sunny Lake. The balance is repayable upon request.

Century Global Commodities Corporation

Notes to the Consolidated Financial Statements

March 31, 2017

(Expressed in Canadian Dollars, unless otherwise stated)

(b) The remuneration of the Group's directors and officers during the year is summarized below:

	2017	2016
	\$	\$
Salaries and directors' fees	1,472,288	1,937,149
Share-based compensation expenses	154,562	762,351
	<u>1,626,850</u>	<u>2,699,500</u>

25. Financial risk management

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk including interest rate risk, foreign currency exchange risk and capital market risk.

Risk management is carried out by the Group's management team with guidance from the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

The Group's financial assets and financial liabilities have been classified into categories that determine their basis of measurement. As at March 31, 2017 and 2016, the Group's financial instruments are comprised of cash and cash equivalents, short term bank deposits, marketable securities, accounts receivable, accounts payable and accrued liabilities. With the exception of cash and cash equivalents and marketable securities, all other financial instruments of the Group are measured at amortized cost.

The following table shows the carrying values, fair values and fair value hierarchy of the Group's financial instruments that are measured at fair value as at March 31, 2017 and 2016:

	Level	March 31, 2017		March 31, 2016	
		Carrying value	Fair value	Carrying value	Fair value
		\$	\$	\$	\$
Marketable securities	1	796,311	796,311	-	-

Fair values of financial instruments are determined by valuation methods depending on hierarchy levels as defined below:

Level 1 – Quoted market price in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted market prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. observed prices) or indirectly (i.e. derived from prices).

Level 3 – Inputs for the assets or liabilities are not based on observable market data.

Credit risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Group's credit risk is primarily attributable to cash, marketable securities and receivables. Cash and cash equivalents and short term bank deposits are held with major banks, and marketable securities are held with a reputable securities broker with investment guidelines set by management which are intended to limit credit risk. The Group's receivables mainly represented an amount owing from its joint ventures, Labec Century and WISCO Century Sunny Lake. Management believes the risk of loss to be minimal.

Century Global Commodities Corporation

Notes to the Consolidated Financial Statements

March 31, 2017

(Expressed in Canadian Dollars, unless otherwise stated)

Liquidity risk

The Group's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As of March 31, 2017, the Group had cash and cash equivalents and short term bank deposits of \$18,539,474 (2016: \$24,771,400) to settle current liabilities of \$925,712 (2016: \$815,339). Most of the Group's financial liabilities have contractual maturities of 30 days or less and are subject to normal trade terms. The liquidity risk is low with the Group's marketable securities, since they are investments with high liquidity, and are traded in international capital markets.

Market risk

Market risk is the risk of loss that may arise from changes in market factors, such as interest rates and foreign currency exchange rates and the movement in capital markets.

(a) Interest rate risk

The Group has cash balances only and it has no interest bearing debt. The Group's current policy is to invest most of its excess cash in interest bearing accounts or term deposits with large reputable banks. The Group periodically monitors the investments it makes and is satisfied with the credit ratings of the banks holding the cash and short-term deposits of the Group. An absolute increase or decrease of 0.1% in the annual interest rate would not have a material impact on the net loss or equity at March 31, 2017.

(b) Foreign currency exchange risk

The Group's principal functional currencies are the Canadian Dollar and the Hong Kong Dollar. During the year, the Group's newly established food and distribution business has achieved significant growth and contributed sales revenue which is mainly denominated in Hong Kong Dollar. The major purchases of the food and distribution business are denoted in Australian Dollar and Euro, while the major expenses of the Group are transacted in Canadian Dollar and Hong Kong Dollar. The Group is also subject to exchange fluctuations arising from the translation of the foreign currency monetary items of the Group's overseas subsidiaries. In addition, the Group's marketable securities, if partially denominated in foreign currency, are subject to foreign currency exchange risk.

Management closely monitors the exchange fluctuations of the principal foreign currencies of the Group's food and distribution business and uses means to lock up the foreign currency exchange rate of its purchases or transfers exchange differences to its customers to reduce the Group's foreign currency exposures. Management believes the foreign currency exchange risk derived from its other activities is low and therefore does not hedge the foreign currency exchange risk arising from these other activities.

Century Global Commodities Corporation

Notes to the Consolidated Financial Statements

March 31, 2017

(Expressed in Canadian Dollars, unless otherwise stated)

(c) Capital market risk

The Group's current policy is to invest some portion of its excess cash in marketable securities, primarily shares of publicly listed mining companies. The Group sets investment guidelines, including pre-set targeted capital allocation and returns, exit and entry prices, and periodically monitors the investments it makes. The Group is satisfied with the financial and operating performance of the mining companies the Group invests in. An absolute increase or decrease of 5% in the investment return would not have a material impact on the net loss or equity at March 31, 2017.

26. Capital management

The Group considers its capital structure to consist of share capital, contributed surplus and deficit, which, as at March 31, 2017, amounted to \$35,699,309. When managing capital, the Group's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to the shareholders and benefits for other stakeholders. Management adjusts the capital structure, as necessary, in order to support the acquisition, exploration and development of its mineral properties. The Board of Directors does not establish a quantitative return on capital criteria for management but, rather, relies on the expertise of the Group's management team to sustain the future development of the business.

The Group is dependent on external financing to fund its strategic initiatives and exploration and project development activities in the long term. In order to carry out the business plan and pay for administrative costs, the Group will utilize its existing working capital and raise additional amounts when economic conditions permit it to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Group, is appropriate. The Group's capital management objectives, policies and processes have remained unchanged during the year ended March 31, 2017. The Group is not subject to externally imposed capital requirements.

27. Operating commitments

The Group has entered into lease commitments on its head office and other premises. Future minimum operating commitments payable as at March 31, 2017 and 2016 are as follows:

	2017	2016
	\$	\$
Within one year	263,075	499,278
After one year but not more than five years	531,285	90,939
More than five years	9,320	2,747
	<u>803,680</u>	<u>592,964</u>

28. Comparative figures

Certain comparative figures have been reclassified to conform to the presentation in the current year.