CENTURY GLOBAL COMMODITIES CORPORATION

Management's Discussion and Analysis
of Financial Conditions and Results of Operations
for the Three and Nine Months Ended
December 31, 2017

This Management's Discussion and Analysis ("MD&A") of Century Global Commodities Corporation (TSX: CNT) (the "Company" or "Century"), formerly Century Iron Mines Corporation, was prepared as of February 8, 2018. The MD&A provides a review of the financial conditions and results of operations of the Company to assist readers in understanding and evaluating the significant changes in the Company as at and for the three and nine months ended December 31, 2017. This MD&A should be read in conjunction with the condensed consolidated interim financial statements and notes thereto of the Company as at and for the three and nine months ended December 31, 2017.

Additional information about the Company is available under the Company's profile on SEDAR at www.sedar.com, including the Company's most recent Annual Information Form. Additional information can also be found on the Company's website at www.centuryglobal.ca.

Management is responsible for the preparation of the condensed consolidated interim financial statements and MD&A. The Company's condensed consolidated interim financial statements for the three and nine months ended December 31, 2017 have been prepared in accordance with International Financial Reporting Standards ("IFRS"). Notes 2 to 5 of the Company's condensed consolidated interim financial statements as at and for the three and nine months ended December 31, 2017 discuss the IFRS accounting principles applied in preparing the condensed consolidated interim financial statements.

The Company's reporting currency is Canadian Dollars. Unless stated otherwise, all dollar figures in this MD&A are expressed in Canadian Dollars.

This MD&A contains forward-looking statements and should be read in conjunction with the discussions in the "Risks and Uncertainties" and "Cautionary Statement Regarding Forward-Looking Statements" sections at the end of this MD&A. This MD&A also contains technical information, which should be read in conjunction with the "Cautionary Statement Regarding Technical Information" section at the end of this MD&A.

COMPANY INFORMATION

In this Management's Discussion and Analysis, the terms "Company" or "Century" refer to Century Global Commodities Corporation, formerly Century Iron Mines Corporation, together with all its subsidiaries unless clearly stated otherwise.

The Company completed the change of the Company's name from "Century Iron Mines Corporation" to "Century Global Commodities Corporation" ("Name Change") on November 16, 2015 and the continuation of the Company's jurisdiction of incorporation from British Columbia to the Cayman Islands took effect on February 1, 2016.

Century owns certain mineral properties through the following direct and indirect wholly-owned subsidiaries:

- Century Iron Ore Holdings Inc. ("Century Holdings"), a holding company and a majority (60%) shareholder of Labec Century Iron Ore Inc. ("Labec Century"), a joint venture company owned by Century Holdings and WISCO Canada Attikamagen Resources Development & Investment Limited ("WISCO Attikamagen"), with Labec Century owning a 100% registered interest in the Attikamagen properties ("Attikamagen Properties"). On January 1, 2016, WISCO Attikamagen was amalgamated with WISCO Canada ADI Resources Development & Investment Limited ("WISCO ADI");

- 0849873 B.C. Ltd. ("B.C. Ltd."), the owner of the Company's interest in the Sunny Lake Joint Venture (as defined hereinafter), a joint venture between B.C. Ltd. and WISCO Canada Sunny Lake Resources Development & Investment Limited ("WISCO Sunny Lake"), with B.C. Ltd. owning a 60% interest in WISCO Century Sunny Lake Iron Mines Limited, the operator of the Sunny Lake Joint Venture, which is the registered owner of a 100% interest in Sunny Lake properties ("Sunny Lake Properties"). On January 1, 2016, WISCO Sunny Lake was amalgamated with WISCO ADI;

- Canadian Century Iron Ore Corporation ("Canadian Century"), a holding company and the owner of the Company's 65% registered interest in its Duncan Lake project ("Duncan Lake Project"), which has earned approximately an additional 3% interest in the project.

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

BUSINESS UPDATE

Overview

It is interesting that the iron ore market began and finished 2017 at roughly the same price points (US$77.6/t and US$74.0/t respectively). But in between, there were two mini-cycles, peaking close to US$95/t first in February/March and then close to US$80/t in August. There were two troughs below US$60/t in June and October. The commodity was recovering from the second trough down cycle by December and stabilized around the mid-$US70s for most of January 2018.

Looking at the broader secular market, the price of iron ore hit a cycle low below US$40/t late in 2015. This was followed by a solid recovery in 2016 and 2017. At about US$75/t, where we are today, iron ore price has nearly doubled from the cycle bottom late in 2015. Furthermore, although 2017 may seem flat because iron ore prices began and ended the year at around the same level, the cyclical peak (almost two months in the $90/t range) earlier in 2017 shows that iron ore price levels of US$90/t (close to our feasibility price study assumption for Joyce Lake) are possible in the current supply/demand dynamics.

We continue to monitor the iron ore market and remain ready to advance our projects rapidly once there is a sustained iron ore price rally. Our Toronto office maintains a small, lean mining team, poised to advance our projects immediately when the market recovers.

At the same time, the same Toronto-based mining team is analyzing merger and acquisition opportunities in non-ferrous, precious and base metals. We are also devoting a portion of our capital funds to a closely managed portfolio of investments in public mining company equities, with a particular focus on gold and copper.

We continue to execute our diversification strategy, which is key to ensuring our Company's value. This value will not rely solely on a cyclical upswing in the iron ore price, nor on the availability of a new mining investment. Rather, it includes our core competence: knowledgeable and competent access to the diverse and emerging China market (the original rationale for our iron ore portfolio).

This market is unprecedented – both in scale and depth. It offers extraordinary global economic and business opportunities, which are unlikely to recur in our generation.

As a market-oriented company, we seek to optimize opportunities and to take advantage of access to the world's largest developing economy, China. We have therefore expanded our team's skill sets and capabilities beyond mining. Our focus now includes the ability to supply what China also needs, now and for decades to come – quality food products.

Over the last few years, we have restructured the company, established good relationships and developed a thorough understanding of the food supply business. We have also acquired the skill sets to grow the company in this area.

We began by adapting our corporate structure to the needs of an international operation by building a dedicated professional food team with a successful track record of sourcing and supplying the quality food that Chinese consumers prefer. The segment report in our financial statements clearly illustrates the reality of a newly diversified Company with a growing food business.

Century has about C$26 million in cash, marketable securities and receivables, a large portfolio of iron ore assets awaiting market recovery, a newly established and growing quality food distribution business in Hong Kong, and a start-up food business now entering Mainland China.

Management continues to advance the Company's two-pronged diversification strategy, creating shareholder value by taking advantage of:

- The next industrial cycle and upswing in the metals sector
- The rise in demand for quality food among China's growing middle class.

Mining and Investment

Iron Ore

The previous financial year, ended March 31, 2017, saw a strong rebound of the iron ore market and price beginning in the third quarter and peaking at over US$90/t in the fourth quarter (January to March 2017). With the favourable US-Canadian exchange rate, our flagship project, Joyce Lake, looked positive when iron ore was trading around US$90/t. After declining to a low below $60/t in June, it rebounded close to US$80/t in August (almost 90% of the earlier 2017 peak of more than $90/t). Then a second mini-cycle began and the price declined again, ending October below US$60/t. It has since recovered – to mid-US$70s by the end of December 2017 and has sustained this level for most of January 2018.

The following table shows the average monthly iron ore price (62%Fe CFR China per The Steel Index) from a low point in January 2016.

Jan 2016	Feb 2016	Mar 2016	Apr 2016	May 2016	Jun 2016
US$41.17	US$46.33	US$55.52	US$59.58	US$54.49	US$51.36
Jul 2016	Aug 2016	Sep 2016	Oct 2016	Nov 2016	Dec 2016
US$56.61	US$60.43	US$56.63	US$58.00	US$72.26	US$79.96
Jan 2017	Feb 2017	Mar 2017	Apr 2017	May 2017	Jun 2017
US$80.29	US$87.88	US$87.19	US$69.97	US$60.71	US$56.10
Jul 2017	Aug 2017	Sep 2017	Oct 2017	Nov 2017	Dec 2017
US$69.60	US$75.11	US$69.77	US$60.31	US$63.36	US$70.54

The trajectory of iron ore prices in 2017 has demonstrated that in the global supply ramp-up years (2017-18, when major iron ore mines such as Vale's S11D and Roy Hill were coming into production), it was also possible for iron ore prices to rise to a price level attractive to Canadian producers. This was demonstrated on two occasions in 2017 and these price levels were sustained for one to two months on these occasions

The mini price-cycles in both 2016 and 2017 reveal a market reality: though the global iron ore cost curve has flattened substantially since the development of new mines during the Super-Cycle, the recent price upswings were created by market dynamics such as pricing power rather than production cost alone. This opens up the possibility of a return to a strong oligopoly, following completion of major expansions and new mines, which favours suppliers.

We believe it is prudent to continue our market observer position in the iron ore business, while maintaining a small, lean mining team ready to advance our projects rapidly when the market recovers. The following factors are key to the underlying potential of our iron ore assets.

- Direct Shipping Ore (DSO) is resilient even in the extraordinary and challenging market we have seen over the last few years. In eastern Canada, DSO is the only iron ore product from new mines brought into production during the Super-Cycle that remains in production today.
- We have completed both a feasibility study and an environmental impact study for our most advanced project, the Joyce Lake DSO Project. We believe Joyce Lake is the only Canadian DSO project owned by a publicly listed company in Canada. Along the mineralized trend from Joyce

Lake, we have also discovered the Black Bird DSO deposit and issued an NI43-101 mineral resource statement.

- Compared to many other iron ore projects, our Joyce Lake DSO project has a very low capital intensity. At a feasibility study capital cost of $C260 million, the capital intensity is approximately $C15 for each reserve tonne.
- Since completion of the Joyce Lake feasibility study, we have worked to optimize the project, seeking ways to further improve the capital and operating costs. This work is encouraging, and we plan to continue evaluating these opportunities for implementation prior to a project construction decision.
- Our strategic partners, WISCO and Minmetals (both Global 500 companies) remain our partners. Both have equity in the company, while WISCO has also invested at the project level.
- WISCO recently merged with Baosteel to become (now known as Baowu) the largest steel enterprise in China and the second-largest in the world.
- In addition to our highest priority project, Joyce Lake DSO, we also have three major deposits in the Labrador Trough and James Bay areas of Quebec. These deposits are world-class, containing many billions of tonnes of both taconite and magnetite mineral resources.

Mining Investment, M&A and Mineral Exploration

Over the last year, while awaiting a sustained recovery in the iron ore market, Century has continued to deploy its small, lean mining team (with mining engineering, geological and financial expertise) to analyze opportunities, primarily in the precious and base metal sectors, for potential accretive merger or acquisition (M&A) transactions.

Though the low metal price cycle has depressed the mining market, management has been unable to identify compelling projects to recommend to the Century board for an M&A decision. This is in part due to our strict selection criteria and a valuation gap between our opinion of a project's worth and that of the counterparties. We plan to continue to identify undervalued and promising opportunities, while maintaining our strict evaluation criteria.

We are also deploying expertise from the same mining team to manage and grow a portfolio of investments in mining public equities for better deployment of our working capital.

After having studied gold and the base metal sectors, and reviewed many projects, we began staking claims in areas worthy of exploration while we continued the search for advanced projects for M&A. In the fall of 2017, we began exploration work on a group of promising polymetallic claims (held by our 100% owned subsidiary, Trudeau Gold) we staked in Quebec and executed a geological reconnaissance prospecting program with a primary focus on gold. More details are discussed in the relevant section of this report.

Food

As China's economy moves from a development stage, investing in fixed assets, to a consumer orientation, it is creating the world's largest and rapidly expanding middle-class population. As a result, the demand for high-quality and healthy food is growing tremendously. This is still in the early stages and is expected to continue to grow for decades to come, at a rate well beyond that experienced in the mineral commodity sector.

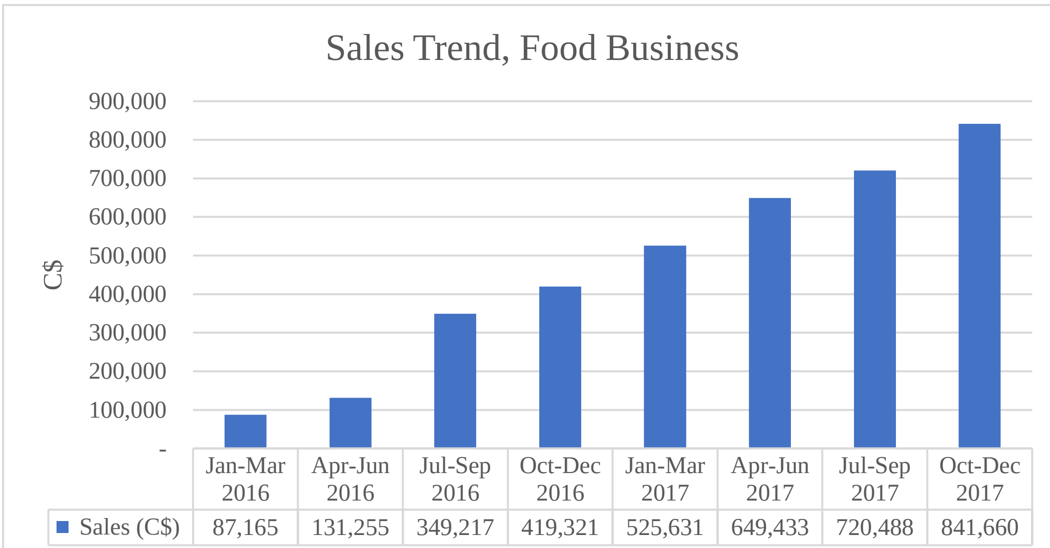
Building on our knowledge base as a market-driven mining company, we are capitalizing on our strengths, networks and understanding of this unprecedented major emerging market opportunity. We have successfully established an anchor foothold in Hong Kong and Macau. From there, we plan to grow the business over time into Mainland China's massive new consumer market, an opportunity on a global and historic scale.

Over the past year, Century Food established a professional marketing team and built a marketing and distribution network in Hong Kong and Macau over a range of blue chip accounts with major supermarket chains (reaching over 300 stores), hotels, restaurants and an international airline.

On the supply side, in addition to the exclusive distributorship agreement with Sunny Queen, a reputable Australian egg producer, we have successfully expanded our product range to include premium and organic meat products from Australia and Europe. By staking out new ground for the successful marketing and distribution of strong international brands, we have successfully attracted more prestigious international suppliers, increasing the opportunities that will form the basis of our continued growth.

In January 2016, Century began generating revenues from initial sales to customers in Hong Kong. Sales have been growing since. Throughout the last fiscal year, management has delivered consistent and healthy quarterly growth, both in product range and customer base, triggering corresponding growth in sales revenue. Total sales for the last fiscal year, ended March 31, 2017, and reached C$1,425,424 globally, delivering a solid gross margin of approximately 25%. Sales in the first nine months of the current fiscal year (ended 31 December 2017) reached over C$2.2 million, already surpassed last year's full-year sale, delivering a strong 26.5% gross margin. We are now a strong, growing and credible player in the local market.

The following table shows the rapid growth of our food business since the beginning of calendar year 2016, when sales began. Growth has been solid, continuous and substantial over eight consecutive quarters. We expect this growth to continue, as our customer base and product range continue to expand.



Period	Sales (C$)
Fiscal year 2015-16:	
Jan – Mar, 2016	87,165
Fiscal year 2016-17:	
Apr – Jun, 2016	131,255
Jul – Sep, 2016	349,217
Oct – Dec, 2016	419,321
Jan – Mar, 2017	525,631
Fiscal year 2017-18:	
Apr – Jun, 2017	649,433
Jul – Sep, 2017	720,488
Oct – Dec, 2017	841,660

In parallel with the development of the Hong Kong food business, we established a start-up operation in Wuhan, the provincial capital of Hubei in Central China (with a population of about 60 million), where economic growth has been stronger. We continue to study and test the local market there and formulate a strategy to grow the business, focusing on providing quality food products to consumers in the region. In support of the local operation in this fast-growing city of more than 10 million people, Century acquired office premises (C$949k for 212 square metres) to keep its long-term occupancy cost competitive, with the added benefit of potential capital appreciation over time. In Wuhan, we have opened a second pilot restaurant/store operation with a successful local partner, anchored in a high-traffic location.

As expected during the initial start-up years, when we were investing in setting up operational infrastructure and our team was going through the necessary learning curve, we incurred higher administrative expenses. We successfully established our Hong Kong operation, delivering a 24-26% gross margin contribution on growing sales revenues in the segment, while establishing ourselves in China.

Other Business Developments

We also continued to explore other business development opportunities that can harness our strengths and capacity to create value for our shareholders.

MINERAL EXPLORATION AND DEVELOPMENT OVERVIEW

The Company has multiple advanced iron ore projects and deposits in north-eastern Quebec and western Labrador, an area known as the "Labrador Trough", and in the James Bay Area in western Quebec. Over the past few years, the Company has identified about 11 billion tonnes inferred and 8.4 billion tonnes of measured and indicated iron ore resources and 17.7 million tonnes of high grade of 59.7% Fe Direct Shipping Ore ("DSO") reserves in the region and successfully established its position as the holder of one of the largest iron ore resources in the world, measured as attributable contained iron tonnes from estimated resources.

While the Company is waiting for the recovery of the iron ore market before advancing its projects, the Company's mining team has been reviewing opportunities in the precious and base metal sectors. As part of this process, Century accumulated several exploration properties by acquiring them directly from the government through staking (now held under Trudeau Gold, a 100% owned subsidiary). During the quarter, the Company executed a selective first field exploration program on these properties and the positive results are discussed later in this section.

Iron Ore

The following table provides a summary of the Company's portfolio of iron ore projects by deposit type in both the Labrador Trough area of Quebec and Newfoundland and the James Bay area of Quebec, based on studies, evaluations and assessments that have been posted by the Company on SEDAR:

	Joyce Lake	Black Bird	Hayot Lake	Full Moon	Duncan Lake	Total
Deposit Type	DSO	DSO	Taconite	Taconite	Magnetite	
Location	Labrador Trough	Labrador Trough	Labrador Trough	Labrador Trough	James Bay	
Ownership % (Century's current earn-in)	Attikamagen 60%	Sunny Lake 81.1%	Attikamagen 60%	Sunny Lake 81.1%	65%[3]	
Joint Venture Partner	WISCO	WISCO	WISCO	WISCO	Augyva	
Stage of Development	Feasibility Study	Resource Estimate	Resource Estimate	PEA	PEA	
Issue Date – Most Recent NI 43-101 Report	April 2015	April 2015	November 2012	April 2015	May 2013	
NI 43-101 Resources						
Proven and Probable	17.7Mt	-	-	-	-	
Measured & Indicated	24.3Mt [2]	1.6Mt	-	7.3Bt	1.1Bt	8.4Bt
Inferred	0.8Mt	8.6Mt	1.7Bt	8.7Bt	0.6Bt	11.0Bt
NPV (pre-tax) @ 8%[1]	C$130.8M	-	-	C$5.8B	C$4.1B	
IRR (pre-tax) [1]	18.7%	-	-	15.2%	20.1%	

(1) Represents 100% basis at the project level

(2) Inclusive of proven and probable resources of 17.7Mt

(3) Century is in the process of registering approximately an additional 3% interest in the Duncan Lake Property

Management believes that the Company is well positioned to take advantage of more positive iron ore market conditions, when they materialize in a sustained manner. In the future, as the market recovers, the Company plans to first develop its DSO projects that will generate a positive operating cash flow, then leverage that cash flow and the operating experience gained for subsequent development of its high-volume and more capital-intensive taconite/magnetite projects. In the meantime, the Company continues to optimize its expenditures including capital allocation so as to minimize unnecessary exploration and other activities but remains ready to rapidly advance its iron ore projects.

Attikamagen Properties

The Company's Attikamagen Properties include the Joyce Lake DSO Project and the Hayot Lake Taconite Project. The Joyce Lake DSO Project is the first priority for development, while the Company's Hayot Lake Project is expected to be developed in the longer term.

Joyce Lake DSO Project

The low capital intensity Joyce Lake DSO Project is the Company's most advanced project, is located in Newfoundland and Labrador, approximately 20 kilometres from the closest town of Schefferville, Quebec. The mineral resource estimate, dated April 17, 2014, identified 24.3 million tonnes of measured and indicated iron ore at an average grade of 58.55% Fe. The feasibility study ("FS") released in April 2015, completed by BBA Inc. located in Montreal, Quebec, with inputs from Stantec Consulting Ltd. SGS Canada Inc., BluMetric Environmental Inc. and LVM Inc., a division of EnGlobe Corp. The FS included an annual production plan of 2.5 million tonnes of iron ore products over a life of mine of approximately 7 years from an open pit with a strip ratio of 4.09:1. Mined ore would be dry crushed and screened to generate 65% product as sinter fines and 35% product as lump, with the first 5.6 years of ore production at an average grade of 61.4% Fe processed directly from the pit and the remaining mine life production, processed from lower grade stockpiles, averaging 53.3% Fe. A new 43-kilometre dedicated haul road from the mine site and a new rail loop has been designed to allow rail transport of the products to the IOC Port Terminal in Sept-Îles for subsequent shipment to China. The project economics indicated a pre-tax NPV (8%) of $130.8 million; pre-tax IRR of 18.71%; and pre-tax Payback of 4.4 years. The Joyce Lake initial capital cost was estimated to be $259.6 million and the average estimated operating cost was $58.25/dmt, loaded on board a ship at the Port of Sept-Îles. WISCO ADI has a right to purchase up to 60% of commercial products at market value or on standard commercial terms.

Additional information can be found in the NI 43-101 Technical Report, entitled *the Feasibility Study Joyce Lake DSO Project*, effective dated March 2, 2015 and filed April 14, 2015, on SEDAR at www.sedar.com.

Subsequent to the release of the FS, the Company has completed capital and operating cost optimization to maximize project economics and also prepared an Environmental Impact Statement

("EIS") consistent with the FS. The Company plans to submit the EIS to governments when suitable market conditions exist, and the formal permitting process is expected to commence upon the submission of the EIS.

The EIS submission, permitting process and other project processes leading to a production decision are expected to be funded by Labec Century's existing financial resources, which had cash and cash equivalents of $13.3 million as at December 31, 2017.

The Company, together with its joint venture partner, WISCO, are well positioned to generate substantial economic returns upon project execution and will continue assessing the development timeline of the Joyce Lake DSO project based on prevailing market conditions.

The Hayot Lake Project

The Hayot Lake Project is a taconite deposit located approximately 23 kilometres northwest of the Joyce Lake DSO Project and 22 kilometres north of the town of Schefferville, Quebec. A mineral resource evaluation was prepared in 2012 for the Hayot Lake Project, reporting an estimated 1.7 billion tonnes of inferred mineral resources. For further details, please refer to the report entitled *Mineral Resource Evaluation, Hayot Lake Taconite Iron Project, Schefferville, Québec* filed under Century's profile on www.sedar.com on November 9, 2012. This high capital cost world-class taconite project is one that will be developed by the Company as a long-term growth opportunity.

Ownership of the Attikamagen Properties

The Company's interests in the Attikamagen Properties are held through Labec Century, a joint venture company in which it shares ownership with a subsidiary of WISCO. Labec Century has a 100% registered interest in the Attikamagen Properties. The ownership and management of Labec Century is governed by a shareholders' agreement dated December 19, 2011 among the Company, Century Holdings, WISCO and WISCO ADI, (formerly "WISCO Attikamagen" in "Attikamagen Shareholders Agreement"). This shareholders' agreement contemplates an aggregate investment of $40 million by WISCO into Labec Century in consideration of a 40% equity interest in Labec Century. WISCO ADI completed its initial $20 million investment into Labec Century on September 26, 2012 and became the owner of 40% of the outstanding voting non-equity shares of Labec Century and 25% of the non-voting common shares of Labec Century. On September 19, 2013, WISCO (or "WISCO ADI") further increased its ownership from 25% to 40% of the non-voting common shares of Labec Century for a payment of $20 million. After the completion of these transactions and as of the date of this MD&A, the Company and WISCO (or "WISCO ADI") own 60% and 40% of Labec Century's voting and non-voting common shares, respectively, in accordance with the Attikamagen Shareholders Agreement.

Century accounts for its investment in Labec Century as investment in a joint venture using the equity method of accounting in accordance with IFRS. Under the equity method, Labec Century's exploration and development expenditures are not included in the exploration and evaluation asset in the statement of financial position of the Company.

Sunny Lake Properties

The Company's Sunny Lake Properties include the Black Bird DSO Deposit and exploration targets in the surrounding area, and the Full Moon/Rainy Lake Taconite Project.

Black Bird DSO Deposit

The Black Bird DSO Deposit is located 65 kilometres northwest of Schefferville, Québec and approximately 50 kilometres from the Joyce Lake DSO Project in Labrador. The most recent NI 43-101 Technical Report, completed by SRK Consulting (Canada) Inc., Toronto, Ontario and filed in April 2015, reported 1.55 million tonnes of indicated resources at an average grade of 59.93% total iron ("TFe") and 8.60 million tonnes of inferred resources at an average grade of 57.01% TFe. Both indicated and inferred resources are at a cut-off grade of 50% TFe. The report entitled *Mineral Resource Evaluation, Black Bird DSO Deposit, Sunny Lake Property, Schefferville, Québec* was filed on SEDAR under Century's profile at www.sedar.com on April 14, 2015.

Full Moon Taconite Project

Full Moon is a taconite project located approximately 80 kilometres northwest of the town of Schefferville, Québec. A Mineral Resource Statement on the Full Moon Project, dated December 6, 2012, reported 7.3 billion tonnes of indicated iron ore resources and 8.7 billion tonnes of inferred iron ore resources. The Preliminary Economic Assessment ("PEA") released in April 2015 was completed by CIMA+ located in Montreal, Québec with inputs from Met-Chem Canada Inc., Soutex Inc., SRK Consulting (Canada) Inc. and WSP Canada Inc. The PEA indicated a preferred option of an annual production of 20 million tonnes over 30 years from an open pit with a strip ratio of 0.1:1. The process plant would recover both Magnetite and Hematite to concentrate. Mined ore will be processed to generate High Silica Content concentrate at a grade of approximately 66% Fe. A new rail line will transport the product from the mine concentrator to Schefferville then over an existing rail line to the Sept-Îles new multi-user port for subsequent shipment to China. The PEA preferred option indicated a pre-tax NPV (8%) of $5.8 billion; pre-tax IRR of 15.2%; and pre-tax Payback of 5.7 years. The initial capital cost was estimated to be $7.2 billion and the average estimated operating cost was $49.85/dmt, loaded on board a ship at the Port of Sept-Îles.

Additional information can be found from the NI 43-101 Technical Report, entitled *the Preliminary Economic Assessment for the Full Moon Project*, effective dated March 2, 2015 and filed on April 14, 2015, on SEDAR at www.sedar.com.

Ownership of Sunny Lake Properties

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

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

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

As at December 31, 2017, Century has an 81.1% registered interest in the Sunny Lake Properties. Following the formation of the Sunny Lake Joint Venture, exploration and development expenditures incurred by WISCO ADI to earn-in to their 40% interest on the Sunny Lake Properties are not included in the Company's exploration and evaluation asset in the statement of financial position.

Duncan Lake Project

The Duncan Lake Project is a magnetite deposit located in the James Bay Area approximately 50 kilometres south of Radisson, Quebec. A technical report on the mineral resources estimate of the project dated October 11, 2012 identified 1.1 billion tonnes of measured and indicated and 0.6 billion tonnes of inferred mineral resources. A preliminary economic assessment report on the project dated May 6, 2013 was also issued, available under Century's profile on SEDAR at www.sedar.com. The Duncan Lake Project has reached a significant milestone of project development with the issuance of this PEA. The Company currently focuses on preserving the claims and growth options for the project and continues to assess the execution of the project when suitable market conditions exist. For further information regarding the results of the Duncan Lake PEA, please refer to the NI 43-101 Technical Report entitled *Preliminary Economic Assessment of the Duncan Lake Iron Property, James Bay, Quebec-Canada* as filed on SEDAR at www.sedar.com on May 6, 2013.

Ownership of Duncan Lake Property

On May 20, 2008, the Company's wholly-owned subsidiary, Canadian Century entered into an option and joint venture agreement with Augyva Mining Resources Inc. ("Augyva") to have an option to obtain a 51% interest in the Duncan Lake Property and an additional 14% interest, upon meeting certain funding requirements. The Company completed its funding commitment of $6.0 million on the Duncan Lake property in November 2010 and, as a result, thereupon obtained an initial 51% interest in this property. In October 2012, Canadian Century completed its additional $14.0 million funding on the project, resulting in an additional transfer of a further 14% interest to the company in May 2013.

As of December 31, 2017, the Company has a 65% registered interest in the Duncan Lake property and has earned approximately an additional 3% interest as a result of its funding contribution to the exploration expenditures incurred for the project subsequent to Century's earn-in of its 65% interest in the property.

Trudeau Gold Property

The Fabie-Trudeau-Eastchester Polymetallic Project is an early stage exploration project, located approximately 35 kilometres northwest of the city of Rouyn-Noranda, Quebec.

Trudeau Gold, a wholly owned subsidiary of the Company, holds a 100% interest in the Trudeau Gold Property consisting of three non-contiguous claim groups surrounding Duparquet Lake, namely Fabie, Trudeau and Eastchester, which Trudeau Gold acquired directly from the government by staking.

This project is located in the Noranda Camp, otherwise known as the Noranda Volcanic Complex, a world class district of volcanogenic sulphide deposits rich in copper, zinc and gold. The Noranda Volcanic Complex is located within the Abitibi Greenstone Belt, the largest and best endowed Archean greenstone belt in the Canadian Shield. The greenstone belt is divided into the Southern Volcanic Zone and the Northern Volcanic Zone (Chown et al. 1992), representing a collage of two arcs separated by the Destor-Porcupine-Manneville Fault Zone (Mueller et al. 1996). The Eastchester claim group is located in the Northern Volcanic Zone, while the Fabie and Trudeau claim groups are in the Southern Volcanic Zone.

Two types of mineralization were encountered in the Fabie claim group: gold mineralization at the Fabie Nord showing and disseminated sulphides in rhyolite and andesitic rock in the southern part of the claim group. The sulphide mineralization found to date on the Trudeau claim group occur entirely as disseminated sulphides, similar to much of the copper-zinc sulphide mineralization in the nearby Magusi River deposit approximately 3.5 kilometres west of the claim group. The structures in the Eastchester claim group are inferred to be splays from the main break Destor-Porcupine Fault Zone and may resemble other fault/shear systems.

Exploration activities by Trudeau Gold in the fall of 2017 consisted of geological reconnaissance prospecting on all three claim groups, followed by a line-cutting and a ground induced polarization survey over the Fabie claim group. The objective of the exploration program was to conduct a preliminary assessment of the mineral potential through the verification of historic data on site, prospecting and sampling to understand the background of the delineated mineralization, and an induced polarization survey over the Fabie area to delineate anomalies for further exploration. The results of the Fall 2017 exploration program confirmed the character of this early stage project of sufficient merit to warrant a further staged exploration program designed to identify, prioritize and test exploration targets on the three separate claim groups.

<u>Important Caution regarding the Feasibility Study</u>

The results of the feasibility study completed on the Joyce Lake Project are forward-looking information that are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those presented here and in the underlying technical reporting. Please refer to the discussions in this report in the "Risks and Uncertainties", "Cautionary Statement regarding Forward-Looking Statements" and "Cautionary Statement regarding Technical Information" at the end of this MD&A.

The results of the economic analysis on the Joyce Lake Project are forward-looking information that are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those presented here and in the underlying technical reporting.

<u>Important Caution regarding Preliminary Economic Assessments</u>

The financial analysis contained in the Preliminary Economic Assessments completed on the Company's projects is preliminary in nature. They incorporate inferred mineral resources that are considered too geologically speculative to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. These should not be considered prefeasibility or feasibility studies. There can be no certainty that the estimates contained in these reports will be realized. In addition, mineral resources that are not mineral reserves do not have demonstrated economic viability.

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

<u>Important Caution regarding Mineral Resources</u>

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

SELECTED EXPLORATION AND EVALUATION EXPENDITURES

Iron Ore Projects

In light of currently challenging iron ore market conditions and a lower price environment, management performed an impairment review and recognized an impairment loss of $20,654,725 on the Company’s iron ore exploration and evaluation assets (“E&E Assets”) in the year ended March 31, 2016, which resulted in a full impairment of the E&E Assets at that time. At December 31, 2017, the iron ore E&E Assets balance remains nil, as the Company has recorded all the exploration and evaluation related expenditures of its iron ore projects incurred subsequent to March 31, 2016 in “Project maintenance costs” in the profit and loss statement. Project maintenance costs for the Company’s iron ore projects were $63,764 during the nine months ended December 31, 2017, it arose primarily from claims renewal and maintenance, and field property insurance and maintenance.

During the nine months ended December 31, 2017, approximately $0.5 million of expenditures has been incurred for care and maintenance of the Attikamagen Properties and Sunny Lake Properties. These exploration expenditures are reported in the statements of financial position of Labec Century and WISCO Century Sunny Lake, respectively, in accordance with IFRS. As the Company accounts for its interests in the Attikamagen Properties using the equity method, Labec Century’s exploration and development expenditures are not included in the E&E Assets in the statement of financial position of the Company.

Trudeau Gold Property (Fabie-Trudeau-Eastchester Polymetallic Project)

During the fall of 2017, the Company executed a gold-focused field exploration program on certain mineral claims accumulated and acquired directly from the government by staking (held under a 100% owned subsidiary, Trudeau Gold). The total amount of E&E Assets capitalized for these properties during the nine months ended December 31, 2017 was $172,307, an analysis of which is as follows:

Trudeau Gold project	$
Balance – April 1, 2017	-
Geology	74,715
Land claims	6,435
Camp operations	7,798
Salaries	72,524
Others	10,835
Balance – December 31, 2017	172,307

SUMMARY OF FINANCIAL RESULTS

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

Summary of Quarterly Results

Quarters ended	**December 31, 2017 ($)**	**September 30, 2017 ($)**	**June 30, 2017 ($)**	**March 31, 2017 ($)**
Total revenue	841,660	720,488	649,433	525,631
Net loss for the period attributable to owners of the Company	(1,114,345)	(883,091)	(1,253,033)	(945,862)
Basic and diluted net loss per share attributable to owners of the Company	(0.01)	(0.01)	(0.01)	(0.01)
Total assets	35,156,007	36,067,925	37,192,871	38,686,666
Total liabilities	898,264	765,919	784,977	925,712
Shareholders' equity	34,257,743	35,302,006	36,407,894	37,760,954

Quarters ended	**December 31, 2016 ($)**	**September 30, 2016 ($)**	**June 30, 2016 ($)**	**March 31, 2016 ($)**
Total revenue	419,321	349,217	131,255	87,165
Net loss for the period attributable to owners of the Company	(1,976,259)	(1,803,784)	(1,389,292)	(76,326,133)
Basic and diluted net loss per share attributable to owners of the Company	(0.02)	(0.02)	(0.01)	(0.77)
Total assets	39,796,708	41,534,179	43,273,167	44,418,357
Total liabilities	812,978	703,964	776,352	815,339
Shareholders' equity	38,983,730	40,830,215	42,496,815	43,603,018

RESULTS OF OPERATIONS

	Three months ended December 31,		Nine months ended December 31,	
	2017 ($)	**2016 ($)**	**2017 ($)**	**2016 ($)**
Revenue	841,660	419,321	2,211,581	899,793
Cost of sales	(618,354)	(334,378)	(1,626,133)	(663,195)
Gross profit	223,306	84,943	585,448	236,598
Other income	35,239	130,937	213,374	294,118
Gain from sale of assets classified as held for sale	-	-	-	399,955
Selling expenses	(94,974)	(147,433)	(316,555)	(199,193)
Administrative expenses	(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	(76,142)	(149,102)	(322,867)	(446,231)
Reversal of impairment provision of property, plant and equipment	21,333	-	21,333	-
Gain/(loss) on foreign exchange	(48,635)	(117,628)	225,111	(223,339)
Share of loss of a joint venture	(80,001)	(50,254)	(134,322)	(135,981)
Net loss for the period and attributable to owners of the Company	(1,114,345)	(1,979,278)	(3,250,469)	(5,172,354)

Analysis of Results of Operations

For the nine months ended December 31, 2017 and 2016

For the nine months ended December 31, 2017 ("2018"), the Company reported revenue of $2,211,581 and a net loss of $3,250,469 compared to revenue of $899,793 and a net loss of $5,172,354 for the comparable nine months ended December 31, 2016 ("2017"). In 2018, the Company's food and distribution business continued its growth momentum and reported increasing revenue. The Company's net loss of 2018 is $1,921,885 less compared to that of 2017 mainly due to an increase in gross profit from the food and distribution business, a decrease in administrative expenses and the recognition of a foreign exchange gain in 2018. The changes are further discussed below.

Revenue, cost of sales and gross profit

The Group's revenue of $2,211,581 in 2018 was wholly derived from its food and distribution segment. In 2018, the Group mainly sold eggs, egg products and meats to customers including major retail chains, caterers, hotels and restaurants in Hong Kong and Macau.

The Group's gross profit margin of 2018 was 26.5%.

Expenses and net loss

The factors contributing to the net decrease in the net loss of 2018 in comparison with that of 2017 are as follows:

- Gross profit increased by $348,850 as the food and distribution business continued to grow in 2018;
- Selling expenses increased by $117,362, as the Group's food and distribution business incurred more advertising and promotion expenses, warehouse expenses and distribution costs to customers as business expanded;
- Administrative expenses decreased by $1,479,010, which was mainly attributable to a decrease in consulting and professional fees, salaries and directors' fees, rental expenses and travelling expenses, and an increase in gain on disposal of fixed assets;
- Gain from sale of assets classified as held for sale of $399,955 was realized in 2017;
- Foreign exchange loss reduced by $448,450 and turned to a net gain of $225,111. Exchange difference changed from loss in 2017 to gain in 2018 mainly due to favourable foreign exchange rates on the translation of certain Canadian dollars denominated assets to Hong Kong dollars at our Hong Kong subsidiaries in 2018.

For the three months ended December 31, 2017 and 2016

For the quarter ended December 31, 2017 ("2018 Q3"), the Company reported revenue of $841,660 and a net loss of $1,114,345 compared to revenue of $419,321 and a net loss of $1,979,278 for the comparable quarter ended December 31, 2016 ("2017 Q3"). In 2018 Q3, the Company's food and distribution business continued its growth momentum and reported increasing revenue. The Company's net loss of 2018 Q3 is $864,933 less compared to that of 2017 Q3 mainly due to an increase in gross profit from the food and distribution business, a decrease in administrative expenses and a decrease in foreign exchange loss in 2018 Q3. The changes are further discussed below.

Revenue, cost of sales and gross profit

The Group's revenue of $841,660 for 2018 Q3 was wholly derived from its food and distribution segment. In 2018 Q3, the Group mainly sold eggs, egg products and meats to customers including major retail chains, caterers, hotels and restaurants in Hong Kong and Macau.

The Group's gross profit margin of 2018 Q3 was 26.5%.

Expenses and net loss

The factors contributing to the net decrease in the net loss of 2018 Q3 are as follows:

- Gross profit increased by $138,363 as the food and distribution business continued to grow in 2018 Q3;
- Selling expenses decreased by $52,459, as the Group's food and distribution business incurred less advertising and promotion expenses, warehouse expenses and distribution costs to customers in 2018 Q3;
- Administrative expenses decreased by $656,502, which was mainly attributable to a decrease in consulting and professional fees, salaries and directors' fees and rental expenses, and an increase in gain on disposal of fixed assets;
- Foreign exchange loss decreased by $68,993, mainly due to favourable foreign exchange rates on the translation of certain Canadian dollars denominated assets to Hong Kong dollars at our Hong Kong subsidiaries in 2018 Q3.

CONSOLIDATED FINANCIAL POSITION

Consolidated Assets

Consolidated assets decreased by $3,530,659 from $38,686,666 as at March 31, 2017 to $35,156,007 as at December 31, 2017. The change was primarily due to the utilization of cash in operations including the development of the food and distribution business in Hong Kong and mainland China.

Consolidated Liabilities

Consolidated liabilities decreased by $27,448 from $925,712 at March 31, 2017 to $898,264 as at December 31, 2017. The decrease in liabilities was mainly due to the settlement of trade payables of the food and distribution business.

Shareholders' Equity

Shareholders' equity decreased by $3,503,211 from $37,760,954 as at March 31, 2017 to $34,257,743 as at December 31, 2017. The decrease was primarily due to the net loss of $3,250,469 incurred during the nine months ended December 31, 2017. The net loss of the Company was primarily resulted from the administrative costs of maintaining its iron ore projects, the investment in expanding the food and distribution business, as well as the funding in the exploration of other business development opportunities.

The following table summarizes changes in share capital during the nine months ended December 31, 2017:

	Number of shares	**$**
Balance – March 31, 2017	98,485,071	117,057,217
Ordinary shares issued under an equity incentive plan	9,500	9
Balance – December 31, 2017	98,494,571	117,057,226

Holders of the Company's securities may obtain a copy of the Company's filings with the TSX without charge, by making a request to the Company at its headquarters in Hong Kong.

SIGNIFICANT EQUITY INVESTEE

As of December 31, 2017, the Company owns a 60% interest in the Labec Century Joint Venture, which represents a net book value of $ 7,712,502. The Company has joint control of this entity from an accounting perspective, and its interest is therefore accounted for using the equity method. The summarized financial information of Labec Century is disclosed in note 14 of the condensed consolidated interim financial statements of the Company for the nine months ended December 31, 2017.

LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2017, the Company had cash and cash equivalents and short-term bank deposits of $13,181,579 to settle current liabilities of $898,264. The net working capital of the Company was $24,934,955 as at December 31, 2017. The Company's cash and cash equivalents and short-term bank deposits are deposited with major banks. The Company also invested in market securities with high liquidity and yields through a reputable broker in Canada. As at December 31, 2017, the Company had investment of $1,034,218 in blue-chip mining companies' equities traded in international capital markets.

The current cash, marketable securities and working capital position of the Company is expected to sufficiently cover our corporate administrative expenditures of approximately $6.7 million budgeted in 2017/2018 fiscal year. Project expenditures related to the Attikamagen Properties and Sunny Lake Properties will be funded by their respective joint ventures as discussed in the "Mineral Exploration and Development Overview" section above.

The Company 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 Company will spend its existing working capital and raise additional amounts when economic conditions permit it to do so.

Future minimum operating lease commitments payable as at December 31, 2017 and 2016 are as follows:

	2017	**2016**
	$	**$**
Within one year	313,396	250,170
After one year but not more than five years	438,025	67,817
More than five years	-	-
	751,421	317,987

OFF-BALANCE SHEET ARRANGEMENTS

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

RELATED PARTY TRANSACTIONS

Transactions with related parties

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

- 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.
- 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.

These related party transactions are in the normal course of business and are measured at the transaction amounts, which is the amount of consideration established and agreed to by the related parties. Management estimates that these transactions were undertaken under the same terms and conditions as transactions with non-related parties.

Remuneration of key management personnel

	Three months ended December 31,		Nine months ended 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
	345,368	436,342	1,054,314	1,485,216

DISCLOUSURE OF OUTSTANDING SHARE DATA

As at the date of this MD&A, the Company had 98,494,571 ordinary shares issued and outstanding, 9,142,500 stock options and 589,000 share awards under the Company's equity incentive plan, and 1,000,000 warrants outstanding.

INTERNAL CONTROL OVER FINANCIAL REPORTING

The Company's management, with the participation of its CEO and CFO, is responsible for establishing and maintaining adequate internal control over financial reporting. The Company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Company's internal control over financial reporting includes policies and procedures that:

- pertain to the maintenance of records that accurately and fairly reflect, in reasonable details, the transactions and dispositions of assets of the Company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS and that the Company's receipts and expenditures are made only in accordance with authorizations of management and the Company's Directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Company's financial statements.

There has been no change in the Company's internal control over financial reporting during the nine months ended December 31, 2017 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

The Chief Executive Officer and Chief Financial Officer of the Company certified on its internal controls over financial reporting for the nine months ended December 31, 2017 using the 2013 COSO Framework in accordance with the regulatory requirements under National Instrument 52-109.

DISCLOSURE CONTROLS AND PROCEDURES

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

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

CRITICAL ACCOUNTING ESTIMATES

The Company makes estimates and assumptions concerning the future that are believed to be reasonable under the circumstances. Future events and risk factors inherent in the mining industry could result in changes in these estimates and assumptions. Estimates and judgements are continuously evaluated and are based on management's experience and other factors, including expectations about future events. The following are the estimates and judgements applied by management that most significantly affect the Company's consolidated financial statements.

Valuation of exploration and evaluation assets

The Company carries its exploration and evaluation assets at cost less provision for impairment. The Company reviews the carrying value of its exploration and evaluation assets whenever events or changes in circumstances indicate that their carrying values may not be recoverable, 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.

Valuation of property, plant and equipment

The Company carries its property, plant and equipment at cost less accumulated depreciation and accumulated impairment losses. The Company 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**.**

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.

Share-based compensation expenses

The Company grants share options to directors, officers, employees and consultants of the Company under its equity incentive plan. The fair value of share options is estimated using the Black-Scholes option pricing model and 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.

Classification of joint arrangements

The Company owns a 60% interest in Labec Century. Pursuant to the agreement between the shareholders of Labec Century, the approval of significant financial and operating policies of Labec Century requires consent from both shareholders. Consequently, the Company is deemed to have joint control over Labec Century. Per application of IFRS 11 *Joint Arrangements*, the Company 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.

Valuation of investment in a joint venture

The Company's investment in Labec Century was initially recognized at fair value at the date of becoming a joint venture 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.

FINANCIAL AND OTHER INSTRUMENTS

The Company's financial assets consist of cash, short term bank deposits, marketable securities and trade and other receivable, whereas the Company's financial liabilities consist of trade and other payables. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these instruments approximates their carrying value due to the short-term nature of their maturity, and marketable securities are re-measured at fair value at each quarterly reporting date.

RISKS AND UNCERTAINTIES

In addition to considering the discussion provided in this report as to certain risks that are faced by, or that could be faced by, the Company in pursuing its plans for its properties, and more generally in implementing those plans, readers and investors are encouraged to consider the risk factors set out in the Company's Annual Information Form for the fiscal year ended March 31, 2017.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This MD&A contains forward-looking statements that reflect management's current expectations, estimates and projections with regard to future events regarding the Company's business and the economic environment in which it operates. Generally, forward-looking statements are identified by the use of forward-looking language such as "plans", "targets", "prospects", "expects", "estimates", "intends", "anticipates", "believes", or the negative connotation thereof, or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", or "will", "occur" or the negative connotation thereof. Forward-looking statements included in this MD&A include statements made with respect to strategic plans and future corporate developments, future exploration expenditure or other plans, conducting and completing preliminary economic assessments or feasibility studies with respect to certain of its properties, the publication of further resource estimates and the progress of joint venture arrangements with WISCO, including, but not limited to, those Company objectives as described above under "Mineral Exploration and Development Overview". Forward-looking statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements. Such risks include, but are not limited to: (i) risks inherent in the exploration for and development of mineral deposits and other business ventures; (ii) financing, capitalization and liquidity risks, including the risk that financing necessary to fund the exploration and development activities at the Company's properties, or its other activities or strategic initiatives, may not be available on satisfactory terms, or at all; (iii) regulatory risks, including risks relating to the acquisition of necessary licenses and permits; (iv) uncertainties inherent in the estimation of mineral reserves and resources; (v) risks that production estimates may be inaccurate; (vi) construction and operational risks inherent in the conduct of mining activities, including the risk of increases in capital and operating costs and the risk of delays or increased costs that could be encountered during the construction and development process; (vii) risks relating to changes in iron ore prices and other commodities and the worldwide demand for and supply of iron ore and other commodities; (viii) risks relating to the remoteness of the Company's properties including access and supply risks and reliance on key personnel; (ix) environmental risks, including risks relating to climate change and the potential impact of global warming on project timelines and on construction and operating costs; (x) the risk of fluctuations in currencies exchange rate; (xi) insurance risks; (xii) volatility in the Company's stock price; and (xiii) risks relating to the evaluation and identification of prospective transactions arising from the review by Century of its strategic options and its available working capital.

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

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

a. the Company's business strategies with respect to its iron ore, food and other business ventures, including exploration and development plans;
b. the costs of implementation of the Company's business plans and exploration and development plans;
c. the availability of sufficient capital to enable the Company to carry out its business strategy and exploration and development plans;
d. the completion of the financings and transactions contemplated by the Company's joint venture agreements with WISCO;
e. the state of the economy and the mineral exploration industry in general and global demand for iron ore;
f. world economic conditions and supply and demand of commodities, as well as related economic conditions in China;
g. the provision of goods and services by contracted parties on agreed timeframes, plant and equipment work being advanced or otherwise functioning as anticipated;
h. the accuracy of the estimates of mineral resource included in the NI 43-101 technical reports on the Company's material properties;
i. the accuracy of the projections derived from the feasibility study of the Company's Joyce Lake Property included in the NI 43-101 technical reports on this property;

j. the accuracy of the projections derived from the preliminary economic analysis of the Company's Duncan Lake and Full Moon Properties included in the NI 43-101 technical reports on these properties;
k. the results of future exploration and development programs will be consistent with results and estimates included in the Company's NI 43-101 technical reports on the Company's material properties;
l. that aboriginal rights will be settled in a manner that will enable the Company to proceed with its planned exploration and development programs;
m. the Company will be able to obtain the required regulatory approvals necessary to enable it to proceed with its exploration and development programs;
n. the Company will not encounter any unanticipated geological or technical problems in carrying out its exploration and development programs;
o. the price of iron ore remaining consistent with the Company's expectations;
p. there will not be any material adverse events or changes outside the normal course of business for the Company;
q. the competitive environment for iron ore, other base and precious metals, food products in China and technology and financial services in China worldwide;
r. the cost of compliance with health standards in particular with respect to the quality food products the Company intends to distribute in Chinese markets; and
s. regulatory compliance requirements as they apply in particular to the distribution of food products in China and the provision of technology services and financial services in China and other countries.

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

Investors are advised to carefully review and consider the discussion in this MD&A regarding risks that are faced by, or could be faced by, the Company in pursuing its plans for its properties and its plans to seek out new activities and opportunities, as well as the risk factors provided in the Company's Annual Information Form for the year ended March 31, 2017. The forward-looking statements contained in this MD&A are made as of the date hereof and, accordingly are subject to change after such date.

The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement.

CAUTIONARY STATEMENT REGARDING TECHNICAL INFORMATION

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

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

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

All of the technical disclosure contained in this MD&A pursuant to NI 43-101 have been reviewed and approved by the Company's Director of Exploration, Wenlong Gan, P.Geo, a Qualified Person.