

Century Global Commodities Corporation

Condensed Consolidated Interim Financial Statements

(Unaudited)

June 30, 2022

(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

Century Global Commodities Corporation
Condensed Consolidated Interim Statement of Financial Position
(Unaudited)
As of June 30, 2022

(Expressed in Canadian Dollars, unless otherwise stated)

| | Notes | June 30, 2022 \$ | March 31, 2022 \$ |
|---|-------|------------------------|-------------------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | | 2,802,513 | 4,157,342 |
| Short term bank deposits | | 4,940,342 | 4,940,222 |
| Marketable securities | 7 | 502,005 | 1,175,534 |
| Trade and other receivables | 8, 21 | 1,696,008 | 1,677,462 |
| Sales taxes and other taxes recoverable | | 156,714 | 204,771 |
| Prepayments and deposits | | 394,679 | 302,202 |
| Inventories | 9 | 2,208,111 | 1,349,473 |
| | | 12,700,372 | 13,807,006 |
| Non-current assets | | | |
| Exploration and evaluation assets | 10 | 9,389,826 | 9,035,208 |
| Property, plant and equipment | 11 | 54,382 | 59,560 |
| Investment property | 12 | 914,261 | 944,579 |
| Right-of-use assets | | 322,614 | 366,532 |
| Deferred tax assets | | 48,757 | 47,374 |
| Investment in other equity instruments | 7 | 64,100 | 62,168 |
| | | 10,793,940 | 10,515,421 |
| Total assets | | 23,494,312 | 24,322,427 |

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

Century Global Commodities Corporation
Condensed Consolidated Interim Statement of Financial Position
(Unaudited)
As of June 30, 2022

(Expressed in Canadian Dollars, unless otherwise stated)

| | Notes | June 30, 2022 \$ | March 31, 2022 \$ |
|---|-------|------------------------|-------------------------|
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | 13 | 1,712,785 | 1,571,260 |
| Lease liabilities | | 214,477 | 207,879 |
| Sales taxes and other taxes payable | | 581,308 | 697,585 |
| | | <u>2,508,570</u> | <u>2,476,724</u> |
| Non-current liabilities | | | |
| Lease liabilities | | <u>119,786</u> | <u>171,249</u> |
| Total liabilities | | <u>2,628,356</u> | <u>2,647,973</u> |
| Shareholders' equity | | | |
| Share capital | 14 | 117,057,236 | 117,057,236 |
| Contributed surplus | | 4,347,624 | 4,347,624 |
| Deficit | | (102,025,332) | (101,642,301) |
| Other components of equity | | <u>677,464</u> | <u>1,131,956</u> |
| Equity attributable to owners of the Company | | 20,056,992 | 20,894,515 |
| Non-controlling interests | | <u>808,964</u> | <u>779,939</u> |
| Total equity | | <u>20,865,956</u> | <u>21,674,454</u> |
| Total equity and liabilities | | <u>23,494,312</u> | <u>24,322,427</u> |

Approved by the Board of Directors

/s/ "Sandy Chim" Director
Date: August 12, 2022

/s/ "John Gravelle" Director
Date: August 12, 2022

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

Century Global Commodities Corporation
Condensed Consolidated Interim Statement of Profit or Loss
(Unaudited)
For the three months ended June 30, 2022

(Expressed in Canadian Dollars, unless otherwise stated)

| | | Three months ended June 30, | |
|---|--------------|------------------------------------|--------------------|
| | Notes | 2022 | 2021 |
| | | \$ | \$ |
| Revenue | 6, 16 | 2,472,622 | 1,921,518 |
| Cost of sales | | <u>(1,714,321)</u> | <u>(1,481,447)</u> |
| Gross profit | | 758,301 | 440,071 |
| Other income | 17 | 126,244 | 84,141 |
| Selling expenses | | (184,498) | (147,153) |
| Administrative expenses | 18 | (936,643) | (1,193,098) |
| Project maintenance costs | | (24,661) | (10,947) |
| Share-based compensation expenses | 15 | (53,965) | (26,267) |
| Gain/(loss) on foreign exchange | | (21,595) | 24,146 |
| Interest expense | | <u>(3,062)</u> | <u>(1,478)</u> |
| Net loss for the period | | <u>(339,879)</u> | <u>(830,585)</u> |
| Attributable to: | | | |
| Owners of the Company | | (368,904) | (791,286) |
| Non-controlling interests | | <u>29,025</u> | <u>(39,299)</u> |
| | | <u>(339,879)</u> | <u>(830,585)</u> |
| Net loss per share attributable to owners of the Company | | | |
| – Basic and diluted | 19 | <u>(0.00)</u> | <u>(0.01)</u> |
| Weighted average number of shares outstanding | | <u>98,504,571</u> | <u>98,504,571</u> |

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

Century Global Commodities Corporation
Condensed Consolidated Interim Statement of Comprehensive Income
(Unaudited)
For the three months ended June 30, 2022

(Expressed in Canadian Dollars, unless otherwise stated)

| | Three months ended June 30, | |
|---|------------------------------------|------------------|
| | 2022 | 2021 |
| | \$ | \$ |
| Net loss for the period | <u>(339,879)</u> | <u>(830,585)</u> |
| Other comprehensive income/(loss) | | |
| Exchange gain/(loss) on translation of operations in other currencies | 132,350 | (76,564) |
| Changes in fair value of investment in equity instruments at FVTOCI | <u>(654,934)</u> | <u>(9,683)</u> |
| Other comprehensive loss for the period | <u>(522,584)</u> | <u>(86,247)</u> |
| Total comprehensive loss for the period | <u>(862,463)</u> | <u>(916,832)</u> |
| Attributable to: | | |
| Owners of the Company | (891,488) | (877,533) |
| Non-controlling interests | <u>29,025</u> | <u>(39,299)</u> |
| | <u>(862,463)</u> | <u>(916,832)</u> |

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

Century Global Commodities Corporation
Condensed Consolidated Interim Statement of Changes in Equity
(Unaudited)
For the three months ended June 30, 2022
(Expressed in Canadian Dollars, unless otherwise stated)

| | Attributable to owners of the Company | | | | | | Non-controlling interests | Total |
|--|---------------------------------------|---------------------|----------------------|----------------------------------|-------------------------------|--------------------------------------|---------------------------|-------------------|
| | Share capital | Contributed surplus | Deficit | Share-based compensation reserve | Investment fair value reserve | Foreign currency translation reserve | | |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Balance – April 1, 2022 | 117,057,236 | 4,347,624 | (101,642,301) | 2,148,121 | 135,609 | (1,151,774) | 779,939 | 21,674,454 |
| Net profit/(loss) for the period | - | - | (368,904) | - | - | - | 29,025 | (339,879) |
| Other comprehensive income/(loss) for the period | - | - | - | - | (654,934) | 132,350 | - | (522,584) |
| Total comprehensive income/(loss) for the period | - | - | (368,904) | - | (654,934) | 132,350 | 29,025 | (862,463) |
| Disposal of marketable securities | - | - | (14,127) | - | 14,127 | - | - | - |
| Equity-settled share-based compensation arrangements (note 15) | - | - | - | 53,965 | - | - | - | 53,965 |
| Balance – June 30, 2022 | 117,057,236 | 4,347,624 | (102,025,332) | 2,202,086 | (505,198) | (1,019,424) | 808,964 | 20,865,956 |

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

Century Global Commodities Corporation
Condensed Consolidated Interim Statement of Changes in Equity
(Unaudited)

For the three months ended June 30, 2022

(Expressed in Canadian Dollars, unless otherwise stated)

| | Attributable to owners of the Company | | | | | | Non-controlling interests | Total |
|--|---------------------------------------|---------------------|--------------|----------------------------------|-------------------------------|--------------------------------------|---------------------------|------------|
| | Share capital | Contributed surplus | Deficit | Share-based compensation reserve | Investment fair value reserve | Foreign currency translation reserve | | |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Balance – April 1, 2021 | 117,057,236 | 3,104,778 | (99,016,263) | 2,063,786 | 477,786 | (1,096,118) | 210,650 | 22,801,855 |
| Net loss for the period | - | - | (791,286) | - | - | - | (39,299) | (830,585) |
| Other comprehensive loss for the period | - | - | - | - | (9,683) | (76,564) | - | (86,247) |
| Total comprehensive loss for the period | - | - | (791,286) | - | (9,683) | (76,564) | (39,299) | (916,832) |
| | | | | | | | | |
| Contribution by non-controlling interests | - | 1,317,745 | - | - | - | - | 591,397 | 1,909,142 |
| Disposal of marketable securities | - | - | 59,364 | - | (59,364) | - | - | - |
| Equity-settled share-based compensation arrangements (note 15) | - | - | - | 26,267 | - | - | - | 26,267 |
| Balance – June 30, 2021 | 117,057,236 | 4,422,523 | (99,748,185) | 2,090,053 | 408,739 | (1,172,682) | 762,748 | 23,820,432 |

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

Century Global Commodities Corporation
Condensed Consolidated Interim Statement of Cash Flows
(Unaudited)
For the three months ended June 30, 2022

(Expressed in Canadian Dollars, unless otherwise stated)

| Cash generated by/(used in) | Notes | Three months ended June 30, | |
|--|--------------|------------------------------------|------------------|
| | | 2022 | 2021 |
| | | \$ | \$ |
| Operating activities | | | |
| Net loss for the period | | (339,879) | (830,585) |
| Adjustments for | | | |
| Bank and other interest income | | (10,390) | (15,587) |
| Gain/(loss) on foreign exchange | | 21,595 | (24,146) |
| Depreciation | 11, 12 | 14,508 | 15,303 |
| Amortization of right-of-use assets | | 51,895 | 53,507 |
| Share-based compensation arrangements | 15 | 53,965 | 26,267 |
| Inventories written off | | 946 | 4,427 |
| Changes in working capital items | | | |
| Decrease/(increase) in trade and other receivables | | (18,546) | 238,033 |
| Decrease/(increase) in sales taxes and other taxes recoverable | | 48,057 | (3,826) |
| Increase in prepayments and deposits | | (92,477) | (531,093) |
| Increase in inventories | | (859,584) | (427,195) |
| Increase in trade and other payables | | 141,525 | 771,205 |
| Increase/(decrease) in sales taxes and other taxes payable | | (116,277) | 57,727 |
| Net cash used in operating activities | | <u>(1,104,662)</u> | <u>(665,963)</u> |
| Investing activities | | | |
| Bank and other interest received | | 10,390 | 15,587 |
| Short term bank deposits returned/(invested) | | (120) | 5,989,801 |
| Marketable securities purchased | | - | (19,985) |
| Proceeds from sale of marketable securities | | 47,928 | 133,481 |
| Exploration and evaluation assets | | (354,618) | (239,607) |
| Purchases of property, plant and equipment | | (1,187) | (2,121) |
| Proceeds from finance lease arrangements | | - | 37,525 |
| Net cash generated by/(used in) investing activities | | <u>(297,607)</u> | <u>5,914,681</u> |
| Financing activities | | | |
| Subscriptions received for JDI's private placement financing | 20 | - | 1,909,142 |
| Principal payments of lease liabilities | | (52,922) | (62,493) |
| Net cash generated by/(used in) financing activities | | <u>(52,922)</u> | <u>1,846,649</u> |
| Net change in cash and cash equivalents | | <u>(1,455,191)</u> | <u>7,095,367</u> |

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

Century Global Commodities Corporation
Condensed Consolidated Interim Statement of Cash Flows
(Unaudited)
For the three months ended June 30, 2022

(Expressed in Canadian Dollars, unless otherwise stated)

| | Three months ended June 30, | |
|---|------------------------------------|-------------------|
| | 2022 | 2021 |
| | \$ | \$ |
| Net change in cash and cash equivalents | (1,455,191) | 7,095,367 |
| Cash and cash equivalents – Beginning of period | 4,157,342 | 5,514,809 |
| Effect of foreign exchange rate changes, net | 100,362 | (49,253) |
| Cash and cash equivalents – End of period | <u>2,802,513</u> | <u>12,560,923</u> |
| Analysis of cash and cash equivalents | | |
| Cash in bank and on hand | 2,802,513 | 6,760,923 |
| Short term bank deposits with original maturity of three months or less | - | 5,800,000 |
| Cash and cash equivalents – End of period | <u>2,802,513</u> | <u>12,560,923</u> |

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

Century Global Commodities Corporation
Notes to the Condensed Consolidated Interim Financial Statements
(Unaudited)
June 30, 2022

(Expressed in Canadian Dollars, unless otherwise stated)

1. Nature of operations

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

The Company is a diversified company and primarily engages in exploration and mining activities with assets in the Provinces of Newfoundland and Labrador, and Québec, Canada. It also has operations in the distribution of food in Hong Kong.

These condensed consolidated interim financial statements were approved by the Board of Directors for issue on August 12, 2022.

2. Basis of preparation

The condensed consolidated interim financial statements of the Company and its subsidiaries (the “Group”) have been prepared in accordance with IAS 34 *Interim Financial Reporting*. The condensed consolidated interim financial statements should be read in conjunction with the Group’s audited consolidated annual financial statements for the year ended March 31, 2022 filed on SEDAR at www.sedar.com on June 28, 2022, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

3. Significant accounting policies

The significant accounting policies used in the preparation of these condensed consolidated interim financial statements are consistent with those disclosed in note 3 of the audited consolidated annual financial statements for the year ended March 31, 2022, except for the adoption of new and amended standards that became applicable to the Group in the current interim period, as described in note 4 below.

Basis of measurement

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

4. Changes in accounting policies

Several amendments and interpretations apply for the first time in the current reporting period, but do not have an impact on the interim condensed consolidated financial statements of the Group.

The nature and impact of the latest revised IFRSs applicable to the current period are described below:

Amendments to IFRS 3 replace a reference to the previous *Framework for the Preparation and Presentation of Financial Statements* with a reference to the *Conceptual Framework for Financial Reporting* issued in June 2018 without significantly changing its requirements. The amendments also add to IFRS 3 an exception to its recognition principle for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC-Int 21 if they were incurred separately rather than assumed in a business

Century Global Commodities Corporation
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June 30, 2022

(Expressed in Canadian Dollars, unless otherwise stated)

combination, an entity applying IFRS 3 should refer to IAS 37 or IFRIC-Int 21 respectively instead of the Conceptual Framework. Furthermore, the amendments clarify that contingent assets do not qualify for recognition at the acquisition date. The Group has applied the amendments prospectively to business combinations that occurred on or after April 1, 2022. As there were no contingent assets, liabilities and contingent liabilities within the scope of the amendments arising in the business combination that occurred during the period, the amendments did not have any impact on the financial position and performance of the Group.

Amendments to IAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling any such items, and the cost of those items, in profit or loss. The Group has applied the amendments to items of property, plant and equipment made available for use on or after April 1, 2022. Since there was no sale of items produced while making property, plant and equipment available for use on or after April 1, 2022, the amendments did not have any impact on the financial position or performance of the Group.

Amendments to IAS 37 clarify that for the purpose of assessing whether a contract is onerous under IAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (e.g., direct labour and materials) and an allocation of other costs that relate directly to fulfilling that contract (e.g., an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract as well as contract management and supervision costs). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The Group has applied the amendments prospectively to contracts for which it has not yet fulfilled all its obligations at April 1, 2022 and no onerous contracts were identified. Therefore, the amendments did not have any impact on the financial position or performance of the Group.

Annual Improvements to IFRSs 2018-2020 sets out amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, and IAS 41. Details of the amendments that are applicable to the Group are as follows:

- *IFRS 9 Financial Instruments*: clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. The Group has applied the amendment prospectively to financial liabilities that are modified or exchanged on or after April 1, 2022. As there was no modification of the Group's financial liabilities during the period, the amendment did not have any impact on the financial position or performance of the Group.
- *IFRS 16 Leases*: removes the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 accompanying IFRS 16. This removes potential confusion regarding the treatment of lease incentives when applying IFRS 16.

5. Critical accounting estimates and judgments

The Group makes estimates and assumptions concerning the future that are believed to be reasonable under the circumstances. Estimates and judgments are continuously evaluated and are based on management's experience and other factors, including expectations about future events. The critical accounting estimates and judgments applied in these condensed consolidated interim financial statements are consistent with those

Century Global Commodities Corporation
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(Unaudited)
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(Expressed in Canadian Dollars, unless otherwise stated)

disclosed in note 6 of the audited consolidated annual financial statements for the year ended March 31, 2022.

6. Segment information

The Group's operating segments are as follows:

- (iii) the mining segment, which engages in the exploration and development of mineral projects in Canada and the investment in global mining securities;
- (ii) the food segment, which engages in the distribution of food in Hong Kong; and
- (iii) the corporate segment, which mainly represents the Group's corporate and managerial functions.

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

The following tables present information for the Group's operating segments for the three months ended June 30, 2022 and 2021, respectively.

Century Global Commodities Corporation
Notes to the Condensed Consolidated Interim Financial Statements
(Unaudited)
June 30, 2022

(Expressed in Canadian Dollars, unless otherwise stated)

| For the three months ended June 30, 2022 | Mining | Food | Corporate | Total |
|---|---------------|-------------|------------------|--------------|
| | \$ | \$ | \$ | \$ |
| <u>Segment revenue</u> | | | | |
| Revenue from contracts with external customers: | | | | |
| Distribution of food | - | 2,472,622 | - | 2,472,622 |
| <u>Segment profit or loss</u> | | | | |
| Gross profit | - | 758,301 | - | 758,301 |
| Income and gains: | | | | |
| Interest income | 10 | - | 10,380 | 10,390 |
| Other income or gains | - | 90,665 | 25,189 | 115,854 |
| | 10 | 90,665 | 35,569 | 126,244 |
| Expenses: | | | | |
| Selling expenses | - | 184,498 | - | 184,498 |
| Salaries, pension and directors' fees | 111,060 | 332,525 | 146,687 | 590,272 |
| Consulting and professional fees | 67,243 | 22,201 | 86,357 | 175,801 |
| Corporate promotion and listing fees | 7,500 | - | 33,916 | 41,416 |
| Other administrative expenses | 48,946 | 58,056 | 22,152 | 129,154 |
| Project maintenance costs | 24,661 | - | - | 24,661 |
| Share-based compensation expenses | 3,484 | - | 50,481 | 53,965 |
| Loss on foreign exchange | - | 6,591 | 15,004 | 21,595 |
| Interest expense | 1,307 | - | 1,755 | 3,062 |
| | 264,201 | 603,871 | 356,352 | 1,224,424 |
| Net profit/(loss) for the period | (264,191) | 245,095 | (320,783) | (339,879) |

Century Global Commodities Corporation
Notes to the Condensed Consolidated Interim Financial Statements
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June 30, 2022

(Expressed in Canadian Dollars, unless otherwise stated)

| For the three months ended June 30, 2021 | Mining | Food | Corporate | Total |
|---|---------------|-------------|------------------|--------------|
| | \$ | \$ | \$ | \$ |
| <u>Segment revenue</u> | | | | |
| Revenue from contracts with external customers: | | | | |
| Distribution of food | - | 1,921,518 | - | 1,921,518 |
| <u>Segment profit or loss</u> | | | | |
| Gross profit | - | 440,071 | - | 440,071 |
| Income and gains: | | | | |
| Interest income | 370 | - | 15,217 | 15,587 |
| Other income or gains | 28,745 | 31,405 | 8,404 | 68,554 |
| | 29,115 | 31,405 | 23,621 | 84,141 |
| Expenses: | | | | |
| Selling expenses | - | 147,153 | - | 147,153 |
| Salaries, pension and directors' fees | 226,788 | 333,426 | 132,812 | 693,026 |
| Consulting and professional fees | 169,463 | 2,577 | 66,108 | 238,148 |
| Corporate promotion and listing fees | 7,717 | - | 11,752 | 19,469 |
| Other administrative expenses | 153,630 | 64,507 | 24,318 | 242,455 |
| Project maintenance costs | 10,947 | - | - | 10,947 |
| Share-based compensation expenses | 26,267 | - | - | 26,267 |
| Loss/(gain) on foreign exchange | 387 | 3,716 | (28,249) | (24,146) |
| Interest expense | 1,153 | - | 325 | 1,478 |
| | 596,352 | 551,379 | 207,066 | 1,354,797 |
| Net loss for the period | (567,237) | (79,903) | (183,445) | (830,585) |

The following table presents assets and liabilities information for the Group's operating segments as at June 30, 2022 and March 31, 2022, respectively:

| | Mining | Food | Corporate | Total |
|--------------------------|---------------|-------------|------------------|--------------|
| | \$ | \$ | \$ | \$ |
| <u>Total assets</u> | | | | |
| June 30, 2022 | 10,528,320 | 4,092,121 | 8,873,871 | 23,494,312 |
| March 31, 2022 | 10,727,731 | 3,307,011 | 10,287,685 | 24,322,427 |
| <u>Total liabilities</u> | | | | |
| June 30, 2022 | 1,013,068 | 855,299 | 759,989 | 2,628,356 |
| March 31, 2022 | 826,047 | 669,705 | 1,152,221 | 2,647,973 |

7. Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income ("FVTOCI") comprise marketable securities and other equity investments. During the period, the Group invested in certain equity securities in Canada, Australia and Hong Kong. The Group has elected to designate these investments as at FVTOCI.

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(Expressed in Canadian Dollars, unless otherwise stated)

An analysis of financial assets at FVTOCI as at the balance sheet date is as follows:

| | June 30, 2022 | March 31, 2022 |
|--|--------------------------|---------------------------|
| | \$ | \$ |
| <u>Financial assets at FVTOCI</u> | | |
| Listed equity securities – Canada and Australia, at fair value | 502,005 | 1,175,534 |
| Unlisted equity securities – Hong Kong, at fair value | 64,100 | 62,168 |

8. Trade and other receivables

| | June 30, 2022 | March 31, 2022 |
|-----------------------|--------------------------|---------------------------|
| | \$ | \$ |
| Trade receivables (i) | 1,591,267 | 1,574,076 |
| Other receivables | 104,741 | 103,386 |
| | <u>1,696,008</u> | <u>1,677,462</u> |
| Classified as: | | |
| Current assets | <u>1,696,008</u> | <u>1,677,462</u> |

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

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

9. Inventories

| | June 30, 2022 | March 31, 2022 |
|-----------------------------------|--------------------------|---------------------------|
| | \$ | \$ |
| Trading merchandise held for sale | <u>2,208,111</u> | <u>1,349,473</u> |

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(Expressed in Canadian Dollars, unless otherwise stated)

10. Exploration and evaluation assets

| | Joyce Lake and other iron ore properties | Other non- ferrous properties | Total |
|--------------------------|---|--|--------------|
| | \$ | \$ | \$ |
| Balance – March 31, 2021 | 6,927,177 | 112,544 | 7,039,721 |
| Additions | 1,957,386 | 38,101 | 1,995,487 |
| Balance – March 31, 2022 | 8,884,563 | 150,645 | 9,035,208 |
| Additions | 351,689 | 2,929 | 354,618 |
| Balance – June 30, 2022 | 9,236,252 | 153,574 | 9,389,826 |

The Group’s iron ore properties comprise five major properties, namely the Joyce Lake property, the Hayot Lake property, the Black Bird property, the Full Moon property and the Duncan Lake property. As of June 30, 2022, the Group has a 91.6% interest in the Joyce Lake property, 100% interest in the Hayot Lake property, the Black Bird property and the Full Moon property, and a 68% registered interest in the Duncan Lake property.

The Joyce Lake property

The Joyce Lake property is a direct shipping ore (“DSO”) project. It is located in Newfoundland and Labrador, approximately 20 kilometres from the town of Schefferville, Québec.

The Hayot Lake property

The Hayot Lake property is a taconite deposit located approximately 23 kilometres northwest of the Joyce Lake DSO project and 22 kilometres north of the town of Schefferville, Québec.

The Black Bird property

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 Full Moon property

Full Moon is a taconite project located approximately 80 kilometres northwest of the town of Schefferville, Québec.

Acquisition of the Attikamagen and the Sunny Lake properties

The Joyce Lake DSO project and the Hayot Lake taconite project were formerly collectively known as the Attikamagen properties, while the Black Bird DSO project and the Full Moon taconite project were formerly collectively known as the Sunny Lake properties. Prior to the completion of the Acquisition, the Group’s interests in the Attikamagen properties were held through Labec Century, a joint venture company in which the Group had an ownership of 60%, with the other 40% owned by WISCO Canada ADI Resources Development & Investment Limited (“WISCO ADI”). Labec Century had a 100% registered interest in the Attikamagen properties. The Group also had an 81.1% interest in the Sunny Lake properties and a 60%

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shareholding in Century Sunny Lake, the operating company of the Sunny Lake joint venture with WISCO ADI.

On November 19, 2020, the Group completed the acquisition from WISCO ADI of WISCO ADI's joint venture interests in the Attikamagen and the Sunny Lake properties (the "Acquisition"). As a result of the completion of the Acquisition, the Company is the owner of a 100% interest in each of these projects through its wholly-owned subsidiaries. The Group's joint venture agreements on the Attikamagen and the Sunny Lake properties with WISCO ADI were also terminated.

Duncan Lake property

The Duncan Lake property is a magnetite deposit located in the James Bay area approximately 50 kilometres south of Radisson, Québec.

On May 20, 2008, the Company's wholly-owned subsidiary Canadian Century Iron Ore Corporation ("Canadian Century") entered into an option and joint venture agreement (the "Augyva Agreement") with Augyva Mining Resources Inc. to have an option to obtain a 51% interest in the Duncan Lake property once \$6.0 million has been funded on or before the fourth anniversary of the date of the Augyva Agreement, and an additional option to obtain a further 14% of the property by spending an additional \$14.0 million in exploration costs, construction, and/or operating costs or completing a feasibility report on or before the eighth anniversary of the date of the Augyva Agreement. The Company has completed the funding and spending requirements and obtained a 65% registered interest in the property. In July 2020, the Group has completed the registration of an additional 3% interest as a result of its contribution to the exploration expenditure incurred to the property.

Impairment assessment of iron ore properties

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

At June 30, 2022, there have been no indicators of impairment and the impairment provisions on the above two properties remain unchanged. In the event that the prospects for the development of the mineral projects are enhanced in the future, an assessment of the recoverable amount of the projects will be performed at that time, which may lead to a reversal of part or all of the impairment that has been recognized.

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11. Property, plant and equipment

| | Land \$ | Drilling & field equipment \$ | Camp & properties \$ | Leasehold improvements, furniture & fixtures \$ | Computer & office equipment \$ | Vehicles \$ | Total \$ |
|--|------------|--|----------------------------|---|---|----------------|-------------|
| <u>Cost</u> | | | | | | | |
| Balance - March 31, 2021 | 137,177 | 745,977 | 996,081 | 230,088 | 323,005 | 39,668 | 2,471,996 |
| Additions | - | - | - | 1,643 | 8,800 | - | 10,443 |
| Disposals | - | - | - | (339) | - | - | (339) |
| Exchange differences | - | - | - | (1,258) | (1,458) | - | (2,716) |
| Balance - March 31, 2022 | 137,177 | 745,977 | 996,081 | 230,134 | 330,347 | 39,668 | 2,479,384 |
| Additions | - | - | - | - | 1,187 | - | 1,187 |
| Exchange differences | - | - | - | 2,669 | 3,209 | - | 5,878 |
| Balance - June 30, 2022 | 137,177 | 745,977 | 996,081 | 232,803 | 334,743 | 39,668 | 2,486,449 |
| <u>Accumulated depreciation and impairment</u> | | | | | | | |
| Balance - March 31, 2021 | 100,000 | 745,977 | 996,081 | 198,177 | 310,904 | 39,668 | 2,390,807 |
| Depreciation | - | - | - | 23,068 | 8,779 | - | 31,847 |
| Disposals | - | - | - | (339) | - | - | (339) |
| Exchange differences | - | - | - | (1,167) | (1,324) | - | (2,491) |
| Balance - March 31, 2022 | 100,000 | 745,977 | 996,081 | 219,739 | 318,359 | 39,668 | 2,419,824 |
| Depreciation | - | - | - | 4,211 | 2,611 | - | 6,822 |
| Exchange differences | - | - | - | 2,490 | 2,931 | - | 5,421 |
| Balance - June 30, 2022 | 100,000 | 745,977 | 996,081 | 226,440 | 323,901 | 39,668 | 2,432,067 |
| <u>Net book value</u> | | | | | | | |
| Balance - June 30, 2022 | 37,177 | - | - | 6,363 | 10,842 | - | 54,382 |
| Balance - March 31, 2022 | 37,177 | - | - | 10,395 | 11,988 | - | 59,560 |

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12. Investment property

| | \$ |
|--|------------------|
| <u>Cost</u> | |
| Balance – April 1, 2021 | 1,065,770 |
| Exchange differences | <u>27,816</u> |
| Balance – March 31, 2022 | 1,093,586 |
| Exchange differences | <u>(26,255)</u> |
| Balance – June 30, 2022 | <u>1,067,331</u> |
| <u>Accumulated depreciation and impairment</u> | |
| Balance – April 1, 2021 | 114,702 |
| Depreciation | 31,067 |
| Exchange differences | <u>3,238</u> |
| Balance – March 31, 2022 | 149,007 |
| Depreciation | 7,686 |
| Exchange differences | <u>(3,623)</u> |
| Balance – June 30, 2022 | <u>153,070</u> |
| <u>Net book value</u> | |
| Balance – June 30, 2022 | <u>914,261</u> |
| Balance – March 31, 2022 | <u>944,579</u> |

13. Trade and other payables

| | June 30, 2022 | March 31, 2022 |
|-----------------------------|--------------------------|---------------------------|
| | \$ | \$ |
| Trade payables | 749,929 | 562,829 |
| Other payables and accruals | <u>962,856</u> | <u>1,008,431</u> |
| | <u>1,712,785</u> | <u>1,571,260</u> |

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

Trade payables are non-interest bearing and are generally paid within 30 to 60 days.

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14. Share capital

Authorized

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

Issued and fully paid

At June 30, 2022, the Company had 98,504,571 ordinary shares issued and outstanding, representing an amount of \$117,057,236. There is no change in issued share capital for the period.

| | Number of shares | \$ |
|--------------------------------------|-----------------------------|-------------|
| Balance – March 31 and June 30, 2022 | 98,504,571 | 117,057,236 |

15. Share-based compensation arrangements

| | Three months ended June 30, | |
|-----------------------|------------------------------------|-------------|
| | 2022 | 2021 |
| | \$ | \$ |
| Share options expense | 53,965 | 26,267 |

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

Share options

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

On June 24, 2022, the Company granted 800,000 share options to its director and consultants. The fair value of the options granted has been estimated at the date of grant using the Black-Scholes option pricing model, using the following assumptions: an average risk-free interest rate of 0.76%, dividend yield of 0%, volatility of 75.57% and an expected life of 10 years. 500,000 share options are fully vested upon grant. The fair value of the options granted based on the model is \$0.10 per unit.

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The share options outstanding as of June 30, 2022 are as follows:

| | Number of options | Weighted average exercise price \$ |
|--------------------------|------------------------------|---|
| Balance – March 31, 2021 | 11,592,500 | 0.29 |
| Granted | 900,000 | 0.18 |
| Forfeited | <u>(30,000)</u> | 0.30 |
| Balance – March 31, 2022 | 12,462,500 | 0.28 |
| Granted | <u>800,000</u> | 0.13 |
| Balance – June 30, 2022 | <u>13,262,500</u> | 0.27 |

The exercise prices and exercise periods of the share options outstanding as of June 30, 2022 are as follows:

| Number of options | Exercise price \$ | Exercise period |
|------------------------------|------------------------------|--|
| 4,067,500 | 0.345 | March 9, 2015 to March 8, 2025 |
| 300,000 | 0.345 | June 1, 2015 to May 31, 2025 |
| 100,000 | 0.345 | November 11, 2015 to November 10, 2025 |
| 195,000 | 0.345 | February 5, 2016 to February 4, 2026 |
| 3,240,000 | 0.22 | August 4, 2016 to August 3, 2026 |
| 650,000 | 0.345 | June 23, 2017 to June 22, 2027 |
| 3,040,000 | 0.25 | February 10, 2021 to February 9, 2031 |
| 120,000 | 0.30 | June 25, 2021 to June 24, 2031 |
| 750,000 | 0.15 | February 11, 2022 to February 10, 2032 |
| <u>800,000</u> | 0.13 | June 24, 2022 to June 23, 2032 |
| <u>13,262,500</u> | | |

As of the balance sheet date, the weighted average remaining contractual life of the outstanding share options is 5.4 years, and 12,142,500 options are vested and exercisable.

16. Revenue

During the period, the Group's revenue arose from the distribution of food. An analysis of the Group's revenue from contracts with customers is provided in note 6. All of the Group's sales revenue were derived from Hong Kong and were recognized according to accounting policy as described in note 3 of the Company's audited consolidated annual financial statements for the year ended March 31, 2022.

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17. Other income

| | Three months ended June 30, | |
|--------------------------------|------------------------------------|-------------|
| | 2022 | 2021 |
| | \$ | \$ |
| Marketing service income | 73,066 | 31,253 |
| Bank and other interest income | 10,390 | 15,587 |
| Other income | 42,788 | 37,301 |
| | 126,244 | 84,141 |

18. Administrative expenses

| | Three months ended June 30, | |
|---------------------------------------|------------------------------------|-------------|
| | 2022 | 2021 |
| | \$ | \$ |
| Salaries, pension and directors' fees | 590,272 | 693,026 |
| Consulting and professional fees | 175,801 | 238,148 |
| General office expenses | 50,567 | 173,645 |
| Travel | 12,184 | - |
| Corporate promotion and listing fees | 41,416 | 19,469 |
| Depreciation and amortization | 66,403 | 68,810 |
| | 936,643 | 1,193,098 |

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

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

20. JDI's private placement financing

On May 14, 2021, the Company announced that its wholly owned subsidiary and special purpose vehicle, Joyce Direct Iron Inc. ("JDI") has raised A\$2.0 million through completion of a private placement ("Private Placement"). JDI is incorporated in the Province of British Columbia, Canada and is a 100% owner of the Joyce Lake DSO iron ore project (the "Project"). 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 (equivalent to \$1,909,142), reflecting a pre-money valuation of A\$20 million.

21. Related party transactions

(a) In addition to transactions detailed elsewhere in the condensed consolidated interim financial statements, the Group has the following related party transactions:

- (i) As of June 30, 2022, the Group had accounts receivable of \$80,328 (March 31, 2022: \$79,759) from management for an advance for business purpose.

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

| | Three months ended June 30, | |
|-----------------------------------|------------------------------------|----------------|
| | 2022 | 2021 |
| | \$ | \$ |
| Salaries and directors' fees | 311,150 | 302,050 |
| Share-based compensation expenses | 50,481 | - |
| | <u>361,631</u> | <u>302,050</u> |

22. Financial risk management

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

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

The Group's financial assets and financial liabilities have been classified into categories that determine their basis of measurement. As at June 30, 2022 and March 31, 2022, the Group's financial instruments are comprised of cash and cash equivalents, short term bank deposits, marketable securities, investment in other equity instruments, trade and other receivables, trade and other payables. With the exception of cash and cash equivalents, marketable securities and investment in other equity instruments, all other financial instruments of the Group are measured at amortized cost.

The following table shows the carrying values, fair values and fair value hierarchy of the Group's financial instruments that are measured at fair value as at June 30, 2022 and March 31, 2022:

| | | June 30, 2022 | | March 31, 2022 | |
|--|--------------|---------------------------|-------------------|---------------------------|-------------------|
| | Level | Carrying value | Fair value | Carrying value | Fair value |
| | | \$ | \$ | \$ | \$ |
| Marketable securities | 1 | 502,005 | 502,005 | 1,175,534 | 1,175,534 |
| Investment in other equity instruments | 3 | 64,100 | 64,100 | 62,168 | 62,168 |
| | | <u>566,105</u> | <u>566,105</u> | <u>1,237,702</u> | <u>1,237,702</u> |

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

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

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

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

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The movements in fair value measurements within Level 3 are as follows:

| | |
|--------------------------|-----------------|
| | \$ |
| Balance – March 31, 2021 | 75,297 |
| Exchange differences | <u>(13,129)</u> |
| Balance – March 31, 2022 | 62,168 |
| Exchange differences | <u>1,932</u> |
| Balance – June 30, 2022 | <u>64,100</u> |

Credit risk

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

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Group has recognized a loss allowance of 100% against all trade receivables over one year past due because historical experience has indicated that these receivables are generally not recoverable. No provision has been made for trade receivables that are past due for less than one year as these receivables are generally recoverable based on historical experience.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier. None of the trade receivables that have been written off is subject to enforcement activities.

Liquidity risk

The Group's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As of June 30, 2022, the Group has cash and cash equivalents and short-term bank deposits of \$7,742,855 (March 31, 2022: \$9,097,564) to settle current liabilities of \$2,508,570 (March 31, 2022: \$2,476,724). Most of the Group's financial liabilities have contractual maturities of 30 days or less and are subject to normal trade terms. The Group's objective for liquidity risk management is to maintain sufficient liquid financial resources to fund the consolidated balance sheets, pursue growth and development strategies, and to meet commitments and obligations in the most cost-effective manner possible. The Group achieves this by maintaining sufficient cash and cash equivalents and managing working capital. The Group monitors its financial position on a monthly basis at minimum.

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As the Group recorded net loss for the three months ended June 30, 2022 of \$339,879 (three months ended June 30, 2021: net loss of \$830,585), carried an accumulated deficit of \$102,025,332 (March 31, 2021: \$101,642,301), and used net cash of \$1,104,662 (three months ended June 30, 2021: \$665,963) in operating activities, the Group's operations may not generate sufficient cash flow to fund obligations. The Group 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. There can be no assurance that the Group will be able to obtain additional financing.

Market risk

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

(a) Interest rate risk

The Group has cash balances only and it has no interest-bearing debt. The Group's current policy is to invest most of its excess cash in interest bearing accounts or term deposits with large reputable banks. The Group periodically monitors the investments it makes and is satisfied with the credit ratings of the banks holding the cash and short-term deposits of the Group. An absolute increase or decrease of 1% in the annual interest rate would not have a material impact on the net profit/loss or equity at June 30, 2022.

(b) Foreign currency exchange risk

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

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

(c) Capital market risk

The Group's current policy is to invest some portion of its excess cash in marketable securities, primarily shares of publicly listed mining companies. The Group sets investment guidelines, including pre-set targeted capital allocation and returns, exit and entry prices, and periodically monitors the investments it makes. The Group is satisfied with the financial and operating performance of the mining companies the Group invests in. An absolute increase or decrease of 5% in the investment return would not have a material impact on the net profit or equity at June 30, 2022.

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23. Capital management

The Group considers its capital structure to consist of share capital, contributed surplus and deficit, which, as at June 30, 2022, amounted to \$19,379,528. When managing capital, the Group's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to the shareholders and benefits for other stakeholders. Management adjusts the capital structure, as necessary, in order to support the acquisition, exploration and development of its mineral properties. The Board of Directors does not establish a quantitative return on capital criteria for management but, rather, relies on the expertise of the Group's management team to sustain the future development of the business.

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

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Group, is appropriate. The Group's capital management objectives, policies and processes have remained unchanged during the period ended June 30, 2022. The Group is not subject to externally imposed capital requirements.