

Century Global Commodities Corporation

Condensed Consolidated Interim Financial Statements

(Unaudited)

December 31, 2017

(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The accompanying condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. An interim review has not been carried out by the Company's independent auditor.

Century Global Commodities Corporation
Condensed Consolidated Interim Statement of Financial Position
(Unaudited)
As of December 31, 2017

(Expressed in Canadian Dollars, unless otherwise stated)

	Notes	December 31, 2017 \$	March 31, 2017 \$
Assets			
Current assets			
Cash and cash equivalents		5,356,754	5,533,122
Short term bank deposits		7,824,825	13,006,352
Marketable securities	7	1,034,218	796,311
Trade and other receivables	8, 23	10,500,852	10,088,604
Lease receivable	9	28,785	-
Sales taxes and other taxes recoverable		24,931	159,144
Prepayments and deposits		332,089	514,098
Inventories	10	730,765	543,598
		<u>25,833,219</u>	<u>30,641,229</u>
Non-current assets			
Exploration and evaluation assets	12	172,307	-
Property, plant and equipment	13	1,352,119	198,613
Investment in a joint venture	14	7,712,502	7,846,824
Lease receivable	9	85,860	-
		<u>9,322,788</u>	<u>8,045,437</u>
		<u>35,156,007</u>	<u>38,686,666</u>
Liabilities			
Current liabilities			
Trade and other payables	15	898,264	925,712
Shareholders' Equity			
Share capital	16	117,057,226	117,057,217
Contributed surplus		3,087,181	3,082,819
Deficit		(85,506,577)	(84,440,727)
Other components of equity		(380,087)	2,061,645
		<u>34,257,743</u>	<u>37,760,954</u>
		<u>35,156,007</u>	<u>38,686,666</u>

Approved by the Board of Directors

/s/ "Sandy Chim" Director
Date: February 8, 2018

/s/ "Kit Ying (Karen) Lee" Director
Date: February 8, 2018

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

Century Global Commodities Corporation
Condensed Consolidated Interim Statement of Profit or Loss
(Unaudited)
For the three and nine months ended December 31, 2017

(Expressed in Canadian Dollars, unless otherwise stated)

		Three months ended December 31,		Nine months ended December 31,	
	Notes	2017 \$	2016 \$	2017 \$	2016 \$
Revenue	6, 19	841,660	419,321	2,211,581	899,793
Cost of sales	19	(618,354)	(334,378)	(1,626,133)	(663,195)
Gross profit		223,306	84,943	585,448	236,598
Other income	20	35,239	130,937	213,374	294,118
Gain from sale of assets classified as held for sale	11	-	-	-	399,955
Selling expenses		(94,974)	(147,433)	(316,555)	(199,193)
Administrative expenses	21	(1,068,762)	(1,725,264)	(3,458,227)	(4,937,237)
Project maintenance costs		(25,709)	(5,477)	(63,764)	(161,044)
Share-based compensation expenses	17	(76,142)	(149,102)	(322,867)	(446,231)
Reversal of impairment provision of property, plant and equipment	9	21,333	-	21,333	-
Gain/(loss) on foreign exchange		(48,635)	(117,628)	225,111	(223,339)
Share of loss of a joint venture	14	(80,001)	(50,254)	(134,322)	(135,981)
Net loss for the period and attributable to the owners of the Company		<u>(1,114,345)</u>	<u>(1,979,278)</u>	<u>(3,250,469)</u>	<u>(5,172,354)</u>
Net loss per share attributable to the owners of the Company – Basic and diluted	22	<u>(0.01)</u>	<u>(0.02)</u>	<u>(0.03)</u>	<u>(0.05)</u>
Weighted average number of shares outstanding		<u>98,490,544</u>	<u>98,274,821</u>	<u>98,486,902</u>	<u>98,620,025</u>

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

Century Global Commodities Corporation
Condensed Consolidated Interim Statement of Comprehensive Loss
(Unaudited)
For the three and nine months ended December 31, 2017

(Expressed in Canadian Dollars, unless otherwise stated)

	Three months ended		Nine months ended	
	December 31,		December 31,	
	2017	2016	2017	2016
Notes	\$	\$	\$	\$
Net loss for the period	<u>(1,114,345)</u>	<u>(1,979,278)</u>	<u>(3,250,469)</u>	<u>(5,172,354)</u>
Other comprehensive income/(loss)				
Exchange gain/(loss) on translation of operations in other currencies	78,023	88,529	(425,251)	225,721
Change in fair value of marketable securities	7 (84,083)	35,169	(150,358)	21,121
Other comprehensive income/(loss) for the period	<u>(6,060)</u>	<u>123,698</u>	<u>(575,609)</u>	<u>246,842</u>
Total comprehensive loss for the period and attributable to the owners of the Company	<u>(1,120,405)</u>	<u>(1,855,580)</u>	<u>(3,826,078)</u>	<u>(4,925,512)</u>

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

Century Global Commodities Corporation
Condensed Consolidated Interim Statement of Changes in Equity
(Unaudited)
For the nine months ended December 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, 2017	117,057,217	3,082,819	(84,440,727)	3,283,550	20,000	94,798	(1,336,703)	-	-	37,760,954
Net loss for the period	-	-	(3,250,469)	-	-	-	-	-	-	(3,250,469)
Other comprehensive income for the period	-	-	-	-	-	(150,358)	(425,251)	-	-	(575,609)
Total comprehensive loss for the period	-	-	(3,250,469)	-	-	(150,358)	(425,251)	-	-	(3,826,078)
Exercise of share-based awards (notes 16, 17)	9	4,362	-	(4,371)	-	-	-	-	-	-
Equity-settled share-based compensation arrangements (note 17)	-	-	-	322,867	-	-	-	-	-	322,867
Share options expired (note 17)	-	-	2,184,619	(2,184,619)	-	-	-	-	-	-
Balance – December 31, 2017	117,057,226	3,087,181	(85,506,577)	1,417,427	20,000	(55,560)	(1,761,954)	-	-	34,257,743
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 period	-	-	(5,169,335)	-	-	-	-	(3,019)	-	(5,172,354)
Other comprehensive income for the period	-	-	-	-	-	21,121	225,721	-	-	246,842
Total comprehensive loss for the period	-	-	(5,169,335)	-	-	21,121	225,721	-	-	(4,925,512)
Shares repurchased (note 16)	(163,564)	-	-	-	-	-	-	-	-	(163,564)
Exercise of share-based awards (notes 16, 17)	622	303,914	-	(304,536)	-	-	-	-	-	-
Equity-settled share-based compensation arrangements (note 17)	-	-	-	446,231	-	-	-	-	-	446,231
Disposal of partial interest in a subsidiary	-	20,538	-	-	-	-	-	-	-	20,538
Non-controlling interests on acquisition of subsidiary	-	-	-	-	-	-	-	3,019	-	3,019
Balance – December 31, 2016	117,057,217	3,082,820	(94,668,439)	14,775,595	20,000	21,121	(1,304,584)	-	-	38,983,730

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

Century Global Commodities Corporation
Condensed Consolidated Interim Statement of Cash Flows
(Unaudited)

For the three and nine months ended December 31, 2017

(Expressed in Canadian Dollars, unless otherwise stated)

Cash generated by/(used in)	Notes	Three months ended December 31,		Nine months ended December 31,	
		2017 \$	2016 \$	2017 \$	2016 \$
Operating activities					
Net loss for the period		(1,114,345)	(1,979,278)	(3,250,469)	(5,172,354)
Adjustments for					
Bank interest income		(32,846)	(82,079)	(120,438)	(206,243)
Dividend income from marketable securities		(7,799)	(429)	(8,587)	(3,541)
Gain on disposal of available-for-sale investments		1,761	(14,456)	(78,078)	(48,260)
Gain from sale of assets classified as held for sale	11	-	-	-	(399,955)
Loss/(gain) on disposal of fixed assets	9	(144,552)	-	(201,843)	1,930
Reversal of impairment provision of property, plant and equipment	9	(21,333)	-	(21,333)	-
Loss/(gain) on foreign exchange		48,635	117,628	(225,111)	223,339
Depreciation	13	43,459	59,924	121,590	236,387
Share-based compensation arrangements	17	76,142	149,102	322,867	446,231
Share of loss of a joint venture	14	80,001	50,254	134,322	135,981
Others		-	(7,469)	-	-
Changes in working capital items					
Increase in trade and other receivables		(117,036)	(32,563)	(412,248)	(273,467)
Decrease/(increase) in sales taxes and other taxes Recoverable		1,199	(32,687)	131,368	95,144
Decrease in prepayments and deposits		63,374	525,938	182,009	380,390
Increase in inventories		(62,991)	(398,164)	(187,167)	(418,099)
Increase/(decrease) in trade and other payables		132,345	109,014	(27,448)	(2,361)
Net cash used in operating activities		(1,053,986)	(1,535,265)	(3,640,566)	(5,004,878)
Investing activities					
Bank interest received		32,846	6,938	120,438	206,243
Short term bank deposits retrieved		1,000,000	10,169,235	5,181,527	4,096,951
Dividends received from marketable securities		7,799	429	8,587	3,541
Marketable securities purchased		(21,037)	(24,935)	(741,736)	(797,397)
Proceeds from sale of marketable securities		(10,437)	211,498	462,750	477,947
Investment tax credit refunds received		-	9,084	2,845	28,885
Exploration and evaluation assets		(172,307)	-	(172,307)	-
Purchases of property, plant and equipment		(128,552)	(18,811)	(1,276,530)	(100,110)
Proceeds from sale of property, plant and equipment		5,885	-	63,866	-
Proceeds from a finance lease arrangement		45,355	-	45,355	-
Proceeds from sale of assets classified as held for sale		-	-	-	555,700
Net cash generated by investing activities		759,552	10,353,438	3,694,795	4,471,760
Financing activities					
Funds used in or advanced for repurchase of shares		-	(163,564)	-	(163,564)
Net cash used in financing activities		-	(163,564)	-	(163,564)
Net change in cash and cash equivalents		(294,434)	8,654,609	54,229	(696,682)
Cash and cash equivalents – Beginning of period		5,656,443	5,265,601	5,533,122	14,668,097
Effect of foreign exchange rate changes, net		(5,255)	52,140	(230,597)	935
Cash and cash equivalents – End of period		5,356,754	13,972,350	5,356,754	13,972,350
Cash in bank and on hand		5,356,754	4,850,642	5,356,754	4,850,642
Short term bank deposits with original maturity of three months or less		-	9,121,708	-	9,121,708
Cash and cash equivalents – End of period		5,356,754	13,972,350	5,356,754	13,972,350

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

Century Global Commodities Corporation
Notes to the Condensed Consolidated Interim Financial Statements
(Unaudited)
December 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, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. The Company’s shares are traded on the Toronto Stock Exchange (“TSX”) under the symbol “CNT”.

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 condensed consolidated interim financial statements were approved by the Board of Directors for issue on February 8, 2018.

2. Basis of preparation

The condensed consolidated interim financial statements of the Company and its subsidiaries (the “Group”) have been prepared in accordance with IAS 34 *Interim Financial Reporting*. The condensed consolidated interim financial statements should be read in conjunction with the Group’s audited consolidated annual financial statements for the year ended March 31, 2017 filed on SEDAR at www.sedar.com on June 26, 2017, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

3. Significant accounting policies

The significant accounting policies used in the preparation of these condensed consolidated interim financial statements are consistent with those disclosed in note 3 of the audited consolidated annual financial statements for the year ended March 31, 2017 except for the following:

(i) Leases

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the lessee is classified as a finance lease. All other leases are classified as operating leases.

The Group has entered into a finance lease arrangement as the lessor. Amounts due from lessees under finance leases are recognized as receivables at the amount of the Group’s net investment in the leases. Finance income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group’s net investment outstanding in respect of the leases.

The Group is a lessee of certain operating lease arrangements. Payments made under operating leases are charged to the profit or loss on a straight-line basis over the period of the lease.

Basis of measurement

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

Century Global Commodities Corporation
Notes to the Condensed Consolidated Interim Financial Statements
(Unaudited)
December 31, 2017

(Expressed in Canadian Dollars, unless otherwise stated)

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 critical accounting estimates and judgments applied in these condensed consolidated interim financial statements are consistent with those disclosed in note 4 of the audited consolidated annual financial statements for the year ended March 31, 2017.

5. New standards and interpretations

No new standards were adopted by the Company during the nine months ended December 31, 2017. The standards and interpretations that have been issued, are not yet effective and could be applicable to the Company are provided in note 5 of the audited consolidated annual financial statements for the year ended March 31, 2017.

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 condensed consolidated interim 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 Condensed Consolidated Interim Financial Statements
(Unaudited)
December 31, 2017

(Expressed in Canadian Dollars, unless otherwise stated)

The following tables present revenue and profit or loss information for the Group's operating segments for the nine months ended December 31, 2017 and 2016, respectively. Comparative figures for the nine months ended December 31, 2016 have been restated accordingly.

For the nine months ended December 31, 2017	Mining & Investment \$	Food & Distribution \$	Business Development \$	Corporate & Others \$	Total \$
Segment revenue					
Sales to external customers	-	2,211,581	-	-	2,211,581
Segment profit or loss					
Gross profit	-	585,448	-	-	585,448
Income and gains:					
Interest income	-	-	-	126,620	126,620
Other income or gains	86,754	-	-	-	86,754
	86,754	-	-	126,620	213,374
Expenses:					
Selling expenses	-	316,555	-	-	316,555
Salaries, pension and directors' fees	320,229	1,100,747	337,923	626,496	2,385,395
Consulting and professional fees	153,264	37,929	85,277	254,358	530,828
Corporate promotion and listing fees	5,000	-	-	27,285	32,285
Other administrative expenses	122,907	338,458	87,950	162,247	711,562
Project maintenance costs	63,764	-	-	-	63,764
Share-based compensation expenses	37,074	134,493	41,340	109,960	322,867
Gain on disposal of fixed assets	(198,911)	-	-	(2,932)	(201,843)
Reversal of impairment provision of property, plant and equipment	(21,333)	-	-	-	(21,333)
Foreign exchange (gain)/loss	-	62,148	-	(287,259)	(225,111)
Share of loss of a joint venture	134,322	-	-	-	134,322
	616,316	1,990,330	552,490	890,155	4,049,291
Net loss for the period	(529,562)	(1,404,882)	(552,490)	(763,535)	(3,250,469)

Century Global Commodities Corporation
Notes to the Condensed Consolidated Interim Financial Statements
(Unaudited)
December 31, 2017

(Expressed in Canadian Dollars, unless otherwise stated)

For the nine months ended December 31, 2016	Mining & Investment \$	Food & Distribution \$	Business Development \$	Corporate & Others \$	Total \$
Segment revenue					
Sales to external customers	-	899,793	-	-	899,793
Segment profit or loss					
Gross profit	-	236,598	-	-	236,598
Income and gains:					
Interest income	-	-	-	206,404	206,404
Gain from sale of assets classified as held for sale	399,955	-	-	-	399,955
Other income or gains	69,493	18,221	-	-	87,714
	469,448	18,221	-	206,404	694,073
Expenses:					
Selling expenses	-	199,193	-	-	199,193
Salaries, pension and directors' fees	450,515	816,289	635,358	988,983	2,891,145
Consulting and professional fees	253,276	119,057	275,303	425,913	1,073,549
Corporate promotion and listing fees	-	11,901	19,924	35,831	67,656
Other administrative expenses	203,279	420,281	229,196	52,131	904,887
Project maintenance costs	161,044	-	-	-	161,044
Share-based compensation expenses	66,394	105,306	90,861	183,670	446,231
Foreign exchange (gain)/loss	-	51,549	-	171,790	223,339
Share of loss of a joint venture	135,981	-	-	-	135,981
	1,270,489	1,723,576	1,250,642	1,858,318	6,103,025
Net loss for the period	(801,041)	(1,468,757)	(1,250,642)	(1,651,914)	(5,172,354)

The following table presents assets and liabilities information for the Group's operating segments as at December 31 and March 31, 2017, respectively:

	Mining & Investment \$	Food & Distribution \$	Business Development \$	Corporate & Others \$	Total \$
Total assets					
December 31, 2017	18,966,612	2,800,178	60,188	13,329,029	35,156,007
March 31, 2017	18,562,422	1,146,525	53,544	18,924,175	38,686,666
Total liabilities					
December 31, 2017	232,470	214,594	6,278	444,922	898,264
March 31, 2017	248,003	173,813	-	503,896	925,712

Century Global Commodities Corporation
Notes to the Condensed Consolidated Interim Financial Statements
(Unaudited)
December 31, 2017

(Expressed in Canadian Dollars, unless otherwise stated)

7. Marketable securities

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

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

	December 31, 2017	March 31, 2017
	\$	\$
Listed equity securities – Canada, at fair value	963,456	796,311
Listed equity securities – US, at fair value	70,762	-
	<u>1,034,218</u>	<u>796,311</u>

8. Trade and other receivables

	December 31, 2017	March 31, 2017
	\$	\$
Trade receivables	623,316	362,615
Other receivables	316,002	172,428
Receivable from Labec Century (note 23)	6,350,763	6,342,790
Receivable from WISCO Century Sunny Lake (note 23)	3,210,771	3,210,771
	<u>10,500,852</u>	<u>10,088,604</u>

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.

9. Lease receivable

In July 2017, the Group has entered into a lease arrangement to lease out a drill for a term of 4 years. Pursuant to the lease agreement, the lessee shall pay to the Group an initial payment before drill delivery and monthly payments over the lease term. At the end of the lease, the lessee can purchase the drill by paying a purchase price. Alternatively, the lessee can exercise an early buyout option to purchase the drill by making a lump sum payment to the Group for the above amounts. The lease is classified as a finance lease at inception with a net investment value of \$160,000. The drill was delivered to the lessee in August 2017.

Accordingly, the Group has reversed an impairment provision of \$21,333 relating to the drill. On inception of the finance lease, the Group has derecognized the drill and recorded a gain on disposal of fixed assets at an amount of \$138,667. As of the balance sheet date, the Group has lease receivable of \$114,645.

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(Expressed in Canadian Dollars, unless otherwise stated)

10. Inventories

	December 31, 2017	March 31, 2017
	\$	\$
Trading merchandise held for sale	730,765	543,598

11. 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.

12. Exploration and evaluation assets

	December 31, 2017	March 31, 2017
	\$	\$
<u>Trudeau gold property</u>		
Additions and balance	172,307	-

Trudeau gold property

The Trudeau gold property is an early stage gold-focused polymetallic exploration project, located approximately 35 kilometres northwest of the city of Rouyn-Noranda, Quebec. Trudeau Gold Inc., a wholly owned subsidiary of the Company, holds a 100% interest in the property consisting of three non-contiguous claim groups surrounding Duparquet Lake, namely Fabie, Trudeau and Eastchester.

Impairment assessment of other properties

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 December 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
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(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 December 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.

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 of December 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.

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13. Property, plant and equipment

	Land \$	Drilling & field equipment \$	Camp and properties \$	Leasehold improvements, furniture & fixtures \$	Computer & office equipment \$	Vehicles \$	Total \$
Cost							
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
Additions	-	-	1,000,782	223,495	52,253	-	1,276,530
Disposals	-	(553,793)	(11,737)	(5,053)	(1,444)	(33,100)	(605,127)
Exchange differences	-	-	-	(5,634)	132	-	(5,502)
Balance - December 31, 2017	137,177	2,114,073	2,086,330	341,238	382,656	88,388	5,149,862
Accumulated depreciation and impairment							
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
Depreciation	-	-	57,191	39,544	19,292	5,563	121,590
Disposals	-	(532,460)	(11,737)	(4,363)	(1,444)	(33,100)	(583,104)
Reversal of impairment provision (note 9)	-	(21,333)	-	-	-	-	(21,333)
Exchange differences	-	-	107	(2,262)	(2,603)	-	(4,758)
Balance - December 31, 2017	100,000	2,114,073	1,086,070	95,693	314,657	87,250	3,797,743
Net book value							
Balance - December 31, 2017	37,177	-	1,000,260	245,545	67,999	1,138	1,352,119
Balance - March 31, 2017	37,177	-	56,776	65,656	32,303	6,701	198,613

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14. Investment in a joint venture

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

	\$
Balance – March 31, 2016	8,062,026
Share of loss of Labec Century	<u>(215,202)</u>
Balance – March 31, 2017	7,846,824
Share of loss of Labec Century	<u>(134,322)</u>
Balance – December 31, 2017	<u>7,712,502</u>

The financial information of Labec Century is summarized as follows:

	December 31, 2017 \$'000	March 31, 2017 \$'000
Assets		
Current assets	17,112	17,696
Non-current assets	4,572	4,172
Liabilities		
Current liabilities	8,785	8,745
Non-current liabilities	-	-
Cash and cash equivalents	13,264	14,048
	Three months ended December 31, 2017 \$'000	Nine months ended December 31, 2017 \$'000
	2016 \$'000	2016 \$'000
Loss from continuing operations	(133)	(84)
Total comprehensive loss	(133)	(84)
	2017 \$'000	2016 \$'000
	(224)	(227)
	(224)	(227)

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.

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

15. Trade and other payables

	December 31, 2017	March 31, 2017
	\$	\$
Trade payables	103,704	133,088
Other payables and accruals	794,560	792,624
	<u>898,264</u>	<u>925,712</u>

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

The carrying amounts of trade and other payables are considered to be the same as their fair values due to their short-term nature.

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16. 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 December 31, 2017, the Company had 98,494,571 ordinary shares issued and outstanding, representing an amount of \$117,057,226. The changes in issued share capital for the period are as follows:

	Number of shares	\$
Balance – March 31, 2016	98,793,571	117,220,159
Ordinary shares issued under an equity incentive plan (note 17)	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
Ordinary shares issued under an equity incentive plan (note 17)	9,500	9
	<hr/>	<hr/>
Balance – December 31, 2017	98,494,571	117,057,226

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 December 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.

Holders 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.

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17. Share-based compensation arrangements

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 June 23, 2017, 1,130,000 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 74.58% and an expected life of 10 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 \$182,721 or \$0.1617 per unit.

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

	Number of options	Weighted average exercise price \$
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	10,087,500	0.71
Granted	1,130,000	0.35
Expired	(1,535,000)	2.92
Given up	<u>(540,000)</u>	0.55
Balance – December 31, 2017	<u>9,142,500</u>	0.30

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

Number of options	Exercise price \$	Exercise period
4,127,500	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
3,240,000	0.22	August 4, 2016 to August 3, 2026
<u>1,130,000</u>	0.345	June 23, 2017 to June 22, 2027
<u>9,142,500</u>		

As of the balance sheet date, the weighted average remaining contractual life of the outstanding share options is 8.0 years, and 4,180,000 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, 2016	678,795	354,913	343,663	1,377,371	0.49
Vested and shares exercised	(621,500)	-	-	(621,500)	0.49
Forfeited	<u>(27,795)</u>	<u>(54,788)</u>	<u>(54,788)</u>	<u>(137,371)</u>	0.49
Balance – March 31, 2017	29,500	300,125	288,875	618,500	0.48
Vested and shares exercised	(9,500)	-	-	(9,500)	0.46
Given up	<u>(10,000)</u>	<u>(5,000)</u>	<u>(5,000)</u>	<u>(20,000)</u>	0.49
Balance – December 31, 2017	<u>10,000</u>	<u>295,125</u>	<u>283,875</u>	<u>589,000</u>	0.48

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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 November 9, 2017, the Company issued a treasury direction to execute the issuance of 9,500 shares for the share units vested under the time-based target. The shares were issued on the same date at nil consideration. An amount of \$4,371 was transferred from the share award reserve to share capital and contributed surplus upon the issuance of the shares.

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.

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18. Warrants

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

	Number of warrants	Weighted average exercise price \$
Issued on November 29, 2013 and balance – December 31, 2017	<u>1,000,000</u>	2.50

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 between November 30, 2017 to November 29, 2018 at an exercise price of \$2.50.

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 December 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 0.9 year.

19. Revenue and cost of sales

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

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

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20. Other income

	Three months ended		Nine months ended	
	December 31,		December 31,	
	2017	2016	2017	2016
	\$	\$	\$	\$
Bank and other interest income	38,940	82,109	126,620	206,404
Dividend income	7,799	429	8,587	3,541
Gain on disposal of marketable securities	(1,761)	27,874	78,078	63,648
Other income	(9,739)	20,525	89	20,525
	<u>35,239</u>	<u>130,937</u>	<u>213,374</u>	<u>294,118</u>

21. Administrative expenses

	Three months ended		Nine months ended	
	December 31,		December 31,	
	2017	2016	2017	2016
	\$	\$	\$	\$
Salaries, pension and directors' fees	806,402	896,909	2,385,395	2,891,145
Consulting and professional fees	153,965	460,829	530,828	1,073,549
Rental and office expenses	21,817	298,828	282,891	631,931
Travel	39,905	36,923	105,238	157,456
Corporate promotion and listing fees	3,214	(8,579)	32,285	67,656
Depreciation	43,459	40,354	121,590	115,500
	<u>1,068,762</u>	<u>1,725,264</u>	<u>3,458,227</u>	<u>4,937,237</u>

22. 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.

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23. Related party transactions

- (a) In addition to transactions detailed elsewhere in the condensed consolidated interim financial statements, the Group has the following related party transactions:
- (i) As of December 31, 2017, the Group had accounts receivable of \$6,350,763 (March 31, 2017: \$6,342,790) 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 December 31, 2017, the Group had accounts receivable of \$3,210,771 (March 31, 2017: \$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.
- (b) The remuneration of the Group's directors and officers during the period is summarized below:

	Three months ended		Nine months ended	
	December 31,		December 31,	
	2017	2016	2017	2016
	\$	\$	\$	\$
Salaries and directors' fees	300,205	317,146	889,062	1,141,607
Share-based compensation expenses	45,163	119,196	165,252	343,609
	<u>345,368</u>	<u>436,342</u>	<u>1,054,314</u>	<u>1,485,216</u>

24. 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 December 31, 2017 and March 31, 2017, the Group's financial instruments are comprised of cash and cash equivalents, short term bank deposits, marketable securities, trade and other receivables, trade and other payables. With the exception of cash and cash equivalents and marketable securities, all other financial instruments of the Group are measured at amortized cost.

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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 December 31, 2017 and March 31, 2017:

	Level	December 31, 2017		March 31, 2017	
		Carrying value \$	Fair value \$	Carrying value \$	Fair value \$
Marketable securities	1	1,034,218	1,034,218	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.

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 December 31, 2017, the Group had cash and cash equivalents and short term bank deposits of \$13,181,579 (March 31, 2017: \$18,539,474) to settle current liabilities of \$898,264 (March 31, 2017: \$925,712). 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 December 31, 2017.

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(b) Foreign currency exchange risk

The Group's principal functional currencies are the Canadian Dollar and the Hong Kong Dollar. Sales revenue of the Group's food and distribution business is mainly denominated in Hong Kong Dollar, while the major purchases of the business are denoted in Australian Dollar and Euro. 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.

(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 December 31, 2017.

25. Capital management

The Group considers its capital structure to consist of share capital, contributed surplus and deficit, which, as at December 31, 2017, amounted to \$34,637,830. 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 period ended December 31, 2017. The Group is not subject to externally imposed capital requirements.

26. Comparative figures

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