



CENTURY GLOBAL COMMODITIES CORPORATION

Management's Discussion and Analysis
of Financial Conditions and Results of Operations
for the Year Ended
March 31, 2019

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 June 27, 2019. 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 year ended March 31, 2019. This MD&A should be read in conjunction with the consolidated financial statements and notes thereto of the Company as at and for the year ended March 31, 2019.

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 consolidated financial statements and MD&A. The Company's consolidated financial statements for the year ended March 31, 2019 have been prepared in accordance with International Financial Reporting Standards ("IFRS"). Notes 2 to 5 of the Company's consolidated financial statements as at and for the year ended March 31, 2019 discuss the IFRS accounting principles applied in preparing the consolidated 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.

- Century Metals Inc. (“Century Metals”), formerly known as Trudeau Gold Inc., 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.

Century also operates a food business in Hong Kong, Macau and mainland China through subsidiaries whose businesses are dedicated to these operations.

BUSINESS UPDATE

Overview

The seaborne iron ore spot price (US\$/dmt for 62% Fe, CIF China) opened 2019 strongly then, due to the Brazilian tailings dam failure in late January, continued its upward momentum. It broke through US\$100/dmt and set a five-year high in mid-June. These prices well exceed our long-term selling price assumption of US\$95/dmt, used for our flagship Joyce Lake project feasibility study. The iron ore price environment now appears to be more structural and robust than originally thought, providing a very positive outlook for all our iron ore assets, with spot prices not seen since 2014.

During the year, Century executed its diversification strategy by entering the non-ferrous sector. Trudeau Gold, our Quebec gold and polymetallic project was spun into Century Metals Inc. A dividend was distributed to existing Century shareholders and Century Metals was listed on the TSX Venture Exchange, bringing a new non-ferrous shareholder base and new capital to support a focused development plan in the non-ferrous sector. Century Metals began trading on the TSX-V on June 17, 2019 under the stock symbol CMET.

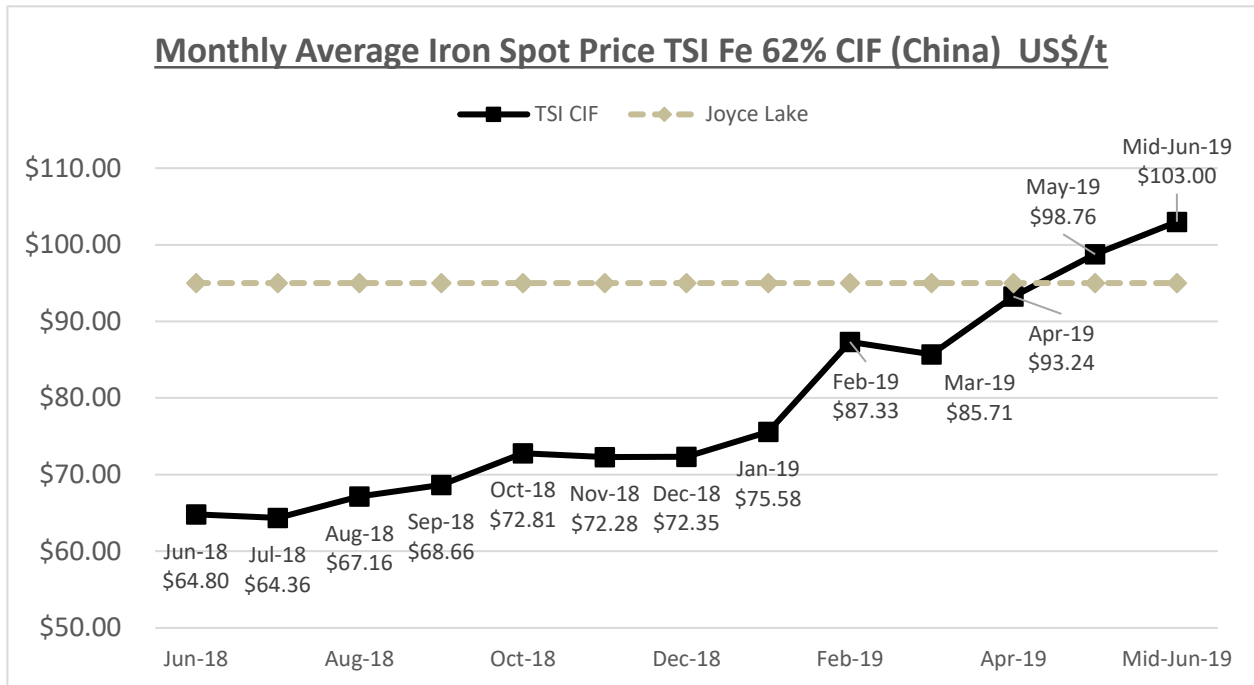
Over the last financial year, our food segment had another outstanding period of solid growth, delivering close to 81% year-over-year sales growth to \$6 million of sales with a gross margin of 26%. The majority of food segment sales came from our Hong Kong food distribution business. In addition to solid and ongoing sales growth, the Hong Kong business achieved a net profit in the third quarter and further grew its net profit in the fourth quarter. For the full year, the Hong Kong distribution business, made a net profit for the first time since sales began in 2016. At the same time, we continued our China pilot restaurant program.

Mining

Iron Ore

Towards the end of January 2019, the global seaborne iron ore market reached an inflection point of supply shortage created by the tailings dam failure and numerous tragic casualties at the Córrego do Feijão iron ore mine in Brazil. The supply shortage now appears to be more structural and significant than originally thought, and undersupply concerns had driven the seaborne iron ore spot price to well over US\$100/dmt, by mid-June 2019.

The following graph illustrates the average monthly price for iron ore, traded in the US\$60-70/dmt range for calendar H2 2018, and rising dramatically in 2019, with strong momentum for almost the entire first half of 2019, demonstrating growingly obvious structural change.



The last time iron ore approached today's price was in early 2017, when it reached US\$90/dmt in January and February. This turned out to be a short-lived two-month mini-cycle.

The current price uptrend is stronger and longer than the 2017 mini-cycle, underpinned by the disastrous tailings dam failure, market concerns about more potential dam failures, the lack or slowing of new projects and the potential resultant iron ore undersupply. It has now been four months since iron ore spot prices rose above US\$90/dmt and upward momentum is continuing with a five-year price high achieved on June 14, 2019.

With the backdrop of these new dynamics in the seaborne market, fundamentals of the price environment should be re-rated, along with our iron ore assets, if the current robust price environment continues. Our Joyce Lake feasibility study selling price assumption was US\$95/dmt, now making our flagship project economic.

Our mining team is ready to advance the Joyce Lake project when the sustainability of the current market price is proven. Further, opportunities to reduce the cost of iron ore shipping from our Joyce Lake project

through Sept-Îles, Quebec has also recently improved greatly because of port infrastructure changes, potentially reducing the operating costs used in the Joyce Lake feasibility study.

Non-ferrous

Century's mining team continues to analyze opportunities, primarily in the precious and base metal sectors, for an accretive acquisition. In the second quarter specifically, we identified an opportunity to acquire a large gold mine property with many attributes including, substantial reserves and in-place production facilities. With assistance from external advisors, we studied this opportunity thoroughly and were invited into the bidding process. Although our bid was not successful, we worked jointly with a major global mining company, opening the potential to partner with them again for future acquisitions. Acquiring a large gold mine property would have required financial resources greater than the liquid capital on our balance sheet. We were confident, however, that we could rise to the challenge by aligning with a large mining partner. Additionally, we could potentially raise capital through Century Metals without dilution to our existing Century shareholders.

We expect to adopt a similar acquisition and bidding strategy going forward, allowing us to take on substantial and valuable transactions and to maximize shareholder value creation. Also, to maximize value creation, we have spun out and publicly listed Century Metals, minimizing Century shareholder dilution, while creating a vehicle with a refreshed shareholder base focused on non-ferrous projects.

Century Metals Spin-Out

As announced on June 20, 2018, the Company spin-out transaction (the "Spin-out Transaction") whereby a portion of the shares of its wholly owned subsidiary, Century Metals, has been distributed pro-rata to shareholders of Century, in the form of a dividend-in-kind. On March 1, 2019 Century Metals received a conditional approval of the listing of Century Metals common shares on the TSX Venture Exchange, and on May 31, 2019 Century Metals completed all the condition required by TSXV and the Spin-out Transaction is completed on June 12, 2019. Trading started on June 17, 2019.

The purpose of the Spin-out Transaction is to create Century Metals, an independent public company. Century Metals will focus initially on the exploration of the Company's currently 100%-owned Fabie, Trudeau and Eastchester claim groups for gold, with the potential to acquire other precious metals projects going forward. As an independent public company, Century Metals will have the ability to source its own funding, separately from Century's iron ore and non-metals businesses.

In advance of the Spin-out Transaction, Century Metals completed a series of private placements of 7,061,999 Special Warrants, for aggregate proceeds of approximately \$423,720 (the “Special Warrants”) at a price of \$0.06 per Special Warrant (the “Special Warrant Private Placement”). Each Special Warrant had been converted into common shares of Century Metals on a one-for-one basis on March 7 and April 3, 2019.

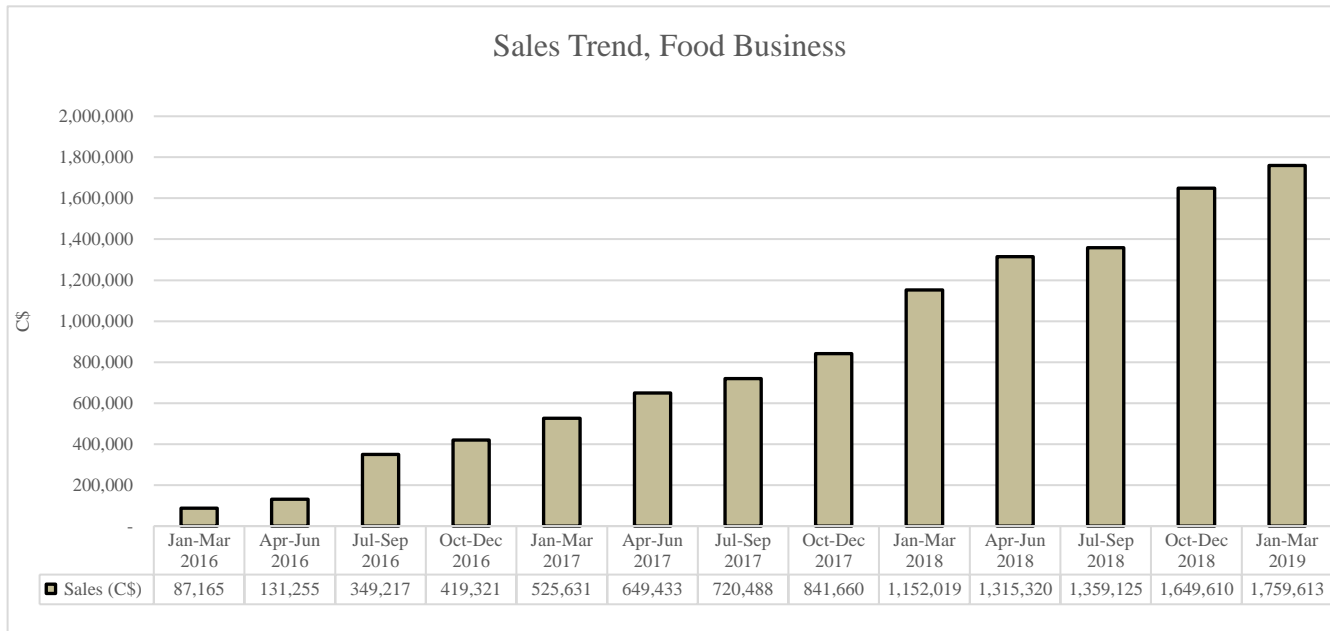
Certain subscribers of Special Warrants have agreed to voluntary escrow their Special Warrant Shares upon conversion of the Special Warrants with 25% of the Special Warrant Shares released to them upon the listing of the common shares of Century Metals on the TSX Venture Exchange, with an additional 25% becoming available every four months.

Both institutional and private accredited investors participated in the Special Warrant Private Placement, well beyond expectations. This creates a refreshed and broadened new shareholder group beyond the existing base of Century Global, laying the foundation for Century Metals to secure additional future funding with a new following in a new direction.

Food

During the quarter, the Hong Kong food distribution business achieved strong, rapid growth by bringing in major brands from Europe and Australia, broadening the product range and increasing retail shelf space. This was another record-breaking quarter for the food segment, delivering \$1.76 million in sales (compared with \$1.15 million in the same quarter of 2018-19) representing close to 53% growth year over year, 7% growth over the last quarter, and delivering a gross margin of 25.3%. The Hong Kong food distribution is now very well established profitably and is currently the substantial contributor to the performance of the Food segment. It continued to make a net profit after all overhead allocations in the current quarter, producing a slight net profit for the fiscal year – an indicator of a well-developed business.

The following chart shows the rapid growth of our food business since the beginning of calendar year 2016.



During the year, our pilot restaurants in China continued to evolve with the experience and understanding acquired since we began our test marketing there about a year ago. We closed down one non-performing restaurant during the quarter. With our local partners, we will continue to monitor our progress and opportunities with the objective of formulating a business model suitable to local consumer tastes and popularity.

On a total segment basis, combining our Hong Kong and China operations, as expected during the initial years of starting and building up the food business, administrative expenses increased as we invested in operational infrastructure, developing and refining food business strategies. The total food segment loss for the year was \$1,707,306 (2017-8: \$1,692,021), of which a profit of \$65,321 (2017-8: loss of \$464,784) was contributed by the Hong Kong distribution business and a loss of \$1,772,627 (2017-8: loss of \$1,227,237) was due to the China pilot restaurant operation. The Hong Kong distribution business achieved a gross profit margin of 23.7% (2017-8: 25.7%) while revenue grew by 70%. The decrease in gross profit margin was resulted from the reclassification of delivery charges from selling expenses to cost of sales under the new IFRS requirements, which has a negative impact of 2% in gross profit margin.

As business volumes continue to grow for the segment, we expect this operation to deliver positive net income and cash flow. Our Hong Kong food distribution business, whose first sales began only in 2016, is now making a net profit.

Business Focus

Our Company continues to adapt to major market changes in the mining industry. Now that a sustainable price recovery in the iron ore sector appears to be on the horizon, we are positioned for starting to advance our flag-ship Joyce Lake project, consistent with a proven sustained price recovery. In the meantime, we are adding non-ferrous opportunities to the mix by way of the Century Metals spin-out. Our complementary and successful food business in Hong Kong with our pilot program in China offers a counter-cyclical anchor to balance the highly cyclical mining sector, thus preserving and creating value for our shareholders. At a future time, when conditions are ripe, the food business may also be spun out to realize the full value created.

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 (held under Century Metals, a subsidiary). During 2018 Q3, 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 to 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 *Feasibility Study for the Joyce Lake Direct Shipping Iron Ore (DSO) Project of the Attikamagen Property, Labrador*, 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 \$11.6 million as at March 31, 2019.

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 March 31, 2019, 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 acquire 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 March 31, 2019, 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.

Century Metals Inc. (formerly known as Trudeau Gold Inc.), a wholly owned subsidiary of the Company, holds a 100% interest in the Trudeau Gold Property consisting of three non-contiguous claim groups in the surroundings of Duparquet Lake, namely Fabie, Trudeau and Eastchester, which Century Metals 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 Century Metals 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.

Important Caution regarding the Feasibility Study

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.

Important Caution regarding Preliminary Economic Assessments

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.

Important Caution regarding Mineral Resources

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 March 31, 2019, 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 \$266,963 during the year ended March 31, 2019, it arose primarily from claims renewal and maintenance, field property insurance and maintenance, and an accrual for investment tax credits payable.

During the year ended March 31, 2019, approximately \$0.4 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) and Other Non-Ferrous Properties

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, Century Metals). The total amount of E&E Assets capitalized for these properties before investment tax credits during the year ended March 31, 2019 was \$192,613, with \$194,921 of exploration and evaluation costs on Trudeau Gold Property, and no additional costs incurred for other non-ferrous properties. An analysis of exploration and evaluation costs is as follows:

	2019	2018
	\$	\$
<u>Fabie-Trudeau-Eastchester Polymetallic Project</u>		
Beginning balance	348,675	-
Lab samples analysis & assaying	-	9,805
Geophysical survey & Geological mapping, prospecting & samplings	136	62,672
Land claims renewal and staking	2,450	6,746
Data compilation, targeting, field data and geological report	98,623	118,743
Professional geological and engineering consultancy	33,487	48,507
Field supports, property and projects management	60,225	102,202
Investment tax credits	(92,357)	-
Closing balance – March 31	451,239	348,675
<u>Other Non-Ferrous Properties</u>		
Beginning balance	6,766	-
Land claims staking	-	6,766
Reclassifications	(2,308)	-
Closing balance – March 31	4,458	6,766
Total Balance – March 31, 2019	455,697	355,441

SUMMARY OF FINANCIAL RESULTS

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

Selected Annual Information

Years ended	March 31, 2019 (\$)	March 31, 2018 (\$)	March 31, 2017 (\$)
Total revenue	6,083,668	3,363,600	1,425,424
Net loss for the year attributable to owners of the Company	(5,373,518)	(4,103,053)	(6,115,197)
Basic and diluted net loss per share attributable to owners of the Company	(0.05)	(0.04)	(0.06)
Total assets	30,373,318	35,170,474	38,686,666
Total liabilities	1,756,316	1,644,158	925,712
Shareholders' equity	28,712,830	33,526,316	37,760,954

Summary of Quarterly Results

Quarters ended	March 31, 2019 (\$)	December 31, 2018 (\$)	September 30, 2018 (\$)	June 30, 2018 (\$)
Total revenue	1,759,613	1,649,610	1,359,125	1,315,320
Net loss for the period attributable to owners of the Company	(1,541,680)	(1,367,628)	(1,312,296)	(1,151,914)
Basic and diluted net loss per share attributable to owners of the Company	(0.02)	(0.01)	(0.01)	(0.01)
Total assets	30,373,318	32,385,973	32,593,945	34,515,699
Total liabilities	1,756,316	1,974,407	1,358,179	1,813,106
Shareholders' equity	28,712,830	30,411,566	31,235,766	32,702,593

Quarters ended	March 31, 2018 (\$)	December 31, 2017 (\$)	September 30, 2017 (\$)	June 30, 2017 (\$)
Total revenue	1,152,019	841,660	720,488	649,433
Net loss for the period attributable to owners of the Company	(852,584)	(1,114,345)	(883,091)	(1,253,033)
Basic and diluted net loss per share attributable to owners of the Company	(0.01)	(0.01)	(0.01)	(0.01)
Total assets	35,170,474	35,156,007	36,067,925	37,192,871
Total liabilities	1,644,158	898,264	765,919	784,977
Shareholders' equity	33,526,316	34,257,743	35,302,006	36,407,894

RESULTS OF OPERATIONS

	Three months ended		Year ended	
	March 31,		March 31,	
	2019	2018	2019	2018
	(\$)	(\$)	(\$)	(\$)
Revenue	1,759,613	1,152,019	6,083,668	3,363,600
Cost of sales	(1,314,353)	(838,192)	(4,490,005)	(2,464,325)
Gross profit	445,260	313,827	1,593,663	899,275
Other income	41,933	49,366	213,712	262,740
Selling expenses	(159,733)	(180,939)	(819,757)	(497,494)
Administrative expenses	(1,352,899)	(1,170,762)	(5,529,885)	(4,830,832)
Project maintenance costs	(240,192)	(13,007)	(266,963)	(76,771)
Share-based compensation expenses	(19,436)	(51,387)	(111,277)	(374,254)
Gain/(loss) on disposal of fixed assets	(44,710)	124,429	(56,308)	326,272
Gain/(loss) on foreign exchange	75,271	(20,006)	(81,571)	205,105
Other loss	(350,000)	-	(350,000)	-
Impairment of goodwill	(98,943)	-	(98,943)	-
Reversal of impairment provision of property, plant and equipment	-	67,576	-	88,909
Share of profit/(loss) of a joint venture	(4,044)	28,319	(32,002)	(106,003)
Net loss for the period	(1,707,493)	(852,584)	(5,539,331)	(4,103,053)
Attributable to:				
Owners of the Company	(1,541,680)	(852,584)	(5,373,518)	(4,103,053)
Non-controlling interests	(165,813)	-	(165,813)	-
	(1,707,493)	(852,584)	(5,539,331)	(4,103,053)

Analysis of Results of Operations
For the year ended March 31, 2019 and 2018

For the year ended March 31, 2019 (“2019”), the Company reported revenue of \$6,083,668 and a net loss of \$5,539,331 compared to revenue of \$3,363,600 and a net loss of \$4,103,053 for the comparable year ended March 31, 2018 (“2018”). In 2019, the Company’s food business continued its growth momentum and reported increasing revenue. However, in spite of an increase in gross profit from the food business, the Company’s net loss of 2019 is \$1,436,278 more compared to that of 2018 mainly due to an increase in selling expenses and administrative expenses, an increase in project maintenance costs,

an increase in foreign exchange loss, a loss on a bank deposit in 2019, an impairment of goodwill in 2019, and a one-time gain on disposal of fixed assets in 2018. The changes are further discussed below.

Revenue, cost of sales and gross profit

The Company's revenue of \$6,083,668 in 2019 was wholly derived from its food segment. In 2019, the Company mainly sold eggs, egg products and meats to customers including major retail chains, caterers, hotels and restaurants in Hong Kong and Macau. During 2019, the Group's food service operation has expanded in mainland China.

The Company's gross profit margin of 2019 was 26.2%.

Expenses and net loss

The factors contributing to the net increase in the net loss of 2019 are as follows:

- Gross profit increased by \$694,388 as the food business continued to grow in 2019;
- Selling expenses increased by \$322,263, as the Company's food business incurred more promotion expenses and warehouse expenses in 2019. In addition, more salaries and shop rental expenses were incurred as the Group's food service operation expanded in 2019;
- Administrative expenses increased by \$699,053, which was mostly attributable to an increase in consulting and professional fees incurred mainly for the study and evaluation of a target acquisition of a substantial mining asset in a formal bidding process;
- Project maintenance costs increased by \$190,192 mainly due to an additional accrual of \$222k for investment tax credits payable to Augyva;
- Foreign exchange loss increased by \$286,676 and turned from a net gain of \$205,105 in 2018 to a net loss of \$81,571 in 2019, primarily due to an overall unfavourable foreign exchange rates on the translation of certain Canadian dollars denominated assets to Hong Kong dollars at our Hong Kong subsidiaries in 2019;
- Other loss of \$350,000 was incurred in 2019. On March 14, 2019, a fixed deposit held by the Company at a bank in Canada was illegally unwound pursuant to instructions from an unknown perpetrator who had hijacked the email account of one of our staff and delivered falsified instructions,

and those funds were transmitted to an unknown third party's bank account. Management of the Company immediately reported the theft incident to the police for investigation when it was discovered. Management has also reported the incident to the Company's Audit Committee and the Board of Directors, and conducted a review of its internal control systems to strengthen its control measures. As of the date of this report, of the bank deposit loss incurred in March 2019, the Company expects to recover \$130,000. To date, management expects these incidents would result in a total net loss of \$220,000 (principal amount) to the Company (excluding lost interest and legal fees).

- Impairment of goodwill of \$98,943 was recorded in 2019. Owing to rising costs and increasing competition, the food service operation acquired in mainland China has been loss making. As at March 31, 2019, management has performed an impairment test on goodwill and decided to fully impair it;
- Loss on disposal of fixed assets of \$56,308 was incurred in 2019, whereas a gain of \$326,272 was recorded in 2018. The gain in 2018 was one-time and was mainly derived from the derecognition of two drills on the inception of finance leases.

For the three months ended March 31, 2019 and 2018

For the quarter ended March 31, 2019 ("2019 Q4"), the Company reported revenue of \$1,759,613 and a net loss of \$1,707,493 compared to revenue of \$1,152,019 and a net loss of \$852,584 for the comparable quarter ended March 31, 2018 ("2018 Q4"). In 2019 Q4, the Company's food business continued its growth momentum and reported increasing revenue. However, in spite of an increase in gross profit from the food business, the Company's net loss of 2019 Q4 is \$854,909 more compared to that of 2018 Q4 mainly due to an increase in administrative expenses, an increase in project maintenance costs, an increase in foreign exchange gain, a loss on a bank deposit in 2019, an impairment of goodwill in 2019, and a one-time gain on disposal of fixed assets in 2018 Q4. The changes are further discussed below.

Revenue, cost of sales and gross profit

The Company's revenue of \$1,759,613 for 2019 Q4 was wholly derived from its food segment. In 2019 Q4, the Company mainly sold eggs, egg products and meats to customers including major retail chains, caterers, hotels and restaurants in Hong Kong and Macau. During 2019 Q4, the Group's food service operation has expanded in mainland China.

The Company's gross profit margin of 2019 Q4 was 25.3%.

Expenses and net loss

The factors contributing to the net increase in the net loss of 2019 Q4 are as follows:

- Gross profit increased by \$131,433 as the food business continued to grow in 2018 Q4;
- Administrative expenses increased by \$182,137, which was mostly attributable to an increase in consulting and professional fees incurred mainly for the study and evaluation of a target acquisition of a substantial mining asset in a formal bidding process;
- Project maintenance costs increased by \$227,185 mainly due to an additional accrual of \$222k for investment tax credits payable to Augyva;
- Foreign exchange gain increased by \$95,277 and turned from a net loss of \$20,006 in 2018 Q4 to a net gain of \$75,271 in 2019 Q4, primarily due to an overall favourable foreign exchange rates on the translation of certain Canadian dollars denominated assets to Hong Kong dollars at our Hong Kong subsidiaries in 2019 Q4;
- Other loss of \$350,000 was incurred in 2019 Q4 as a result of a bank deposit theft incident happened in March 2019. Please refer to the discussions on expenses and net loss for the year ended March 31, 2019 and 2018 for details of the incident;
- Impairment of goodwill of \$98,943 was recorded in 2019 Q4. Owing to rising costs and increasing competition, the food service operation acquired in mainland China has been loss making. As at March 31, 2019, management has performed an impairment test on goodwill and decided to fully impair it;
- Loss on disposal of fixed assets of \$44,710 was incurred in 2019 Q4, whereas a gain of \$124,429 was recorded in 2018 Q4. The gain in 2018 Q4 was one-time and was mainly derived from the derecognition of a drill on the inception of finance leases.

CONSOLIDATED FINANCIAL POSITION

Consolidated Assets

Consolidated assets decreased by \$4,797,156 from \$35,170,474 as at March 31, 2018 to \$30,373,318 as at March 31, 2019. The change was primarily due to the utilization of cash in operations including the development of the food business in Hong Kong and mainland China, and the impairment of goodwill during the year ended March 31, 2019.

Consolidated Liabilities

Consolidated liabilities increased by \$112,158 from \$1,644,158 as at March 31, 2018 to \$1,756,316 as at March 31, 2019. The increase in liabilities was mainly attributable to the increase in trade payable balance of the food business and an accrual for the investment tax credits payable to Augyva.

Shareholders' Equity

Shareholders' equity decreased by \$4,813,486 from \$33,526,316 as at March 31, 2018 to \$28,712,830 as at March 31, 2019. The decrease was primarily due to the net loss of \$5,373,518 attributable to the owners of the Company incurred during the year ended March 31, 2019. The net loss of the Company was primarily resulted from the administrative costs of maintaining and running its mining projects, the investment in expanding the food business, and a loss on a bank deposit.

The following table summarizes changes in share capital during the year ended March 31, 2019:

	Number of shares	\$
Balance – March 31, 2018	98,494,571	117,057,226
Ordinary shares issued under an equity incentive plan	10,000	10
Balance – March 31, 2019	98,504,571	117,057,236

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 March 31, 2019, the Company owns a 60% interest in the Labec Century Joint Venture, which represents a net book value of \$7,708,819. 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 consolidated financial statements of the Company for the year ended March 31, 2019.

LIQUIDITY AND CAPITAL RESOURCES

As at March 31, 2019, the Company had cash and cash equivalents and short-term bank deposits of \$7,593,471 to settle current liabilities of \$1,756,316. The net working capital of the Company was \$18,909,823 as at March 31, 2019. 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 March 31, 2019, the Company had investment of \$541,938 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 recurring administrative expenditures of approximately \$4.5 million budgeted in 2019/2020 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 March 31, 2019 and 2018 are as follows:

	2019	2018
	\$	\$
Within one year	198,972	326,431
After one year but not more than five years	264,513	407,556
More than five years	-	-
	<u>463,485</u>	<u>733,987</u>

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 March 31, 2019, the Company had accounts receivable of \$5,356,999 (2018: \$6,315,605) from Labec Century. The balance mainly comprised of exploration expenditure of the Attikamagen property incurred and paid by the Company on behalf of Labec Century after Labec Century became the Company's joint venture. The balance is repayable upon request.
- As of March 31, 2019, the Company had accounts receivable of \$3,210,771 (2018: \$3,210,771) from WISCO Century Sunny Lake. The balance represented exploration expenditure of the Sunny Lake property incurred and paid by the Company 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

	2019	2018
	\$	\$
Salaries and directors' fees	1,160,200	1,157,354
Share-based compensation expenses	76,063	203,133
	<u>1,236,263</u>	<u>1,360,487</u>

DISCLOSURE OF OUTSTANDING SHARE DATA

As at the date of this MD&A, the Company had 98,504,571 ordinary shares issued and outstanding, 8,717,500 stock options and 19,500 share awards under the Company's equity incentive plan outstanding.

INTERNAL CONTROL OVER FINANCIAL REPORTING ("ICFR")

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 year ended March 31, 2019 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

DISCLOSURE CONTROLS AND PROCEDURES ("DC&P")

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.

The Chief Executive Officer and Chief Financial Officer of the Company certified on its ICFR and DC&P for the year ended March 31, 2019 using the 2013 COSO Framework in accordance with the regulatory requirements under National Instrument 52-109.

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.

Provision of expected credit losses on accounts receivable

The Group uses a provision matrix to calculate expected credit losses ("ECL") for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Share-based compensation expenses

The Company grants share options and awards to directors, officers, employees and consultants of the Company under its equity incentive plan. The fair value of share options is estimated using the Black-Scholes option pricing model and the fair value of share rewards is estimated using the quoted market price plus an estimate for the number of units expected to vest. Share options costs are expensed over their vesting periods. In estimating fair value, management is required to make certain assumptions and estimates such as the life of options, volatility and forfeiture rates. Changes in assumptions used to estimate fair value could result in materially different results.

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 IFRS 9 *Financial Instruments* 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, 2019.

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, 2019. 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.Geol, a Qualified Person.