



## **CENTURY GLOBAL COMMODITIES CORPORATION**

Management's Discussion and Analysis  
of Financial Conditions and Results of Operations  
for the Year Ended  
March 31, 2022

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, 2022. 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, 2022. 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, 2022.

Additional information about the Company is available under the Company's profile on SEDAR at [www.sedar.com](http://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](http://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, 2022 have been prepared in accordance with International Financial Reporting Standards ("IFRS"). Notes 2 to 6 of the Company's consolidated financial statements as at and for the year ended March 31, 2022 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.

Certain financial measures used by the Company to analyze and evaluate its results are non-IFRS financial measures or ratios. Each of these indicators is not a standardized financial measure under the IFRS and might not be comparable to similar financial measures used by other issuers. These indicators are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. The non-IFRS and other financial measures included in this MD&A are described in the section "Non-IFRS and Other Financial Measures" of this MD&A. When applicable, a quantitative reconciliation to the most directly comparable IFRS measures is provided in the section "Non-IFRS and Other Financial Measures" 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") fully owns Labec Century Iron Ore Inc. ("Labec Century") and WISCO Century Sunny Lake Iron Mines Limited, which has subsequently changed its name to Century Sunny Lake Iron Mines Limited on May 27, 2021 ("Century Sunny Lake") after the acquisition of the remaining 40% joint venture interests in Labec Century and Century Sunny Lake from WISCO Canada ADI Resources Development & Investment Limited ("WISCO ADI") on November 19, 2020. Century Holdings also owns Century Duncan Mining Inc. ("Century Duncan"). Through these three wholly-owned subsidiaries, Century Holdings holds interest in the Group's major mineral properties;
- Labec Century, the immediate holding company of Joyce Direct Iron Inc. ("JDI"), owns a 91.6% interest in the Joyce Lake property through JDI;
- Century Sunny Lake owns 100% interests in the Black Bird property, the Full Moon property and the Hayot Lake property;
- Century Duncan owns a 68% registered interest in the Duncan Lake property.

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

## **BUSINESS UPDATE**

### **Business Overview**

Calendar 2021 was a banner year for iron ore prices (Fe 62% CFR China) which averaged approximately US\$160/t. The spring 2021 market generated three months of record-breaking monthly prices above US\$200/t including a spot price peak of US\$233/t in May. The spring overheated market was followed in August through November by an expected correction, driving the spot price below US\$100/t. Following the price correction last year, the market rebounded through December and as of late May 2022 the spot price is again trading close to US\$140/t, comparable to the May year-to-date approximate average price.

With COVID-19 pandemic impacts seemingly subsiding and major global economies adopting favourable post pandemic fiscal policies there are significant tailwinds for a long overdue commodity price recovery cycle, which is already underway for iron ore. Over the last few years, improving economic conditions for our Joyce Lake Project (the "Project") in the Labrador Trough is demonstrated by other operators in the region returning mines to production.

In 2021, JDI (the special purpose vehicle holding Joyce Lake) completed a successful pre-IPO private placement and raised a gross proceed of A\$2.1 million before share issue costs as a first step toward a spin-out as a separately listed company, which is expected to occur in the second half of 2022.

Also in May 2021, a Joyce Lake Project Environmental Impact Statement ("EIS") was updated and submitted to the Canadian government to continue the federal environmental assessment process. On May 21, 2021 the EIS was also used as a registration document with the province of Newfoundland and Labrador to re-register the Joyce Lake Project environmental assessment process provincially. On November 3, 2021, the Company was issued a letter by the Minister of Environment and Climate Change of Newfoundland and Labrador specifying that the Company will be required to produce a provincial EIS and guidelines for compilation of the provincial EIS would be issued within a legislated time limit of 120 days. As of June 6, 2022, or 215 days since the November 3, 2021 letter the Company has not yet received the final guidelines and it is the Company's understanding there will be further administrative delays by the Newfoundland and Labrador Department of Environment and Climate Change, the duration of which is not yet known.

For the year ended March 31, 2022, our Hong Kong food distribution business continued to face impacts from the COVID-19 pandemic together with keen competition and increased supplier costs. Despite these challenging market conditions, for the fourth fiscal quarter the food segment achieved quarter-on-quarter sales growth of 7.5%, increasing sales to \$2.41 million. For the year ended March 31, 2022, the food segment generated \$8.72 million in sales with a 25.2% gross margin<sup>1</sup> and gross profit of \$2.2 million, generating a small net profit before tax of \$3,130 compared to \$8.8 million in sales with a 22.6% gross margin<sup>1</sup>, gross profit of \$2.0 million and net profit before tax of \$25,120, for the same period last year.

For the year ended March 31, 2022, the Company reported a net loss of \$2.77 million and a total comprehensive loss of \$3.10 million, compared to a net loss of \$1.76 million and a total comprehensive loss of \$1.18 million for last year. As an active exploration and development company, the net loss is essentially attributed to costs associated with advancing development of the Joyce Lake Project including preparations to raise new capital by spinning-out JDI. The variance of net loss and total comprehensive loss between this fiscal year and the last fiscal year was primarily due to a corporate transactional gain of \$1.55 million from the spin-out of Century Metals Inc. ("Century Metals") and its subsequent reverse-take-over of Reyna Silver during the last fiscal year.

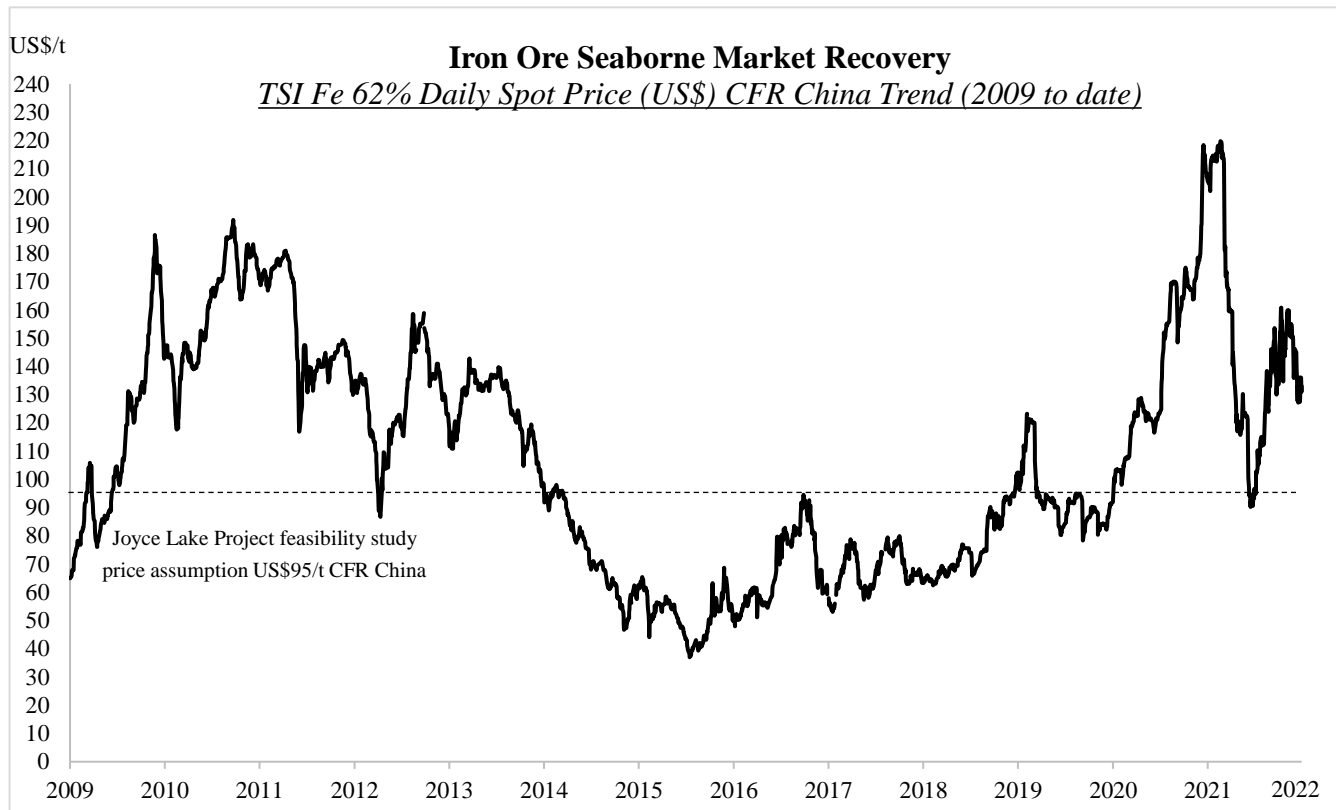
As of March 31, 2022, the Company had strong cash<sup>1</sup> and net working capital<sup>1</sup> positions of \$9.1 million (March 31, 2021: \$11.6 million) and \$11.3 million (March 31, 2021: \$14.5 million) respectively, adequate to cover near-term ongoing administrative and iron ore project development expenses. JDI's listing expenditures and advancement of the Joyce Lake Project are in-part being funded by the A\$2.1 million raised from the JDI 2021 pre-IPO private placement.

## **Mining**

The iron ore spot price chart plotted from inception of the spot market in 2009 is illustrated below.

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<sup>1</sup> This is a non-IFRS financial measure or ratio. The measure is not a standardized financial measure under the financial reporting framework used to prepare the Company's consolidated financial statements and might not be comparable to similar financial measures used by other issuers. Refer to the section "Non-IFRS and Other Financial Measures" of this MD&A for definitions of these metrics and reconciliations to the most comparable IFRS measures when applicable.



The iron ore price correction from August through November 2021 which drove the spot price below US\$100/t, was an expected reaction to the overheated spring 2021 market which generated three months of record breaking monthly prices above US\$200/t and included a spot price peak of US\$233/t in May. For calendar year 2021 the average US\$160/t price is a banner year and demonstrates the strength of market fundamentals. Following the fall 2021 price correction the market has rebounded through December and as of late May 2022 the spot price is again trading close to US\$140/t, which is also the May year-to-date last fiscal year and average price. The 2015 Joyce Lake Project feasibility study used a base case iron ore price of US\$95/t.

During the period of lower iron ore prices in November 2020, through an open market process, the Company consolidated the Joyce Lake Project and its other Labrador Trough iron ore projects to attain 100% ownership (before the JDI private placement), by acquisition of our joint venture partner's interests.

Subsequently, in December 2020, Century also completed an internal reorganization, including placing the Joyce Lake Project in a corporate structure suitable for spin-out and future project development

financing. The planned spin-out is structured similarly to the accretive and successful way Century Metals was previously spun-out.

### Joyce Lake Project Development

Labec Century mandated BBA Inc. ("BBA") to complete a NI 43-101 compliant Joyce Lake Project feasibility study in 2015 (the "Joyce 2015 FS"). At US\$95/t base case iron ore selling price, the Joyce 2015 FS generated an after tax NPV8% of \$61 million and Internal Rate of Return ("IRR") of 13.7%. The study also estimated at an iron ore selling price of US\$142.50/t (approximately similar to the May 2022 year-to-date average price), the Joyce Lake Project generates an after tax NPV8% of \$524 million.

Late in calendar year 2021 JDI also engaged BBA to update the Joyce 2015 FS. Work on the updated feasibility study is underway and will include: updated iron ore prices, mineral resources and reserves as well as capital and operating costs. Opportunities to optimize the design of the project will also be included. Completion of the updated feasibility study is expected in the last quarter of 2022.

The Joyce Lake Project's planned simple quarrying style mining allows the Project to reach full production approximately 18 months after a construction decision, followed by seven years of production.

Over recent years, access to iron ore transportation infrastructure from the Joyce Lake Project through ports in the Sept-Îles, Quebec, area has improved, related mostly to the new multi-user wharf now available at Pointe Noire. The Company has been working to improve project returns by identifying optimization opportunities as well as potential capital and operating cost reductions, prior to committing to these opportunities.

### *Submission of Environmental Impact Statement*

On May 21, 2021, the Joyce Lake Project EIS was submitted to the Impact Assessment Agency of the Government of Canada and additionally as a re-registration document to the Environmental Assessment Division of the Department of Environment and Climate Change of the Government of Newfoundland and Labrador.

The EIS was produced to meet requirements of the March 5, 2013 federal EIS Joyce Lake Project guidelines and the provincial 2013 previous guidelines. The EIS states the fundamental elements of the

Project design and analyzes its environmental, economic and social impacts with the corresponding mitigation, controls and benefits that will be present over the operation of the Project from construction to closure. The Newfoundland and Labrador re-registration documents can be accessed over the internet at: <https://www.gov.nl.ca/ecc/projects/project-2143/>.

The EIS is intended to fulfil requirements for an environmental assessment pursuant to the Canadian Environmental Assessment Act, 2012 and also as a re-registration document for the Newfoundland and Labrador Environmental Protection Act. The Project was originally registered with the province of Newfoundland and Labrador on October 15, 2012 but this has since lapsed. It was determined on January 4, 2013 that a federal environmental assessment was required. The EIS has been prepared in accordance with the requirements of the federal and provincial governments.

Submission of the EIS to the Canadian federal government and as a registration document to the government of Newfoundland and Labrador is a significant milestone in the development of the Project, placing the Company in a position to advance the Project quickly, after release approval from the environmental assessment processes, potentially during the window of opportunity provided by the current iron ore price up-cycle.

On November 3, 2021, the Company was issued a letter by the Minister of Environment and Climate Change of Newfoundland and Labrador (the "Letter") advising that, after a review of the re-registration document by an interdepartmental environmental assessment screening committee and an opportunity to comment provided to the public as required by Part X of the Newfoundland and Labrador Environmental Protection Act, SNL 2002, cE-14.2, the Minister concluded that a provincial Environmental Impact Statement ("Provincial EIS") is required. Additional project information requirements will have to be addressed including further details to the information provided in the re-registration document. An Environmental Assessment Committee of the Ministry will be appointed to provide the Company with technical and scientific advice regarding the preparation of the Provincial EIS. As per the legislative requirements, the Company will be issued guidelines within 120 days of the Letter for the completion of the Provincial EIS. As of June 6, 2022, or 215 days since the Letter the Company has not yet received the final guidelines and it is the Company's understanding there will be further administrative delays by the Newfoundland and Labrador Department of Environment and Climate Change, the duration of which is not yet known. Additional monitoring/testing/modelling work is expected in connection with the submission of the provincial EIS as part of a normal environmental assessment process. The provincial EIS will be evaluated by the Newfoundland ministry of Environment and Climate Change independent of the federal EIS process.



On May 27, 2022, the Company through JDI submitted a request to the Impact Assessment Agency of Canada to extend the three-year time limit and allow JDI more time to provide the required information or studies for the federal environmental assessment to continue under the Canadian Environmental Assessment Act, 2012 legislation rather than reverting to the Impact Assessment Act, 2019 legislation. The request also includes a proposal to combine the federal EIS and provincial EIS into one document to enhance coordination between the federal and provincial environmental assessment review processes, the request may be accessed at: <https://iaac-aeic.gc.ca/050/evaluations/document/143921?&culture=en-CA>.

### *JDI Spin-out Listing*

Century is spinning out the Joyce Lake Project as a new public company, JDI, with Century retaining majority ownership. Financing of the Joyce Lake Project is expected to be through JDI on a stand-alone basis firstly for studies and pre-development, followed by funding for major project development.

On May 14, 2021, the Company announced that its subsidiary and special purpose vehicle, JDI, had raised A\$2.0 million through the completion of a private placement. JDI is 100% owner of the Joyce Lake Project and under the private placement, JDI issued an aggregate of 20,000,010 common shares at a price of A\$0.10 per share, to a group of private investors, for gross proceeds of A\$2.0 million, reflecting a pre-money valuation of JDI of A\$20 million. Subsequently in October 2021, a further A\$0.1 million subscription for an aggregate of 1,000,000 common shares at the same price was also closed to take care of a small additional demand. JDI raised a gross total of A\$2.1 million from its pre-IPO private placement.

On May 21, 2021, 30,000,000 performance preferred shares were converted into common shares on a "one-for-one" basis and were issued to Labec Century because one of the project milestones ("Project Milestones") was satisfied through the publication of the Joyce Lake Project EIS.

JDI now has outstanding 251,000,010 common shares and 10,000,000 performance preferred shares. The 21,000,010 private placement shares represent 8.4% of the outstanding common shares of JDI. Century has retained ownership of 230,000,000 common shares and the 10,000,000 performance preferred shares of JDI. Each remaining performance preferred share is convertible into one common share upon completion of one additional Project Milestone.

After the private placement and the conversion of performance preferred shares, the Company retained a 91.6% controlling ownership in JDI.

The Company is listing JDI as a stand-alone public company to enable fund raising for the Joyce Lake Project technical studies, permitting and other pre-production requirements, followed by major project development funding related to a production decision, JDI intends to file an application to list its common shares in Canada on the NEO Exchange in the second half of 2022. To support the listing schedule and to allow filing as early as possible, JDI is currently preparing a prospectus, audited financial statements and a Joyce Lake Project NI43-101 technical report. The listing will be subject to filing of a prospectus with Canadian securities regulators and to the Exchange's acceptance of JDI's listing application and satisfaction of conditions to listing.

## **Food**

For the year ended March 31, 2022, our Hong Kong food distribution business continued to face impacts from the COVID-19 pandemic and keen competition together with increased supplier costs.

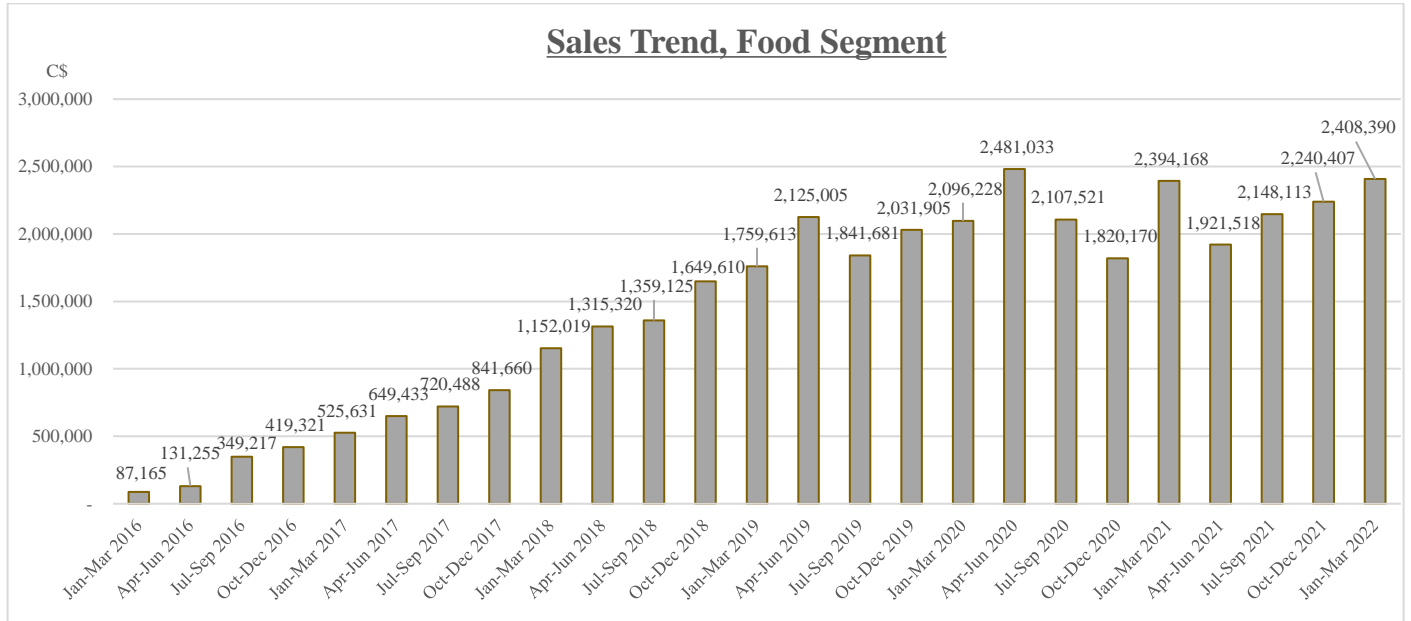
For the fiscal year ended March 31, 2022, the food segment delivered sales revenue of \$8.72 million, maintaining practically the same level compared to a record \$8.80 million for the same period last year despite the continued challenges of COVID-19 variants. The gross margin<sup>1</sup> for the food segment for the fiscal year ended March 31, 2022 was better at 25.2% compared to 22.6% for the previous fiscal year. Under very challenging market conditions the food segment delivered a small net profit before tax of \$3,130 for fiscal year ended March 31, 2022 compared to a net profit of \$25,120 for the previous fiscal year.

The food segment continues to adjust its sales strategy to cope with the competitive market and supply side dynamics and is also continuing its efforts to penetrate the gourmet shop, meat shop and wet market sectors, which are among the fastest growing in its Hong Kong market. The food segment is also negotiating with suppliers to secure lower prices and is considering introducing a broader range of products to better suit market demands.

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The chart below illustrates the rapid sales growth in our food segment since the start of calendar year 2016.



## **Summary**

After our November 2020 100% acquisition and consolidation of both the Joyce Lake Project and our other Labrador Trough iron ore projects, the iron ore market embarked on a new price up-cycle. The consolidation, now places the Company in a favourable and flexible path to spin-out the Joyce Lake Project while raising new funding for development and future construction, without diluting our other assets. JDI's 2021 pre-IPO private placement raise of A\$2.1 million is a very encouraging first step in the spin-out process.

During the 2014-2020 protracted bottom of the iron ore price cycle and after several years of hard work, Century management has created demonstrable value in our food segment with an opportunity for sustainable annual sales growth. The food segment offers a counter-cyclical complement to our iron ore business as well as the possibility of a future non-core spin-out to crystalize shareholder value.

## 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 also in the James Bay Area in western Quebec. The Company has established NI 43-101 compliant resources at its five properties totaling 8.4 billion tonnes of measured and indicated resources and 11 billion tonnes of inferred resources. Included in these resources is 17.72 million tonnes of proven and probable reserves of high grade Direct Shipping Ore (“DSO”) containing 59.71% Fe, located at its Joyce Lake DSO Project.

Century has successfully established its position as the holder of one of the largest iron ore resources in the world.

Other than the iron ore projects, the Company’s mining team has also been reviewing opportunities in the precious and base metal sectors.

### Iron Ore Projects

The following table summarizes the Company’s portfolio of iron ore projects ranked by deposit type, location and stage of development together with dates and type of study most recently filed on SEDAR:

	<b>Joyce Lake</b>	<b>Black Bird</b>	<b>Hayot Lake</b>	<b>Full Moon</b>	<b>Duncan Lake</b>	<b>Total</b>
Deposit Type	DSO	DSO	Taconite	Taconite	Magnetite	
Location	Labrador Trough	Labrador Trough	Labrador Trough	Labrador Trough	James Bay	
Ownership %	91.6% <sup>(3)</sup>	100%	100%	100%	68%	
Joint Venture Partner	N/A	N/A	N/A	N/A	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 Reserves and Resources						
<u>Reserves</u>						
Proven and Probable	17.7Mt	-	-	-	-	

<u>Resources</u>						
Measured & Indicated	24.3Mt <sup>(2)</sup>	1.6Mt	-	7.3Bt	1.1Bt	<b>8.4Bt</b>
Inferred	0.8Mt	8.6Mt	1.7Bt	8.7Bt	0.6Bt	<b>11.0Bt</b>
NPV (pre-tax) @ 8% <sup>(1)</sup>	C\$130.8M	-	-	C\$5.8B	C\$4.1B	
IRR (pre-tax) <sup>(1)</sup>	18.7%	-	-	15.2%	20.1%	

(1) Represents 100% basis at the project level

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

(3) The Company's ownership in the Joyce Lake property was 100% as of March 31, 2021. Upon the completion of private placements in May and October 2021 and a conversion of certain performance preferred shares in May 2021, the Company's ownership in the property is reduced to 91.6% as of the date of this MD&A.

## Joyce Lake DSO Project

The low capital intensity Joyce Lake DSO Project is the Company's most advanced project and the highest development priority. It is located in Newfoundland and Labrador, approximately 20 kilometres from the town of Schefferville, Quebec. The mineral resource estimate, dated April 17, 2014, identified 24.3 million tonnes of measured and indicated iron ore at a grade of 58.55% Fe. The feasibility study ("FS") released in April 2015 was prepared by BBA Inc. based in Montreal, Quebec and included contribution by Stantec Consulting Ltd. SGS Canada Inc., BluMetric Environmental Inc. and LVM Inc., a division of EnGlobe Corp. The FS included an annual production rate 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 fed directly from the pit and the remaining life of mine production, fed from stockpiles averaging 53.3% Fe. The project will include a new 43-kilometre dedicated haul road from the mine site to a new rail loop connected to the existing railroad for transport of both products to the IOC Port Terminal in Sept-Îles, Quebec, for shipment to China. The project economics indicate a pre-tax NPV (8%) of \$130.8 million; pre-tax IRR of 18.71%; and pre-tax Payback of 4.4 years based on a base case assumption of US\$95/t iron ore price. Joyce Lake initial capital cost was estimated at \$259.6 million and the average operating cost at \$58.25/dmt, loaded on board a ship at the Port of Sept-Îles.

Additional information can be found in the NI 43-101 Technical Report, "Feasibility Study for the Joyce Lake Direct Shipping Iron Ore (DSO) Project of the Attikamagen Property, Labrador", effective date March 2, 2015 and filed on SEDAR at [www.sedar.com](http://www.sedar.com) on April 14, 2015.

Since completion of the FS, the Company has continued to optimize capital and operating costs to further improve project economics and has also prepared an EIS consistent with the FS. In May 2021, JDI has submitted an EIS for the Joyce Lake Project to the governments of Canada and Newfoundland and Labrador. Over recent years, the Company has been trying to improve the already feasible project by coming up with post-feasibility optimization ideas to capture further capital and operating cost reductions and, as viability is confirmed, intends to combine these initiatives in an enhanced study as well as an updated environmental impact study, leading to completion of permitting and a production decision.

As of March 31, 2022 and the date of this MD&A, the Company has 91.6% interest in the Joyce Lake Project upon the completion of the A\$2 million and A\$0.1 million private placements in May and October 2021 respectively, and the conversion of 30,000,000 performance preferred shares (refer to the “Business Update” section for details) in May 2021.

### **Black Bird DSO Project**

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, 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, “*Mineral Resource Evaluation, Black Bird DSO Deposit, Sunny Lake Property, Schefferville, Québec*”, was filed on SEDAR at [www.sedar.com](http://www.sedar.com) under Century’s profile on April 14, 2015.

As of March 31, 2022 and the date of this MD&A, the Company has a 100% interest in the Black Bird Project.

### **Hayot Lake Taconite 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. An NI 43-101 mineral resource was prepared in 2012 and estimated 1.7 billion tonnes of inferred resource. For further details, please refer to the NI 43-101 Technical Report “*Mineral Resource Evaluation, Hayot Lake Taconite Iron Project, Schefferville, Québec*” filed under Century’s profile on [www.sedar.com](http://www.sedar.com) on November 9, 2012.

This world-class taconite project is one that will be developed by the Company as a long-term growth opportunity.

As of March 31, 2022 and the date of this MD&A, the Company has a 100% interest in the Hayot Lake Project.

### **Full Moon Taconite Project**

Full Moon is a taconite project located approximately 80 kilometres northwest of the town of Schefferville, Québec. An NI 43-101 mineral resource technical report on the Full Moon Project, dated December 6, 2012, estimated 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 contributions by 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 a 30-year period 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 existing rail lines 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 at \$7.2 billion and the average operating cost at \$49.85/dmt, loaded on board a ship at the Port of Sept-Îles.

Additional information can be found in the NI 43-101 Technical Report, “*The Preliminary Economic Assessment for the Full Moon Project*”, with an effective date of March 2, 2015 and filed on SEDAR at [www.sedar.com](http://www.sedar.com) on April 14, 2015.

As of March 31, 2022 and the date of this MD&A, the Company has a 100% interest in the Full Moon Project.

### **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 containing the mineral resource estimate for 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 was also completed for the project in May, 2013.

The Duncan Lake Project has reached a significant project milestone by completion of a preliminary economic assessment. For this project the Company is focussed on preserving the mineral claims and developing project growth and optimization alternatives, while continuing to assess development execution when sustained suitable market conditions exist. For further information please refer to the NI 43-101 Technical Report, “*Preliminary Economic Assessment of the Duncan Lake Iron Property, James Bay, Quebec-Canada*” filed on SEDAR at [www.sedar.com](http://www.sedar.com) on May 6, 2013.

As of March 31, 2022 and the date of this MD&A, the Company has a 68% registered interest in the Duncan Lake property.

### **Other Non-Ferrous Projects**

#### **Trudeau Gold Property, Century Metals and Reyna Silver**

The Fabie-Trudeau-Eastchester Polymetallic Property, an exploration project, located approximately 35 kilometres northwest of the city of Rouyn-Noranda, Quebec consisting of three non-contiguous claim groups in the surroundings of Duparquet Lake, namely Fabie, Trudeau and Eastchester, was wholly owned by Century Metals Inc., formerly a 50.2% owned subsidiary of the Company listed on the TSXV under the stock symbol CMET. On June 3, 2020, Century Metals amalgamated with Reyna Silver Corp., a company holding Mexican silver properties acquired from MAG Silver, by way of an RTO transaction, and changed its name to Reyna Silver Corp. (TSXV Ticker: RSLV). Immediately upon the completion of the RTO transaction, Reyna Silver Corp. became a 3.67% equity investment of the Company. Further financial details are discussed in note 25 of the Company's consolidated financial statements as at and for the year ended March 31, 2022.

#### **Important Caution regarding the Joyce Lake project 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 in the Feasibility Study and in the underlying technical reporting. Please refer to the discussions in this Feasibility Study under “Risks and Uncertainties” and “Cautionary Statement regarding Forward-Looking Statements” as well as under “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. The studies 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 Preliminary Economic Assessments should not be considered to be prefeasibility or feasibility studies. There can be no certainty that the estimates contained in these Preliminary Economic Assessments 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 Preliminary Economic Assessments 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 challenging iron ore market conditions and a lower price environment in the year ended March 31, 2016, 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"), which resulted in a full impairment of the E&E Assets at that time.

As at March 31, 2022, the Company's iron ore E&E Assets balance was \$8,884,563 (March 31, 2021: \$6,927,177) and mainly pertained to the Joyce Lake Project. Expenditure of \$1,957,386 (March 31, 2021: \$395,106) was capitalized as iron ore E&E Assets during the year ended March 31, 2022. The

Company has also recorded exploration and evaluation related expenditures of other iron ore projects that are put on care and maintenance in the profit and loss statement as "Project maintenance cost". Project maintenance cost for the Company's iron ore projects was \$272,930 during the year ended March 31, 2022, it arose primarily from claims renewal and maintenance, field property insurance and maintenance.

### **Other Non-Ferrous Projects**

The total amount of E&E Assets capitalized for non-ferrous properties during the year ended March 31, 2022 was \$38,101 (March 31, 2021: \$104,462).

An analysis of exploration and evaluation costs is as follows:

	<b>2022</b>	<b>2021</b>
	\$	\$
<b><u>Joyce Lake and Other Iron Ore Projects</u></b>		
Balance – April 1	6,927,177	-
Land claims renewal and staking	-	50,900
Data compilation, targeting, field data and geological report	1,152,218	25,000
Professional geological and engineering consultancy	317,177	86,176
Field supports, property and projects management	487,991	233,030
Additions from the acquisition of a subsidiary	-	6,532,071
<b>Balance – March 31</b>	<b>8,884,563</b>	<b>6,927,177</b>
<b><u>Other Non-Ferrous Projects</u></b>		
Balance – April 1	112,544	8,082
Geophysical survey & geological mapping, prospecting & samplings	82,124	36,453
Land claims renewal and staking	-	754
Professional geological and engineering consultancy	51,677	563
Field supports, property and projects management	-	66,692
Adjustments for investment tax credits	(95,700)	-
<b>Balance – March 31</b>	<b>150,645</b>	<b>112,544</b>
<b>Total Balance – March 31</b>	<b>9,035,208</b>	<b>7,039,721</b>

## 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, 2022 (\$)	March 31, 2021 (\$)	March 31, 2020 (\$)
Total revenue	8,718,428	8,802,892	8,094,819
Net loss for the year attributable to owners of the Company	(2,698,074)	(2,028,989)	(5,378,608)
Basic and diluted net loss per share attributable to owners of the Company	(0.03)	(0.02)	(0.05)
Total assets	24,322,427	25,362,941	27,830,147
Total liabilities	2,647,973	2,561,086	3,812,287
Equity attributable to owners of the Company	20,894,515	22,591,205	23,410,822
Dividends for ordinary shares	-	-	599,964
Dividends per share for ordinary shares	-	-	0.006

## Summary of Quarterly Results

<b>Quarters ended</b>	<b>March 31, 2022 (\$)</b>	<b>December 31, 2021 (\$)</b>	<b>September 30, 2021 (\$)</b>	<b>June 30, 2021 (\$)</b>
Total revenue	2,408,390	2,240,407	2,148,113	1,921,518
Net loss for the period attributable to owners of the Company	(235,475)	(812,157)	(859,156)	(791,286)
Basic and diluted net loss per share attributable to owners of the Company	(0.00)	(0.01)	(0.01)	(0.01)
Total assets	24,322,427	24,819,857	25,536,901	27,357,201
Total liabilities	2,647,973	2,723,342	2,960,208	3,536,769
Equity attributable to owners of the Company	20,894,515	21,361,674	21,853,077	23,057,684
Dividends for ordinary shares	-	-	-	-
Dividends per share for ordinary shares	-	-	-	-
<b>Quarters ended</b>	<b>March 31, 2021 (\$)</b>	<b>December 31, 2020 (\$)</b>	<b>September 30, 2020 (\$)</b>	<b>June 30, 2020 (\$)</b>
Total revenue	2,394,168	1,820,170	2,107,521	2,481,033
Net profit/(loss) for the period attributable to owners of the Company	(2,234,888)	(73,177)	(297,990)	577,066
Basic and diluted net profit/(loss) per share attributable to owners of the Company	(0.02)	(0.00)	(0.00)	0.01
Total assets	25,362,941	26,745,869	26,201,472	26,231,335
Total liabilities	2,561,086	2,197,832	1,530,613	1,662,657
Equity attributable to owners of the Company	22,591,205	24,548,037	24,670,859	24,568,678
Dividends for ordinary shares	-	-	-	-
Dividends per share for ordinary shares	-	-	-	-

**RESULTS OF OPERATIONS**

	<b>Three months ended</b>		<b>Years ended</b>	
	<b>March 31,</b>		<b>March 31,</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	(\$)	(\$)	(\$)	(\$)
<b>Revenue</b>	2,408,390	2,394,168	8,718,428	8,802,892
<b>Cost of sales</b>	(1,791,375)	(1,899,202)	(6,518,562)	(6,810,668)
<b>Gross profit</b>	617,015	494,966	2,199,866	1,992,224
Other income	48,416	62,974	218,859	481,259
Selling expenses	(147,782)	(162,526)	(642,917)	(517,644)
Administrative expenses	(440,044)	(1,432,235)	(4,166,687)	(4,726,518)
Project maintenance costs	(231,526)	(12,297)	(272,930)	(31,346)
Share-based compensation expenses	(58,068)	(467,460)	(84,335)	(468,531)
Gain on foreign exchange	20,573	9,763	1,506	161,161
Gain on disposal of a subsidiary	-	-	-	1,554,576
Exchange loss on dissolution of a subsidiary in other currencies	-	-	-	(174,509)
Reversal of gain on equity interest arising from the acquisition of a subsidiary	-	(706,337)	-	-
Interest expense	(3,374)	(2,378)	(14,060)	(13,916)
Share of loss of a joint venture	-	-	-	(792)
<b>Loss before tax</b>	(194,790)	(2,215,530)	(2,760,698)	(1,744,036)
Income tax charge	(10,538)	(18,675)	(10,538)	(18,675)
<b>Net loss for the period</b>	(205,328)	(2,234,205)	(2,771,236)	(1,762,711)
Attributable to:				
Owners of the Company	(235,475)	(2,234,888)	(2,698,074)	(2,028,989)
Non-controlling interests	30,147	683	(73,162)	266,278
	(205,328)	(2,234,205)	(2,771,236)	(1,762,711)

**RESULTS OF OPERATIONS**

	Three months ended		Years ended	
	March 31, 2022	2021	March 31, 2022	2021
	(\$)	(\$)	(\$)	(\$)
<b>Net loss for the period</b>	(205,328)	(2,234,205)	(2,771,236)	(1,762,711)
<b>Other comprehensive income/(loss)</b>				
Exchange loss on translation of operations in other currencies	(100,370)	(40,955)	(55,656)	(442,486)
Changes in fair value of investment in equity instruments at FVTOCI	(58,931)	(841,007)	(270,141)	1,024,367
Other comprehensive income/(loss) for the period	(159,301)	(881,962)	(325,797)	581,881
<b>Total comprehensive loss for the period</b>	(364,629)	(3,116,167)	(3,097,033)	(1,180,830)
Attributable to:				
Owners of the Company	(394,776)	(3,116,850)	(3,023,871)	(1,447,108)
Non-controlling interests	30,147	683	(73,162)	266,278
	(364,629)	(3,116,167)	(3,097,033)	(1,180,830)

**Analysis of Results of Operations**
**For the year ended March 31, 2022 and 2021**

For the year ended March 31, 2022 (“2022”), the Company reported revenue of \$8,718,428 and a net loss of \$2,771,236 compared to revenue of \$8,802,892 and a net loss of \$1,762,711 for the year ended March 31, 2021 (“2021”). In 2022, the Company’s food business continued to be adversely impacted by COVID-19, keen competition in the Hong Kong food marketplace together with increased costs from higher prices charged by suppliers. The Company reported a higher net loss for 2022 compared to 2021, it was mainly due to a decrease in other income, an increase in selling expenses, and a one-off gain on disposal of a subsidiary in 2021, offset by decreases in administrative expenses and share-based compensation expenses. The changes are further discussed below.

### Revenue, cost of sales and gross profit

The Company's revenue of \$8,718,428 for 2022 was wholly derived from its food segment. In 2022, the Company mainly sold eggs, egg products and meats to customers including major retail chains, caterers, gourmet shops, hotels and restaurants in Hong Kong and Macau.

In 2022, COVID-19 continued to significantly impact the Company's Hong Kong food distribution business. The sales for food business stayed roughly the same as 2021 and it reduced slightly by \$84,464 or 1.0% compared to 2021 solely due to an unfavourable translation impact arising from the appreciation of the reporting currency Canadian dollar against Hong Kong dollar in 2022. To cope with the competitive market and supply side dynamics, the Company is continuing its efforts in penetrating the gourmet shop, meat shop and wet market sectors which are among the fastest growing in the local market. The Company is also negotiating with suppliers to secure lower prices, and is considering introducing a broader range of products to better suit the current market demands.

The Company's gross margin<sup>1</sup> of 2022 was 25.2% (2021: 22.6%).

### Expenses and net loss

Factors contributing to the increase in net loss for 2022 were as follows:

- Other income decreased by \$262,400 compared to 2021 because in 2021, there was a one-off employment subsidy granted by the Hong Kong Government;
- Selling expenses increased by \$125,273 compared to 2021 because more advertising and promotion expenses were incurred for marketing activities of the food segment;
- Administrative expenses decreased by \$559,831 compared to 2021 due to more salaries being capitalized as exploration and evaluation assets during 2022, and a one-off event of back-pay

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<sup>1</sup> This is a non-IFRS financial measure or ratio. The measure is not a standardized financial measure under the financial reporting framework used to prepare the Company's consolidated financial statements and might not be comparable to similar financial measures used by other issuers. Refer to the section "Non-IFRS and Other Financial Measures" of this MD&A for definitions of these metrics and reconciliations to the most comparable IFRS measures when applicable.

salaries and bonuses to the Company's management in 2021, offset with an increase in consulting and professional fees for JDI's listing process;

- Share-based compensation expenses decreased by \$384,196 compared to 2021 due to less share options granted to the directors, employees or consultants in 2022; and
- Gain on disposal of a subsidiary amounting to \$1,554,576 was recorded in 2021. During 2021, the Group's subsidiary, Century Metals, completed the RTO transaction with Reyna Silver. Upon closing of the RTO transaction, the Group was deemed to have disposed of Century Metals, and recorded a gain of \$1.55 million on the disposal.

#### Other comprehensive income/(loss)

The decrease in other comprehensive income by \$907,678 in 2022 was mainly due to a loss arising from a decrease in the share price of the Company's equity investment at fair value through other comprehensive income during 2022 while it was a gain arising from a price increase in 2021.

#### **For the three months ended March 31, 2022 and 2021**

For the quarter ended March 31, 2022 ("2022 Q4"), the Company reported revenue of \$2,408,390 and a net loss of \$205,328 compared to revenue of \$2,394,168 and a net loss of \$2,234,205 for the comparable quarter ended March 31, 2021 ("2021 Q4"). In 2022 Q4, the Company's food business continued to be adversely impacted by COVID-19, keen competition in the Hong Kong food marketplace together with increased costs from higher prices charged by suppliers. The Company's net loss for 2022 Q4 decreased by \$2,028,877 compared to 2021 Q4, it was mainly due to decreases in administrative expenses and share-based compensation expenses and a one-off reversal of gain on equity interest arising from the acquisition of a subsidiary in 2021. The changes are further discussed below.

#### Revenue, cost of sales and gross profit

The Company's revenue of \$2,408,390 for 2022 Q4 was wholly derived from its food segment. In 2022 Q4, the Company mainly sold eggs, egg products and meats to customers including major retail chains, caterers, gourmet shops, hotels and restaurants in Hong Kong and Macau.



In 2022 Q4, COVID-19 continued to significantly impact the Company's Hong Kong food distribution business. Notwithstanding the challenging market conditions, the sales for food business improved slightly by \$14,222 compared to 2021 Q4. To cope with the competitive market and supply side dynamics, the Company is continuing its efforts in penetrating the gourmet shop, meat shop and wet market sectors which are among the fastest growing in the local market. The Company is also negotiating with suppliers to secure lower prices, and is considering introducing a broader range of products to better suit the current market demands.

The Company's gross margin<sup>1</sup> of 2022 Q4 was 25.6% (2021 Q4: 20.7%).

### Expenses and net loss

Factors contributing to the decrease in net loss for 2022 Q4 were as follows:

- Administrative expenses decreased by \$992,191 compared to 2021 Q4 mainly due to more salaries being capitalized as exploration and evaluation assets during 2022 Q4, and a one-off event of back-pay salaries and bonuses to the Company's management in 2021 Q4;
- Share-based compensation expenses decreased by \$409,392 due to less share options granted to the directors, employees or consultants in 2022 Q4; and
- A one-off reversal of gain on equity interest arising from the acquisition of a subsidiary of \$706,337 was charged to statement of profit or loss in 2021 Q4. The reversal was due to a change in the accounting for the acquisition from WISCO ADI of its joint venture interests in the Attikamagen and Sunny Lake properties completed in November 2020.

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<sup>1</sup> This is a non-IFRS financial measure or ratio. The measure is not a standardized financial measure under the financial reporting framework used to prepare the Company's consolidated financial statements and might not be comparable to similar financial measures used by other issuers. Refer to the section "Non-IFRS and Other Financial Measures" of this MD&A for definitions of these metrics and reconciliations to the most comparable IFRS measures when applicable.

### Other comprehensive loss

The decrease in other comprehensive loss by \$722,661 in 2022 Q4 was mainly due to a lower loss arising from the share price decrease of the Company's equity investment at fair value through other comprehensive income during 2022 Q4.

## **CONSOLIDATED FINANCIAL POSITION**

### Consolidated Assets

Consolidated assets decreased by \$1,040,514 from \$25,362,941 as at March 31, 2021 to \$24,322,427 as at March 31, 2022. The change was primarily due to the payment of additional listing expenditures for JDI and other operating and administrative expenses incurred by the Group, offset with the gross proceeds from private placement of A\$2.1 million (equivalent to approximately \$2.0 million) raised by its subsidiary, JDI.

### Consolidated Liabilities

Consolidated liabilities increased by \$86,887 from \$2,561,086 as at March 31, 2021 to \$2,647,973 as at March 31, 2022. The increase in liabilities was mainly due to the renewal of leases for the Group's Hong Kong and Canada office with extended expiry date, thereby increasing the non-current lease liabilities as at March 31, 2022, offset with the decrease in sales taxes and other taxes payable.

### Shareholders' Equity

Equity attributable to owners of the Company decreased by \$1,696,690 from \$22,591,205 as at March 31, 2021 to \$20,894,515 as at March 31, 2022. The decrease was primarily due to the net loss of \$2,698,074 attributable to the owners of the Company incurred during the year ended March 31, 2022 and the decrease in investment fair value reserve by \$342,177, offset with the increase in contributed surplus from JDI's non-controlling interests by \$1,242,846 for the private placements and the increase in share-based compensation reserve by \$84,335 for the share options granted during the year ended March 31, 2022. Net loss of the Company was primarily resulted from the legal and professional fees and audit fees incurred for JDI's listing.

The Company's share capital has not changed during the period ended March 31, 2022. As at March 31, 2022 and March 31, 2021, the Company had 98,504,571 ordinary shares issued and outstanding, representing the amount of \$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.

## **LIQUIDITY AND CAPITAL RESOURCES**

As at March 31, 2022, the Company had cash and cash equivalents and short-term bank deposits of \$9,097,564 (March 31, 2021: \$11,634,712) to settle current liabilities of \$2,476,724. The net working capital<sup>1</sup> of the Company was \$11,330,282 as at March 31, 2022 (March 31, 2021: \$14,479,748). 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, 2022, the Company had investment of \$1,175,534 (March 31, 2021: \$1,609,750) in mining companies' equities traded in international capital markets.

The Group's operations may not generate sufficient cash flow to fund obligations. The Company may need to take additional measures to increase its liquidity and capital resources, including obtaining additional debt or equity financing, pursuing joint-venture arrangements, or other financing arrangements. The Group may experience difficulty in obtaining satisfactory financing terms and failure to obtain adequate financing on satisfactory terms could have a material adverse effect on the Group's results of operations or financial condition.

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.

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<sup>1</sup> This is a non-IFRS financial measure or ratio. The measure is not a standardized financial measure under the financial reporting framework used to prepare the Company's consolidated financial statements and might not be comparable to similar financial measures used by other issuers. Refer to the section "Non-IFRS and Other Financial Measures" of this MD&A for definitions of these metrics and reconciliations to the most comparable IFRS measures when applicable.

The Group's lease liabilities as of March 31, 2022 and March 31, 2021 is as follows:

	<b>March 31 2022</b>	<b>March 31 2021</b>
	\$	\$
<b>Lease liabilities</b>		
Within 1 year	207,879	143,686
Between 1 and 2 years	106,520	9,014
Between 2 and 3 years	7,367	-
More than 3 years	57,362	-
	<u>379,128</u>	<u>152,700</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, as of March 31, 2022, the Group had accounts receivable of \$79,759 (March 31, 2021: \$88,853) from management for an advance for business purpose.

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 or transacted over an open market. Management estimates that these transactions were undertaken under the same terms and conditions as transactions with non-related parties.

Remuneration of key management personnel

	<b>Three months ended</b>		<b>Year ended</b>	
	<b>March 31,</b>		<b>March 31,</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Salaries and directors' fees	301,650	522,217	1,207,400	1,449,242
Share-based compensation expenses	11,149	246,032	11,149	246,526
	<u>312,799</u>	<u>768,249</u>	<u>1,218,549</u>	<u>1,695,768</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, and 13,262,500 stock options under the Company's equity incentive plan outstanding.

**NON-IFRS AND OTHER FINANCIAL MEASURES**

The Company has included certain non-IFRS financial measures or ratios in this MD&A, as listed in the table below, to provide investors additional information to help them evaluate the underlying performance of the Company. These measures are mainly derived from the Company's consolidated financial statements but do not have any standardized meaning prescribed by IFRS and, therefore, may not be comparable to similar measures presented by other companies. Management believes that these measures, in addition to conventional measures prepared in accordance with IFRS, provide investors with an improved ability to understand the results of the Company's operations. Non-IFRS and other financial measures should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. The exclusion of certain items from non-IFRS financial measures does not imply that these items are necessarily non-recurring.

The non-IFRS and other financial measures included in this MD&A are described below.

**Non-IFRS financial measures**

Cash position	Cash and cash equivalents plus short term bank deposits
Net working capital	Current assets less current liabilities

**Non-IFRS ratios**

Gross margin (%)	Gross profit divided by revenue
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“Cash position” and “net working capital” are disclosed because management believes they provide investors an understanding of the financial resources that are more readily available to the Company, as well as its available resources to address near-term financial obligations.

“Gross margin (%)” is disclosed because management believes it provides insight on how efficiently the Company generates profit from sales of goods.

### Reconciliation to the most directly comparable IFRS measures

	<b>March 31 2022</b>	<b>March 31 2021</b>		
	\$	\$		
<u>Cash position</u>				
Cash and cash equivalents	4,157,342	5,514,809		
Short term bank deposits	4,940,222	6,119,903		
	<u>9,097,564</u>	<u>11,634,712</u>		
 <u>Net working capital</u>				
Current assets	13,807,006	17,031,820		
Current liabilities	2,476,724	2,552,072		
	<u>11,330,282</u>	<u>14,479,748</u>		
	<b>Three months ended March 31,</b>		<b>Year ended March 31,</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	\$	\$	\$	\$
<u>Gross margin (%)</u>				
Gross profit	617,015	494,966	2,199,866	1,992,224
Revenue	2,408,390	2,394,168	8,718,428	8,802,892
	<u>25.6%</u>	<u>20.7%</u>	<u>25.2%</u>	<u>22.6%</u>

### **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.

Based on management's assessment, the Company's CEO and CFO have certified that, based on their knowledge, the Company's internal controls over financial reporting are effective and the financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the year ended March 31, 2022 using the 2013 COSO Framework in accordance with the regulatory requirements under National Instrument 52-109.

There has been no change in the Company's internal control over financial reporting during the year ended March 31, 2022 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 have evaluated the effectiveness of disclosure controls and procedures and concluded that they were effective to provide reasonable assurance that (i) material information relating to the Company was made known to management and (ii) information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in the securities legislation.

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.

### Business combination and assets acquisition

Determination of whether a set of assets acquired and liabilities assumed constitute the acquisition of a business or asset may require the Company to make certain judgements as to whether or not the assets acquired and liabilities assumed include an input and a substantive process that together significantly contribute to the ability to create outputs necessary to constitute a business as defined in IFRS 3 *Business Combinations*. The output includes goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits. Based on an assessment of the relevant facts and circumstances, the Company concluded that the acquisition from WISCO ADI (to be defined hereinafter) of its joint venture interests in the Attikamagen and the Sunny Lake properties on November 19, 2020 did not meet the definition of a business and the transactions have been accounted for as assets acquisition.



### 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.

### COVID-19

On March 11, 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. Measures taken by governments worldwide to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of nonessential services have triggered significant disruptions to businesses worldwide, resulting in global supply chain issues and price inflation, which affected the Group operations by causing shipment delays, higher logistics costs and increased purchase costs. Although the Group has adjusted some of its operating procedures, to date the Group's operations have not been significantly impacted by COVID-19. The management will monitor the situation and may take actions that alter the Group's business operations as may be required by federal, provincial or local authorities, or that management determines are in the best interests of the Group's employees, customers, suppliers, shareholders and other stakeholders. Such alterations or modifications could cause substantial interruption to the Group's business, any of which could have a material adverse effect on the Group's operations or financial results.

## **CHANGES IN ACCOUNTING POLICIES**

The Group applies, for the first time, certain standards and amendments, which are effective for annual periods beginning on or after April 1, 2021. The nature and effect of the changes that result from the adoption of these new standards are described below. Other than the changes described below, the accounting policies adopted are consistent with those of the previous financial year.

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: *Interest Rate Benchmark Reform – Phase 2*

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 address issues not dealt with in the previous amendments which affect financial reporting when an existing interest rate benchmark is

replaced with an alternative risk-free rate (“RFR”). The amendments provide a practical expedient to allow the effective interest rate to be updated without adjusting the carrying amount of financial assets and liabilities when accounting for changes in the basis for determining the contractual cash flows of financial assets and liabilities, if the change is a direct consequence of the interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis immediately preceding the change. In addition, the amendments permit changes required by the interest rate benchmark reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued. Any gains or losses that could arise on transition are dealt with through the normal requirements of IFRS 9 to measure and recognise hedge ineffectiveness. The amendments also provide a temporary relief to entities from having to meet the separately identifiable requirement when an RFR is designated as a risk component. The relief allows an entity, upon designation of the hedge, to assume that the separately identifiable requirement is met, provided the entity reasonably expects the RFR risk component to become separately identifiable within the next 24 months. Furthermore, the amendments require an entity to disclose additional information to enable users of financial statements to understand the effect of interest rate benchmark reform on an entity’s financial instruments and risk management strategy.

The amendments did not have any impact on the financial position and performance of the Group as the Group does not have any interest-bearing bank borrowings and interest rate hedging relationships as at March 31, 2022.

*Amendment to IFRS 16: Covid-19-Related Rent Concessions beyond 30 June 2021 (early adopted)*

Amendment to IFRS 16 issued in April 2021 extends the availability of the practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the covid-19 pandemic by 12 months. Accordingly, the practical expedient applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met. The amendment is effective retrospectively for annual periods beginning on or after April 1, 2021 with any cumulative effect of initially applying the amendment recognised as an adjustment to the opening balance of retained profits at the beginning of the current accounting period. Earlier application is permitted.

## **FINANCIAL AND OTHER INSTRUMENTS**

The Company's financial assets consist of cash and cash equivalents, 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, 2022.

## **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 and the publication of further resource estimates, 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:

- the Company's business strategies with respect to its iron ore, food and other business ventures, including exploration and development plans;
- the costs of implementation of the Company's business plans and exploration and development plans;
- the availability of sufficient capital to enable the Company to carry out its business strategy and exploration and development plans;
- Joyce Direct Iron Inc. will be accepted for listing and will be able to complete an initial public offering of its common shares;
- Joyce Direct Iron Inc. will achieve the required funding to advance the Joyce Lake Project towards development;

- the state of the economy and the mineral exploration industry in general and global demand for iron ore;
- world economic conditions and supply and demand of commodities, as well as related economic conditions in China;
- the provision of goods and services by contracted parties on agreed timeframes, plant and equipment work being advanced or otherwise functioning as anticipated;
- the accuracy of the estimates of mineral resource included in the NI 43-101 technical reports on the Company's material properties;
- the accuracy of the projections derived from the feasibility study of the Company's Joyce Lake Project included in the NI 43-101 technical reports on this property;
- 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;
- the results of future exploration and development programs will be consistent with results and estimates included in the Company's NI 43-101 technical reports on the Company's material properties;
- that aboriginal rights will be settled in a manner that will enable the Company to proceed with its planned exploration and development programs;
- the Company will be able to obtain the required regulatory approvals necessary to enable it to proceed with its exploration and development programs;
- the Company will not encounter any unanticipated geological or technical problems in carrying out its exploration and development programs;
- the price of iron ore remaining consistent with the Company's expectations;
- there will not be any material adverse events or changes outside the normal course of business for the Company;
- the competitive environment for iron ore, other base and precious metals, food products and technology and financial services worldwide;
- the cost of compliance with health standards in particular with respect to the quality food products the Company intends to distribute in Hong Kong markets; and
- regulatory compliance requirements as they apply in particular to the distribution of food products in Hong Kong.

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, 2022. 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 to, and are subject 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, Allan (Wenlong) Gan, P.Geo, a Qualified Person as defined by NI 43-101.