Century Iron Mines Corporation

Consolidated Financial Statements
March 31, 2015
(Expressed in Canadian Dollars)

Management’s Responsibility for Financial Reporting

The accompanying consolidated financial statements of the Company have been prepared by management in accordance with International Financial Reporting Standards. Management acknowledges responsibility for the preparation and presentation of the consolidated financial statements, including responsibility for significant accounting judgments and estimates and, where relevant, the choice of accounting principles. Management maintains an appropriate system of internal controls to provide reasonable assurance that transactions are authorized, assets safeguarded, and proper records maintained.

The Audit Committee of the Board of Directors has met with the Company’s independent auditors to review the scope and results of the annual audit and to review the consolidated financial statements and related financial reporting matters prior to submitting the consolidated financial statements to the Board for approval.

The Company’s independent auditors, PricewaterhouseCoopers LLP, have conducted an audit in accordance with generally accepted auditing standards, and their report follows.

(Signed) ***“Sandy Chim”***
Sandy Chim
Chief Executive Officer

(Signed) ***“Rebecca Ng”***
Rebecca Ng
Chief Financial Officer

June 24, 2015

June 24, 2015

Independent Auditor's Report

To the Shareholders of
Century Iron Mines Corporation

We have audited the accompanying consolidated financial statements of Century Iron Mines Corporation and its subsidiaries, which comprise the consolidated statements of financial position as at March 31, 2015 and March 31, 2014 and the consolidated statements of comprehensive loss, changes in equity and cash flows for the years then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

PricewaterhouseCoopers LLP
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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Century Iron Mines Corporation and its subsidiaries as at March 31, 2015 and March 31, 2014 and its financial performance and their cash flows for the years then ended in accordance with IFRS.

(Signed) "PricewaterhouseCoopers LLP"

Chartered Professional Accountants, Licensed Public Accountants

Century Iron Mines Corporation
Consolidated Statement of Financial Position
As of March 31, 2015

(Expressed in Canadian Dollars, unless otherwise stated)

	Notes	March 31, 2015 $	March 31, 2014 $
Assets			
Current assets			
Cash and cash equivalents		28,651,312	29,705,384
Short term bank deposits		2,042,907	2,008,431
Accounts receivable	18	11,079,763	9,612,748
Sales taxes recoverable		889,354	493,588
Investment tax credits receivable	6	324,380	9,854,881
Prepaid expenses and deposits		419,889	655,215
		43,407,605	52,330,247
Non-current assets			
Exploration and evaluation assets	6	20,707,967	30,973,493
Property, plant and equipment	7	1,957,381	3,128,114
Investment in a joint venture	8	60,277,531	60,490,777
Investment in an associate	9	-	1,206,326
Derivative asset	10	-	21,624
		126,350,484	148,150,581
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		1,961,048	3,700,878
Shareholders' Equity			
Share capital	11	117,220,571	117,225,951
Contributed surplus		2,758,368	2,758,368
Retained earnings (Deficit)		(7,979,308)	11,363,440
Other components of equity		12,389,805	13,101,944
		124,389,436	144,449,703
		126,350,484	148,150,581

Approved by the Board of Directors

/s/ "Sandy Chim" Director   /s/ "Kit Ying (Karen) Lee" Director

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

Century Iron Mines Corporation
Consolidated Statement of Comprehensive Loss
For the year ended March 31, 2015

(Expressed in Canadian Dollars, unless otherwise stated)

	Notes	Years ended March 31, 2015 $	2014 $
Expenses			
Administrative expenses	14, 23	(6,741,927)	(8,008,611)
Share-based compensation expenses	12	(226,912)	(947,280)
Share of loss of a joint venture	8	(213,246)	(145,282)
Share of loss of an associate	9	(66,000)	(341,190)
Loss on disposal of investment in an associate	9	(1,140,326)	-
Impairment on abandonment of non-core exploration claims	6	(12,631,843)	-
Other income	15, 23	1,444,599	3,241,634
Loss before income taxes		(19,575,655)	(6,200,729)
Income tax recovery	16	232,907	-
Net loss for the year		(19,342,748)	(6,200,729)
Other comprehensive loss			
Exchange loss on translation of foreign operations		(939,051)	(378,202)
Total comprehensive loss for the year		(20,281,799)	(6,578,931)
Net loss per common share – basic and diluted	17	(0.20)	(0.06)
Weighted average number of common shares outstanding		98,797,426	95,866,034

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

Century Iron Mines Corporation
Consolidated Statement of Changes in Equity
For the year ended March 31, 2015

(Expressed in Canadian Dollars, unless otherwise stated)

	Share capital $	Contributed surplus $	Retained earnings (Deficit) $	Share-based compensation reserve $	Foreign currency translation reserve $	Warrants $	Total $
Balance - March 31, 2013	115,023,227	2,758,368	17,564,169	12,570,181	(57,315)	-	147,858,630
Net loss for the year	-	-	(6,200,729)	-	-	-	(6,200,729)
Other comprehensive loss for the year	-	-	-	-	(378,202)	-	(378,202)
Total comprehensive loss for the year	-	-	(6,200,729)	-	(378,202)	-	(6,578,931)
Shares repurchased (note 11(a))	(317,276)	-	-	-	-	-	(317,276)
Shares issued for the acquisition of Altius properties (note 11(b))	1,500,000	-	-	-	-	-	1,500,000
Shares issued for the Attikamagen acquisition transaction (note 11(c))	1,020,000	-	-	-	-	-	1,020,000
Equity-settled share-based compensation arrangements (note 12)	-	-	-	997,767	-	-	997,767
Equity-settled share-based compensation forfeited (note 12)	-	-	-	(50,487)	-	-	(50,487)
Warrants issued for the Attikamagen acquisition transaction (note 13)	-	-	-	-	-	20,000	20,000
Balance - March 31, 2014	117,225,951	2,758,368	11,363,440	13,517,461	(435,517)	20,000	144,449,703
Net loss for the year	-	-	(19,342,748)	-	-	-	(19,342,748)
Other comprehensive loss for the year	-	-	-	-	(939,051)	-	(939,051)
Total comprehensive loss for the year	-	-	(19,342,748)	-	(939,051)	-	(20,281,799)
Shares repurchased (note 11(a))	(5,380)	-	-	-	-	-	(5,380)
Equity-settled share-based compensation arrangements (note 12)	-	-	-	226,912	-	-	226,912
Balance - March 31, 2015	117,220,571	2,758,368	(7,979,308)	13,744,373	(1,374,568)	20,000	124,389,436

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

Century Iron Mines Corporation
Consolidated Statement of Cash Flows
For the year ended March 31, 2015

(Expressed in Canadian Dollars, unless otherwise stated)

		Years ended March 31,	
		2015	**2014**
Cash generated by (used in)	**Notes**	**$**	**$**
Operating activities			
Loss before income taxes		(19,575,655)	(6,200,729)
Adjustments for			
Bank interest income		(356,426)	(286,637)
Depreciation		103,652	197,947
Loss on disposal of fixed assets		38,917	393,542
Gain on currency translation adjustment		(1,006,324)	(415,783)
Share-based compensation arrangements	12	226,912	947,280
Impairment on abandonment of non-core exploration claims	6	12,631,843	-
Loss on disposal of investment in an associate	9	1,140,326	-
Share of loss in investment in a joint venture	8	213,246	145,282
Share of loss in investment in an associate	9	66,000	341,190
Income taxes paid		-	(346,702)
Other		43,589	(1,624)
Changes in working capital items			
Decrease (increase) in accounts receivable		(1,344,831)	4,382,313
Decrease (increase) in sales taxes recoverable		(417,732)	4,692,368
Decrease (increase) in investment tax credits receivable		-	188,199
Decrease (increase) in prepaid expenses and deposits		510,705	73,692
Increase (decrease) in accounts payable and accrued liabilities		(1,472,695)	390,872
Net cash (used in) generated by operating activities		(9,198,473)	4,501,210
Investing activities			
Bank interest received		355,692	278,206
Short term bank deposits		(34,476)	(2,000,000)
Exploration and evaluation assets		(1,482,230)	(2,994,105)
Reimbursement received for Sunny Lake exploration expenditures	6	-	8,612,875
Change in investment in a joint venture	8	-	(1,644,678)
Net investment tax credit refunds received		9,173,449	3,020,317
Net change in property, plant and equipment		79,808	(167,785)
Net cash generated by investing activities		8,092,243	5,104,830
Financing activities			
Shares issued for the acquisition of Attikamagen properties	11(c)	-	1,020,000
Funds advanced for the repurchase of shares	11(a)	-	(336,747)
Net cash generated by financing activities		-	683,253
Net change in cash and cash equivalents		(1,106,230)	10,289,293
Cash and cash equivalents - Beginning of year		29,705,384	19,359,987
Effect of foreign exchange rate changes, net		52,158	56,104
Cash and cash equivalents - End of year		28,651,312	29,705,384
Cash in bank and on hand		9,911,439	11,229,291
Short term bank deposits - maturing three months or less		18,739,873	18,476,093
Cash and cash equivalents - End of year		28,651,312	29,705,384

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

1. Nature of operations

Century Iron Mines Corporation (the "Company") was incorporated under the Canada Business Corporations Act on July 10, 2007. The Company is a base metal exploration and mining company with assets in the Provinces of Québec and Newfoundland and Labrador, Canada. The Company's registered address is 1055 West Georgia St., Suite 1500, P.O. Box 11117, Vancouver, British Columbia V6E 4N7.

On September 19, 2011, the Company graduated from the TSX Venture Exchange to the Toronto Stock Exchange (the "TSX") and the shares of the Company commenced trading on TSX under the symbol "FER". The Company was originally incorporated and domiciled in Canada. On October 17, 2014, the Company completed the continuation of the Company's jurisdiction of incorporation from Canada to British Columbia. The Company's ultimate holding company is Century Eagle Holdings Limited, incorporated in the British Virgin Islands.

These audited consolidated financial statements were approved by the Board of Directors for issue on June 24, 2015.

2. Basis of preparation

The consolidated financial statements of the Company and its subsidiaries (the "Group") have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

3. Significant accounting policies

The significant accounting policies used in the preparation of these consolidated financial statements are described below.

Basis of measurement

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

Principles of consolidation

The financial statements of the Group consolidate the accounts of the Company and its subsidiaries. All intercompany transactions, balances and unrealized gains and losses from intercompany transactions are eliminated on consolidation.

Subsidiaries are those entities which the Company controls by having the power to govern the financial and operating policies. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Subsidiaries are fully consolidated from the date on which control is obtained by the Company and are de-consolidated from the date that control ceases.

At the balance sheet date, the primary entities of the Group include:

	Country of	Ownership	
Name of entity	**incorporation**	**Direct**	**Indirect**
Grand Century Iron Ore Inc.	Canada	-	100%
Canadian Century Iron Ore Corporation	Canada	-	100%
0849873 B.C. Ltd.	Canada	-	100%
Century Iron Ore Holdings Inc.	Canada	100%	-

Translation of foreign currency

Items included in the financial statements of the Company and each of the Company's subsidiaries is measured using the currency of the primary economic environment in which the entity operates (the functional currency). Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities not denominated in the functional currency of an entity are recognized in the profit or loss.

Assets and liabilities of entities with functional currencies other than the Canadian Dollar are translated into the presentation currency at the period end rates of exchange, and the results of their operations are translated at the average rates of exchange for the period. The resulting translation adjustments are recognized in other comprehensive income.

The functional currency is the Canadian Dollar for the Company and its subsidiaries in Canada, the Hong Kong Dollar for its subsidiary in Hong Kong, and the Chinese Yuan for its subsidiary in China.

Joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has rather than the legal structure of the joint arrangement. Joint operator recognizes its interest in the joint operation's assets, liabilities, revenue and expenses. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognized in the consolidated statement of financial position at initial cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses and movements in other comprehensive income in the income statement and in other comprehensive income respectively. When the Group's share of losses in a joint

venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealized gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition.

The Group's share of post-acquisition profit or loss is recognized in the income statement, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognized in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealized losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The use of the equity method is discontinued from the date the investor ceases to maintain significant influence and recognize a profit/loss equal to the difference in the fair value of proceeds from disposition and the carrying amount of investment at the date equity method accounting is discontinued. The amount of the gain or loss will be based on the fair value of all consideration received by Century less the carrying amount of its investment in associate.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and deposits held at banks that are readily convertible to known amounts of cash, subject to an insignificant risk of changes in value and with an original maturity of three months or less.

Short term bank deposits

Short term bank deposits include short term deposits with banks with original maturities at purchase date of one year or less, but more than three months.

Financial instruments

Financial assets and liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Group has transferred substantially all risks and

rewards of ownership. Financial liabilities are derecognized when the obligation under the liabilities is discharged or cancelled or expired.

Financial assets and liabilities are offset and the net amount is recorded in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle on a net basis, or realize the asset and settle the liability simultaneously.

At initial recognition, the Group classifies its financial instruments in the following categories depending on the purpose for which the instruments were acquired:

(i) Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Group's loans and receivables comprise accounts receivable and cash and cash equivalents, and are included in current assets due to their short-term nature. Loans and receivables are initially recognized at fair value. Subsequently, loans and receivables are measured at amortized cost using the effective interest method less a provision for impairment.

(ii) Financial liabilities at amortized cost: Financial liabilities are initially recognized at the amount required to be paid, less, when material, a discount to reduce the payables to fair value. Subsequently, financial liabilities are measured at amortized cost using the effective interest method.

Financial liabilities are classified as current liabilities if payment is due within twelve months. Due to their short-term nature, they are not discounted. Otherwise, they are presented as non-current liabilities.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorized as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

Financial assets carried at fair value through profit or loss are initially recognized at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss category are presented in the income statement in the period in which they arise.

Exploration and evaluation expenditures

Direct and indirect acquisition and exploration expenditures associated with mineral exploration properties are capitalized when incurred. During the exploration period, exploration and evaluation expenditures are not amortized.

Exploration and evaluation assets are stated at cost, less provision for impairment.

Upon completion of a technical feasibility study and when commercial viability is demonstrated, capitalized exploration and evaluation assets will be transferred to and classified as mineral property development expenditures. Exploration and evaluation assets shall be assessed for impairment before such reclassification.

Tax credits and mining credits on duties

The Group is entitled to a refundable credit on duties under the Mining Tax Act. This refundable credit on duties is applicable on exploration costs incurred in the Province of Quebec. Tax credits and mining credits on duties are recognized as a reduction of the mineral exploration and evaluation assets during the period in which the costs are incurred, provided that the Group is reasonably certain the amounts will be received. The tax credits and mining credits on duties claimed and recorded must be examined and approved by the government authorities so it is possible that the amount granted will differ from the amount recorded. The differences are recognized in exploration and evaluation assets.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost can be measured reliably. The carrying amount of a replaced asset is derecognized when replaced. Repairs and maintenance costs are charged to the profit or loss during the period in which they are incurred.

Freehold land is not depreciated. Depreciation on other assets is calculated using the straight-line method over the estimated useful lives of the assets. The assets' useful lives are as follows:

Drilling and field equipment	3 - 5 years
Camp and properties	5 years
Leasehold improvements	5 years
Computer and office equipment	2 - 5 years
Vehicles	5 years

Residual values, method of amortization and useful lives of assets are reviewed at least annually and adjusted if appropriate.

Asset impairment

(i) Financial assets

At each reporting date, the Group assesses whether there is objective evidence that a financial asset is impaired. If such evidence exists, the Group recognizes an impairment loss.

For financial assets carried at amortized cost, the loss is the difference between the amortized cost of the loan or receivable and the present value of the estimated future cash flows, discounted using the instrument's original effective interest rate. The carrying amount of the asset is reduced by this amount either directly or indirectly through the use of an allowance account.

(ii) Exploration and evaluation assets

Exploration and evaluation assets are assessed for impairment when facts or circumstances suggest that the carrying value of an exploration and evaluation asset may exceed its recoverable amount. One or more of the following facts and circumstances may indicate that an entity should test exploration and evaluation assets for impairment; (i) the period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed, (ii) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned, (iii) exploration for an evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area, (iv) sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to recover in the full from successful development or by sale.

(iii) Property, plant and equipment

The Group's management performs impairment tests on property, plant and equipment when events or circumstances indicate that a tangible asset may be impaired.

Where an indication of impairment exists, management makes a formal estimate of the recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered to be impaired and is written down to its recoverable amount through a charge to profit or loss. When the asset does not generate cash flows that are independent from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Tangible assets that have been impaired in prior periods are tested for possible reversal of impairment whenever events or changes in circumstances indicate that the impairment has reversed. If the impairment has reversed, the carrying amount of the asset is increased to its recoverable amount but not beyond the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior periods. A reversal of an impairment loss is recognized in profit or loss immediately.

(iv) Investment in joint ventures or associates

The Group determines at each reporting date whether there is any objective evidence that the investment in the joint venture or the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture or associate and its carrying value and recognizes the amount on the income statement.

Share-based compensation expense and reserve

The Group operates share-based compensation plans for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Directors, officers, employees, consultants and other eligible persons receive remuneration in the form of share-based payment transactions, whereby the eligible persons render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at the end of each reporting period until the vesting date reflects

the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge to the profit or loss for a period represents the movement in the cumulative expense recognized as at the beginning and end of that period.

No expense is recognized for awards that do not ultimately vest, except for equity-settled transactions where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other vesting conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognized as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph. All cancellations of equity-settled transaction awards are treated equally. Where an equity-settled award expires, the equity amount is released to retained earnings.

Provisions

Provisions are recognized in other liabilities when: the Group has a present legal or constructive obligation as a result of a past event; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be reliably estimated. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period, and are discounted to present value where the effect is material. Any increase in the provision due to the passage of time is recognized as a finance cost.

Income taxes

Income taxes comprise current and deferred tax. Current and deferred tax are recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case the income taxes are also recognized directly in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted, on the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences arising between the tax basis of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted on the reporting date and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they related to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously. Deferred tax assets are recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will

be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit and loss, and differences relating to investments in subsidiaries and jointly controlled entities where the timing of the reversal of the temporary differences is controlled by the Group and it is probable that the temporary difference would not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill.

Sales taxes

The Group's sales taxes comprise goods and services tax ("GST"), harmonized sales tax ("HST") and Quebec sales tax ("QST"). Revenues, expenses and assets are recognized net of the amount of sales taxes, unless the sales taxes incurred are not recoverable from the relevant taxation authorities. In this case, they are recognized as part of the cost of the acquisition of the asset or as part of an item of the expense.

The net amount of sales taxes recoverable from or payable to, the relevant taxation authorities is presented as sales taxes recoverable or payable in the consolidated statement of financial position.

Revenue recognition

Revenue is recognized when services have been rendered in accordance with the terms of the arrangement, the revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Group.

Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the profit or loss on a straight-line basis over the period of the lease.

Net earnings (loss) per share

Basic net earnings (loss) per share is calculated by dividing net earnings (loss) attributable to the shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted net earnings (loss) per share is calculated by adjusting the weighted average number of common shares outstanding for the effects of all dilutive potential common shares from the assumed exercise of common share purchase options and warrants.

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person
  (i) has control or joint control over the Group;
  (ii) has significant influence over the Group; or
  (iii) is a member of the key management personnel of the Group or of a parent of the Group;

  or

(b) the party is an entity where any of the following conditions applies:
   (i) the entity and the Group are members of the same group;
   (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
   (iii) the entity and the Group are joint ventures of the same third party;
   (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third party;
   (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
   (vi) the entity is controlled or jointly controlled by a person identified in (a); and
   (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

4. Critical accounting estimates and judgments

The Group makes estimates and assumptions concerning the future that are believed to be reasonable under the circumstances. Estimates and judgments are continuously evaluated and are based on management's experience and other factors, including expectations about future events. The following are the estimates and judgments applied by management that most significantly affect the Group's financial statements.

(i) Valuation of exploration and evaluation assets

The Group carries its exploration and evaluation assets at cost less provision for impairment. The Group 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. 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.

(ii) Valuation of accounts receivable

The fair value of accounts receivable is estimated at the present value of future cash flows, discounted at the market rate of interest at the reporting date. A degree of judgment is required in establishing the fair value. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of accounts receivable.

(iii) Share option expenses

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

(iv) Classification of joint arrangements

Following the transaction described in note 8, the Group now owns 60% interest in Labec Century Iron Ore Inc. ("Labec Century"). Pursuant to the agreement between the shareholders of Labec Century, the approval of significant financial and operating policies of Labec Century requires consent from both shareholders. Consequently, the Group is deemed to have joint control over Labec Century. Per application of IFRS 11 Joint Arrangements, the Group has the right to the net assets of Labec Century and as such, Labec Century is accounted for as a joint venture in accordance with IFRS 11.

(v) Valuation of investment in a joint venture

The Company's investment in Labec Century was initially recognized at fair value at the date of acquisition and accounted for using the equity method of accounting at each reporting period. The Company applies IAS 39- Financial Instruments: Recognition and Measurement to identify whether any objective evidence exists indicating the possibility for potential impairment. Management use their judgement in assessing the factors and making estimates and assumptions that are supported by quantifiable market information, supplemented by internal analysis as required. These assessment and estimates have been applied in a manner consistent with prior periods.

5. New standards and interpretations

(i) The following is a list of recently issued standards and interpretations that are in effect and have been adopted by the Company for the year beginning on April 1, 2014.

Amendments to IAS 32 *Financial Instruments: Presentation*

These amendments clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet. The amendments become effective for the Company's annual periods beginning on or after April 1, 2014. The Company has assessed these amendments and determined there is no impact on its consolidated financial statements.

Amendments to IAS 36 *Impairment of Assets*

These amendments address the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. The amendments become effective for the Company's annual periods beginning on or after April 1, 2014. The Company has assessed these amendments and determined there is no impact on its consolidated financial statements.

(ii) The following is a list of recently issued standards and interpretations that are in effect and have been adopted by the Company for the year beginning on April 1, 2013.

Amendments to IAS 1 *Financial Statement Presentation* regarding other comprehensive income

These amendments require that an entity to present separately the items of other comprehensive income ("OCI") that may be reclassified to profit or loss in the future from those that would never be reclassified to profit or loss. These amendments become effective for the Company's annual consolidated financial statements beginning April 1, 2013. The Company has assessed these amendments and determined there is no impact on its consolidated financial statements.

Amendments to IAS 19 *Employee Benefits*

These amendments eliminate the corridor approach and calculate finance costs on a net funding basis. The amendments become effective for the Company's annual consolidated financial statements beginning April 1, 2013. The Company has assessed these amendments and determined there is no impact on its consolidated financial statements.

Amendments to IFRS 1 *First-time Adoption of International Financial Reporting Standards*

These amendments address how a first-time adopter would account for a government loan with a below-market rate of interest when transitioning to IFRS. The amendments also add an exception to the retrospective application of IFRS, which provides the same relief to first-time adopters granted to existing preparers of IFRS financial statements when the requirement was incorporated into IAS 20 *Accounting for Government Grants and Disclosure of Government Assistance* in 2008. The amendments become effective for the Company's annual consolidated financial statements beginning April 1, 2013. The Company has assessed these amendments and determined there is no impact on its consolidated financial statements.

IFRS 7 *Financial Instruments: Disclosures*

This standard include new disclosures to facilitate comparison between those entities that prepare IFRS financial statements to those that prepare financial statements in accordance with US GAAP. The amendments become effective for the Company's annual consolidated financial statements beginning April 1, 2013. The Company has assessed this standard and determined there is no impact on its consolidated financial statements.

IFRS 13 *Fair Value Measurement*

This standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP. This new standard is effective for the Company's annual consolidated financial statements beginning April 1, 2013. The Company has assessed this standard and determined there is no impact on its consolidated financial statements.

IFRIC 20 *Stripping Costs in the Production Phase of a Surface Mine*

This interpretation sets out the accounting for overburden waste removal (stripping) costs in the production phase of a surface mine. The interpretation may require mining entities reporting under IFRS to write off existing stripping assets to opening retained earnings if the assets cannot be attributed to an identifiable component of an ore body. The interpretation is effective for the Company's annual consolidated financial statements beginning April 1, 2013. The Company has assessed this interpretation and determined there is no impact on its consolidated financial statements.

(iii) The following is a list of standards and interpretations that have been issued and are not yet effective.

Amendment to IFRS 11 *Joint Arrangements*

Effective for the Company's annual consolidated financial statements beginning April 1, 2016, this amendment adds new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business, specifying the appropriate accounting treatment for such acquisitions. This amendment will impact the Company to the extent that it undertakes future transactions of this nature, as this accounting approach differs to that which it would currently apply.

Amendment to IAS 27 *Separate Financial Statements*

Effective for the Company's annual consolidated financial statements beginning April 1, 2016, this amendment allows entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. The Company is currently evaluating the impact of adopting this amendment on its consolidated financial statements.

Amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures*

Effective for the Company's annual consolidated financial statements beginning April 1, 2016, these amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. These amendments will impact the Company to the extent that it undertakes future transactions of this nature, as this accounting approach differs to that which it would currently apply.

IFRS 9 *Financial Instruments*

Effective for the Company's annual consolidated financial statements beginning April 1, 2018, this standard replaces the guidance in IAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model. The Company is currently evaluating the impact of adopting this standard on its consolidated financial statements.

Annual Improvements 2014

Effective for the Company's annual consolidated financial statements beginning April 1, 2016, this set of amendments impacts four standards:

- IFRS 5 *Non-Current Assets Held for Sale and Discontinued Operations* regarding methods of disposal
- IFRS 7 *Financial Instruments: Disclosures* (with consequential amendments to IFRS 1) regarding servicing contracts
- IAS 19 *Employee Benefits* regarding discount rates
- IAS 34 *Interim Financial Reporting* regarding disclosure of information

The Company is currently evaluating the impact of adopting these amendments on its consolidated financial statements.

6. Exploration and evaluation assets

	Duncan Lake property $	Sunny Lake property $	Altius properties $	Other properties $	Total $
Balance - March 31, 2013	15,729,444	15,983,419	7,283,494	632,729	39,629,086
Additions	554,715	123,121	3,084,156	54,091	3,816,083
Tax credits, net of adjustments	929,878	(4,424,163)	-	(85,579)	(3,579,864)
Reimbursement of exploration expenditures	-	(8,612,875)	-	-	(8,612,875)
Other	-	-	-	(278,937)	(278,937)
Balance - March 31, 2014	17,214,037	3,069,502	10,367,650	322,304	30,973,493
Additions	48,228	-	1,948,908	-	1,997,136
Tax credits, net of adjustments	337,272	38,928	-	(7,019)	369,181
Impairment on abandonment of non-core exploration claims	-	-	(12,316,558)	(315,285)	(12,631,843)
Balance - March 31, 2015	17,599,537	3,108,430	-	-	20,707,967

As at March 31, 2015, the Group has $324,380 (2014: $9,854,881) investment tax credits receivable related to eligible expenditures in the province of Quebec. The assistance has been applied to the properties to which it pertains. The Group expects to receive this assistance in the form of refundable tax credits from the Province of Quebec and mining duties returns from the Quebec Ministry of Natural Resources.

Duncan Lake property

On May 20, 2008, the Company's wholly-owned subsidiary Canadian Century Iron Ore Corporation ("Canadian Century") entered into an option and joint venture agreement (the "Augyva Agreement") with Augyva Mining Resources Inc. ("Augyva") to have an option to obtain a 51% interest in the Duncan Lake property once $6.0 million has been funded on or before the fourth anniversary of the date of the Augyva Agreement. The Group completed its funding commitment of $6.0 million on the Duncan Lake property in November 2010 and, as a result, obtained a 51% interest in this property. Canadian Century recognized its share of costs incurred in the Duncan Lake property.Canadian Century had an additional option to obtain a further 14% of the Duncan Lake property by spending an additional $14.0 million in exploration costs, construction, and/or operating costs or completing a feasibility report on or before the eighth anniversary of the date of the Augyva Agreement. In October 2012, Canadian Century notified Augyva that it has expended a further $14 million on the project under the Augyva Agreement. The transfer registration of 14% was completed in May 2013.

As of March 31, 2015, the Group has a 65% registered interest in the Duncan Lake property.

According to the framework as set up in the joint venture agreement entered into between the Company and WISCO International Resources Development & Investment Limited ("WISCO") on August 30, 2011, WISCO may earn a 40% joint venture interest in the Company's interest in the Duncan Lake property. As of the balance sheet date, WISCO has not executed the definitive joint venture agreement, therefore, Canadian Century continues to recognize its share of costs incurred in the Duncan Lake property.

Sunny Lake property

On December 19, 2011, the Company and WISCO entered into the Sunny Lake joint venture agreement (the "Sunny Lake JV Agreement") that governs the joint venture formed between the Company and WISCO for the exploration and development of the Sunny Lake property (the "Sunny Lake Joint Venture"). Under the Sunny Lake JV Agreement, WISCO could earn a 40% interest in the Sunny Lake property by investing a total of $40 million in the Sunny Lake Joint Venture.

The operating company for the Sunny Lake Joint Venture, WISCO Century Sunny Lake Iron Mines Limited ("WISCO Century Sunny Lake" or the "Operator"), was incorporated on June 29, 2012. The Sunny Lake property was held in trust for 0849873 B.C. Ltd. ("B.C. Ltd."), a wholly owned subsidiary of the Company, and WISCO Canada Sunny Lake Resources Development & Investment Limited ("WISCO Sunny Lake") in accordance with their interests in the Sunny Lake Joint Venture under the Sunny Lake JV Agreement.

On November 28, 2012, the Company and WISCO entered into a closing agreement (the "Sunny Lake Closing Agreement"), providing WISCO Sunny Lake with an option to purchase from B.C. Ltd. up to a 40% interest in the Sunny Lake Joint Venture.

On April 2, 2013, pursuant to the Sunny Lake Closing Agreement, WISCO Sunny Lake acquired a 17.1% interest in the Sunny Lake property for the consideration of $8,612,875 paid to B.C. Ltd. The amount represents the exploration expenditure of $17,096,459 previously incurred by the Group, less estimated tax credits relating to such exploration expenditures of $8,483,584 that are available to the Group. As a result of this payment, WISCO Sunny Lake acquired a 17.1% interest in the Sunny Lake property.

During the year ended March 31, 2015, WISCO Sunny Lake acquired an additional 1.5% interest in the Sunny Lake property for consideration of $1,500,000, increasing its interest in the property to 18.6%. As at March 31, 2015, the Company owns 81.4% (2014: 82.9%) of the Sunny Lake property and the remaining funding obligation of WISCO Sunny Lake to earn in up to a 40% of interest in the property is $21.4 million (2014: $22.9 million).

Altius properties

On September 19, 2011, the Company and Altius Minerals Corporation ("Altius") signed a principal agreement (the "Altius Agreement") covering four of Altius' regional iron ore projects in the Labrador Trough: Astray, Grenville, Menihek and Schefferville West. Under the Altius Agreement, the Company has acquired a 100% interest in the four projects in exchange for a commitment of exploration expenditures of $7 million per project cumulatively over a 5-year period and the issuance of 5,000,000 common shares of the Company to be issued over a 2-year period. Altius will retain a 1% to 4% sliding scale gross sales royalty on production from the properties as well as additional consideration of up to a maximum of 35,000,000 shares ("Bonus Shares") of the Company as National Instrument 43-101 compliant iron ore resources are defined above various thresholds.

On November 18, 2011 and November 18, 2013, the Company issued 2,000,000 and 3,000,000 (note 11(b)) common shares, respectively, to Altius pursuant to the Altius Agreement. The transfer of the properties from Altius to the Company was completed on November 22, 2011. The acquisition of the Altius properties was accounted for using the market price of the common shares issued on November 18, 2011 and November 18, 2013 with respective amounts of $4,200,000 and $1,500,000 (note 11(b)) which were capitalized to exploration and evaluation assets.

On November 30, 2012, the Company entered into an agreement with X-Star Mining (Luxembourg) Limited ("X-Star") and Northern Star Minerals Ltd. ("Northern Star"), to transfer the Company's 85.25% interest in the Astray-X project acquired under the Altius Agreement and the project's associated obligations to Northern Star, in exchange for equity interest, preference shares and X-Star's funding commitment to the project. Further details on the transfer and subsequent restructuring with respect to this investment are outlined in Note 9.

On August 1, 2014, the Company entered into an agreement with Altius to amend the provisions of the Altius Agreement extending the term during which the exploration expenditure commitment must be fulfilled. The amendment replaced the Company's previous commitment to spend exploration expenditures of $7 million per project cumulatively over a 5-year period, with a commitment to incur a minimum annual exploration expenditure of $0.5 million for each of the three projects: (1) Grenville, (2) Menihek, and (3) Schefferville West. The amended annual commitment of $0.5 million for each of the three projects will continue until the cumulative exploration expenditure of $7 million per project is fulfilled, totaling $21 million for all three projects. Yearly expenditures on one project may be allocated to another project to satisfy the total yearly minimum commitment of $1.5 million for all three projects.

On September 22, 2014, an agreement was reached between the Company and Altius to amend the provisions of the Altius Agreement eliminating the $7 million cumulative funding obligation for the Menihek project. An impairment charge of $5,471,839 was recorded to reflect the impact of amendment and the related review on the Altius properties.

The Company decided not to plan or perform any further exploration work on the Altius projects as they are non-core assets and the Company intends to conserve cash under the current iron ore market conditions. The Company is currently in discussion with Altius on the appropriate way to transfer the related claims to them or otherwise to extinguish its exploration and other obligations under the existing agreement. As a result, an additional impairment charge of $6,844,719 was recorded in the fourth quarter of the current year end. In addition to the impairment charge recorded previously in the second quarter, the impairment charge on the Altius properties for the year ended March 31, 2015 amounted to $12,316,558.

Other properties

During the year ended March 31, 2015, the Group's review of the geological potential of its other properties resulted in an impairment charge of $315,285.

7. Property, plant and equipment

	Land $	Drilling & field equipment $	Camp and properties $	Leasehold improvements $	Computer & office equipment $	Vehicles $	Total $
Cost							
Balance - March 31, 2013	169,677	2,693,923	1,461,497	320,332	321,009	427,189	5,393,627
Additions	-	25,427	179,804	91,970	27,748	25,741	350,690
Disposals	-	-	-	(27,525)	(480)	(51,665)	(79,670)
Exchange differences	-	-	-	15,611	2,910	-	18,521
Balance - March 31, 2014	169,677	2,719,350	1,641,301	400,388	351,187	401,265	5,683,168
Additions	-	-	-	2,319	5,949	-	8,268
Disposals	-	(46,917)	(28,536)	(167,410)	(21,479)	-	(264,342)
Exchange differences	-	-	-	29,960	5,801	-	35,761
Balance - March 31, 2015	169,677	2,672,433	1,612,765	265,257	341,458	401,265	5,462,855
Accumulated depreciation							
Balance - March 31, 2013	-	735,359	332,894	94,840	147,580	125,067	1,435,740
Depreciation	-	563,526	299,006	83,474	116,476	87,969	1,150,451
Disposals	-	-	-	(11,010)	(253)	(28,842)	(40,105)
Exchange differences	-	-	-	7,187	1,781	-	8,968
Balance - March 31, 2014	-	1,298,885	631,900	174,491	265,584	184,194	2,555,054
Depreciation	-	548,763	305,023	65,852	58,010	80,252	1,057,900
Disposals	-	-	-	(113,489)	(19,330)	-	(132,819)
Exchange differences	-	-	-	20,503	4,836	-	25,339
Balance - March 31, 2015	-	1,847,648	936,923	147,357	309,100	264,446	3,505,474
Net book value							
Balance - March 31, 2015	169,677	824,785	675,842	117,900	32,358	136,819	1,957,381
Balance - March 31, 2014	169,677	1,420,465	1,009,401	225,897	85,603	217,071	3,128,114

8. Investment in a joint venture

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

	$
Balance – March 31, 2013	58,991,381
Share of loss of Labec Century	(145,282)
Changes in accordance with the cost allocation agreement with WISCO	1,644,678
Balance – March 31, 2014	60,490,777
Share of loss of Labec Century	(213,246)
Balance – March 31, 2015	60,277,531

The financial information of Labec Century is summarized as follows:

	March 31, 2015 $'000	March 31, 2014 $'000
Assets		
Current assets	23,209	26,635
Non-current assets	39,893	34,795
Liabilities		
Current liabilities	10,311	8,275
Non-current liabilities	-	9
Cash and cash equivalents	17,443	23,078

	Years ended March 31, 2015 $'000	2014 $'000
Loss from continuing operations	(343)	(242)
Total comprehensive loss	(343)	(242)

The principal activities of Labec Century are to explore and develop the Attikamagen property. The principal place of business is in the Province of Quebéc, Canada.

On December 19, 2011, the Company and WISCO entered into a shareholders agreement (the "Attikamagen Shareholders Agreement") that governs the joint venture to be formed between the Company and WISCO for the exploration and development of the Attikamagen property. Under the Attikamagen Shareholders Agreement, WISCO can obtain a 40% interest in the Group's share of the Attikamagen property by investing a total of $40 million.

On September 26, 2012, the initial closing procedures prescribed in the Attikamagen Shareholders Agreement were completed, with WISCO Canada Attikamagen Resources Development & Investment Limited ("WISCO Attikamagen") purchasing from Labec Century:

(i) 40 million Class A voting common shares, representing 40% of the outstanding voting common shares of Labec Century, for $4,000, and

(ii) 20 million Class B non-voting shares, representing 25% of the outstanding non-voting common shares of Labec Century, for $20 million.

As part of a reorganization completed prior to the initial closing procedures, the Company's wholly-owned subsidiary, Century Iron Ore Holdings Inc. ("Century Holdings"), purchased:

(i) 60 million Class A voting shares, representing 60% of the outstanding voting common shares of Labec Century, for $6,000, and

(ii) exchanged its then 100% outstanding common shares of Labec Century for 60 million Class C non-voting shares, representing 75% of the outstanding non-voting shares of Labec Century.

As a result of completion of the initial closing transactions in 2012, Labec Century ceased to be a subsidiary of the Group and became a joint venture of the Group that is accounted for in accordance with IFRS 11. The dilution of the Company's interest in Labec Century from a 100% owned subsidiary to a 60% joint venture represents a deemed disposal. This resulted in a gain on deemed disposal of Labec Century of $47,722,258.

On September 19, 2013, WISCO Attikamagen purchased an additional 20 million Class B non-voting shares for a subscription price of $20 million. After the subscription, WISCO Attikamagen's ownership is increased to 40% of the non-voting shares of Labec Century, while Century Holdings' ownership is reduced to 60% of the non-voting shares. As at March 31, 2015, the Group continues to own a 60% interest in Labec Century.

Labec Century's ownership interest in the Attikamagen property

In June 2012, Labec Century completed the earn-in of its 56% interest in the Attikamagen property from Champion Iron Mines Limited ("Champion").

On September 30, 2013, the Company entered into an agreement to acquire from Champion its remaining interest in the Attikamagen property. As consideration for the purchase, the Company issued 2 million common shares and 1 million warrants with variable exercise prices escalating over the 5-year life of the warrants (note 13). In addition, Champion will receive a 2% net smelter return royalty on iron and minerals produced from the property.

On November 29, 2013, the Company issued to Champion 2 million common shares and 1 million warrants. The shares issued are subject to a 2-year lock-up period, followed by a right of first refusal in favour of the Company. Labec Century has agreed to pay to the Company the fair value of the common shares issued to Champion based on the November 28, 2013 closing price of the Company's shares on the TSX amounting to $1.02 million, and an amount for any warrants exercised based on the difference between the exercise price and the market price of the shares at the exercise date of any warrants. Further details of the warrants are provided in note 10 and 13. Upon completion of the title transfer registration on January 31, 2014, Labec Century became the sole owner of the Attikamagen property.

Exploration and evaluation expenditure reimbursement by joint ventures

In 2013, the Group was in discussions with WISCO on the cost allocation mechanism for the ongoing exploration and evaluation expenditures of the Attikamagen and the Sunny Lake properties being incurred and paid by the Group on behalf of the joint ventures after the establishment of the joint ventures in September 2012 and November 2012, respectively. The Company and WISCO have reached an agreement on the cost allocation proposal. According to the proposal, the joint ventures will reimburse the Group for its exploration and evaluation expenditures incurred and paid on behalf of the joint ventures since the establishment of the joint ventures. In addition, the Group and WISCO also agreed on the sale of certain of the Group's fixed assets for exploration and evaluation purposes to Labec Century. During the year ended March 31, 2014, the Group accounted for the proposed transaction and recognized a management fee income of $2,491,034 (note 15), which represents a reimbursement of the costs previously recognized by the Company. The proposal was approved by the respective joint venture board in June 2014 and an independent audit on the amount was completed in April 2015.

9. Investment in an associate

The Group's investment in an associate is as follows:

	$
Balance – March 31, 2013	1,547,516
Share of loss of Northern Star	(341,190)
Balance – March 31, 2014	1,206,326
Share of loss of Northern Star	(66,000)
Balance – July 28, 2014	1,140,326
Disposal – July 28, 2014	(1,140,326)
Balance – March 31, 2015	-

On November 30, 2012, the Company entered into a shareholders agreement (the "X-Star Agreement") with X-Star and Northern Star, whereby the Company agreed to transfer its interest in the Astray-X project, which represents 85.25% of the Astray property acquired under the Altius Agreement, and the project's associated obligations to Northern Star, in exchange for a 20% equity interest in and 1,500,000 non-voting redeemable preference shares of Northern Star, plus $5 million of funding from X-Star on the Astray-X project. X-Star, the major shareholder of Northern Star, has completed its initial capital contribution of $5 million into Northern Star. On February 15, 2013, the Company agreed to amend the assignment agreement to allow the release of the title transfer documents from escrow upon execution of a notice signed by the relevant parties. The Astray-X property has been disposed of as of that date. The transfer of the title of the Astray-X property was completed on February 26, 2013.

On December 17, 2012, Northern Star redeemed 500,000 of the non-voting redeemable preference shares from the Company at a price of $500,000 pursuant to the X-Star Agreement. The remaining 1,000,000 preference shares are redeemable by Northern Star upon satisfaction of certain conditions specified in the X-Star Agreement. The redemption value of the remaining preference shares is calculated as the sum of 85.25% of the fair market value of the Company's shares issued to Altius for the acquisition of the Astray property and the actual exploration expenditure incurred by the Company on the Astray-X project before November 30, 2012, less the $500,000 consideration already received.

On July 28, 2014, the Company entered into a purchase and sale agreement with X-Star, Northern Star and X-Star Minerals Inc. ("X-Star Minerals"), a subsidiary of X-Star, to dispose of its: (i) 20 class B common shares in Northern Star, and (ii) 1,000,000 series II preference shares in Northern Star in exchange for: (i)100 preference shares in X-Star Minerals, which are exchangeable to common shares of Northern Star or another subsidiary upon its Initial Public Offering at a value of $714,813, and (ii) a 0.5% gross sales royalty on the Astray-X project capped at a maximum cumulative payout of $1,313,348, for which the Company is entitled to receive $1,247,681, upon the issuance of a National Instrument 43-101 technical report on the Astray-X project that meets certain resource thresholds. Based on the Company's assessment of the likelihood of realizing future returns from the project, the Company has not recognized any value for the 100 preference shares in X-Star Minerals and the related gross sales royalty. The disposal of the Company's investment in Northern Star resulted in a loss of $1,140,326 in the current fiscal year.

10. Derivative asset

In connection with the 1 million warrants issued to Champion (note 13) as part of the consideration paid for the acquisition of Champion's remaining interest in the Attikamagen property (note 8), Labec Century has agreed to pay the Company an amount in respect of any warrants exercised by Champion based on the difference between the exercise price of the warrant and the market price of the Company's shares on the date of exercise. The Company has recognized a derivative asset for the aforesaid receivable from Labec Century and designated the financial asset as fair value through profit or loss.

11. Share capital

Authorized

Unlimited number of common shares, with no par value.

Issued and fully paid

At March 31, 2015, the Company had 98,794,571 common shares issued and outstanding, representing an amount of $117,220,571. The changes in share capital for the year are as follows:

	Number of common shares	**$**
Balance - March 31, 2013	94,474,158	115,023,227
Repurchase of common shares (a)	(670,087)	(317,276)
Common shares issued for the acquisition of Altius properties (b)	3,000,000	1,500,000
Common shares issued for the Attikamagen acquisition transaction (c)	2,000,000	1,020,000
Balance - March 31, 2014	98,804,071	117,225,951
Repurchase of common shares (a)	(9,500)	(5,380)
Balance - March 31, 2015	98,794,571	117,220,571

(a) The Company initiated an automatic repurchase plan under a normal course issuer bid ("NCIB") beginning on September 12, 2012 and expiring on September 11, 2013. In September 2013, the NCIB was renewed allowing for the repurchase and cancellation of up to 1,823,000 of the Company's outstanding common shares from September 17, 2013 through to September 16, 2014. Under this plan, up to 14,094 common shares may be repurchased on any given day other than under a block purchase or otherwise in a permitted transaction that is exempted from this daily limit under TSX policies.

The NCIB was further renewed in October 2014 allowing for the repurchase and cancellation of up to 350,000 of the Company's outstanding common shares from October 17, 2014 through to October 16, 2015. Under this plan, up to 1,146 common shares may be repurchased on any given day other than under a block purchase or otherwise in a permitted transaction that is exempted from this daily limit under TSX policies.

As of March 31, 2015, the Company had repurchased for cancellation 1,069,500 common shares since the initiation of the original NCIB plan with an aggregate cost of $610,199.

(b) On November 18, 2013, the Company issued 3,000,000 common shares to Altius for the acquisition of certain properties pursuant to the Altius Agreement (note 6). The value of the shares amounted to $1,500,000 or $0.50 per share.

(c) On November 29, 2013, the Company issued to Champion 2,000,000 common shares pursuant to Labec Century's acquisition of Champion's remaining interest in the Attikamagen property. The value of the shares amounted to $1,020,000 or $0.51 per share. Further details of the transaction are provided in note 8.

12. Share-based compensation arrangements

The Group has adopted an equity incentive plan (the "Plan") which is administered by the Board of Directors of the Group. The Plan provides that the Board of Directors of the Group may from time to time, at its discretion and in accordance with TSX Venture Exchange Inc. or TSX requirements, grant to directors, officers, employees and consultants to the Group, options to purchase common shares and other forms of equity-based incentive compensation, provided that the number of common shares issued and reserved for issuance will not exceed 15% of the issued and outstanding common 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 March 9, 2015, 6,000,000 options were granted. The fair value of the options granted has been estimated at the date of grant using the Black-Scholes option pricing model, using the following assumptions: an average risk-free interest rate of 0.90%, dividend yield of 0%, volatility of 47.79% and an expected life of 10 years. 1/3 of the options will vest on the first anniversary of the option date, 1/3 of the options will vest on the second anniversary of the option date and 1/3 will vest on the third anniversary of the option date. The fair value of the options granted was estimated at $1.2 million or $0.20 per unit.

The share options outstanding as of March 31, 2015 are as follows:

	Number of options	Weighted average exercise price $
Balance - March 31, 2013	9,870,000	2.92
Forfeited	(1,290,000)	2.92
Balance - March 31, 2014	8,580,000	2.93
Issued	6,000,000	0.345
Forfeited	(2,290,000)	2.92
Balance - March 31, 2015	12,290,000	1.67

The exercise prices and exercise periods of the share options outstanding as of March 31, 2015 are as follows:

Number of options	Exercise price $	Exercise period
3,980,000	2.92	May 18, 2011 to May 17, 2016
255,000	2.92 - 4.00	December 14, 2011 to December 13, 2016
1,795,000	2.92	July 18, 2012 to July 17, 2017
260,000	2.92	November 12, 2012 to November 11, 2017
6,000,000	0.345	March 9, 2016 to March 9, 2025
12,290,000		

As of the balance sheet date, the weighted average remaining contractual life of the outstanding share options is 5.6 years, and 6,290,000 options are vested and exercisable.

Share award

Under the Plan, the Board may grant awards of share units subject to vesting and other terms and conditions at its discretion as to performance, milestones, other internal or external conditions, or length of the grantee’s employment or service provision. The Board shall also determine at its discretion, at any time before or after vesting until actual settlement, whether payment under the share units will be made in common shares, cash, securities or other property, or a combination thereof.

Share units outstanding under the Plan are as follows:

	Time-based (i)	**Operational (ii)**	**Financial (iii)**	**Number of share units**	**Weighted average fair value at the measurement date $**
Granted – November 14, 2013	887,000	443,500	443,500	1,774,000	0.49
Forfeited	(75,000)	(37,500)	(37,500)	(150,000)	0.49
Balance – March 31, 2014	812,000	406,000	406,000	1,624,000	0.49
Granted	43,000	38,375	27,125	108,500	0.44
Forfeited	(71,000)	(35,500)	(35,500)	(142,000)	0.49
Balance – March 31, 2015	784,000	408,875	397,625	1,590,500	0.49

The share units have been allocated to the grantees under three types of vesting conditions: time-based targets, operational targets and financial targets.

(i) **Time-based targets**: the share units will be fully vested if the individual grantee is still employed by the Company on the third anniversary of the grant date.

(ii) **Operational targets**: the share units will be vested upon the achievement of certain mining and exploration-related targets set out by the Board. The actual amount of share units to be vested under these operational targets will vary depending on the level of performance relative to the targets based on an award multiplier of 0% to 200%. The vesting date of the share units will be the earlier of: five years from the grant date or the achievement dates of the respective operational targets. Management estimated that the achievement dates of the operational targets would be between June 2016 and June 2017 with an estimated award multiplier of 100%.

(iii) **Financial targets**: the share units will be vested if the two-year average annualized cash costs of iron ore produced and shipped for the projects of the Company or under its joint arrangements meet certain target set out by the Board and the two-year earnings before interest, taxes, depreciation and amortization (EBITDA) of the projects is positive. The actual amount of share units to be vested under the financial target will vary depending on the level of performance relative to the target based on an award multiplier of 0% to 200%. The vesting date of the share units will be the earlier of: five years from the grant date or the achievement date of the financial target. Management estimated that the achievement date of the financial target would be March 31, 2018 with an estimated award multiplier of 100%.

The fair value of the share units granted was estimated based on the market price of the Company's common shares on the date of grant.

13. Warrants

The warrants issued and outstanding as of March 31, 2015 are as follows:

	Number of warrants	Weighted average exercise price $
Issued on November 29, 2013 and balance – March 31, 2015	1,000,000	1.00

On November 29, 2013, the Company issued to Champion 1 million warrants as part of the consideration paid for the acquisition of Champion's remaining interest in the Attikamagen property. The warrants have an expiry date of November 29, 2018 and are exercisable as follows:

Exercise period	Exercise price $
November 30, 2014 to November 29, 2015	1.00
November 30, 2015 to November 29, 2016	1.50
November 30, 2016 to November 29, 2017	2.00
November 30, 2017 to November 29, 2018	2.50

Furthermore, Labec Century has agreed to pay the Company the fair value of any warrants exercised by Champion based on the difference between the exercise price and the market price at the exercise date of any warrants.

The fair value of the warrants on the date of the grant was estimated at $20,000 at the date of issue using a binomial option pricing model. The assumptions used were as follows: (i) annual risk-free interest rate of 1.07%, (ii) implied volatility of 34% and (iii) expected life of 5 years.

As of the balance sheet date, the weighted average remaining contractual life of the outstanding warrants is 3.7 years.

14. Administrative expenses

	2015 $	2014 $
Salaries and directors' fees	4,266,139	3,844,613
Consulting and professional fees	1,063,919	1,566,786
Depreciation, rental and office expenses	976,379	1,786,075
Corporate promotion and listing fees	208,964	455,708
Travel	226,526	355,429
	6,741,927	8,008,611

15. Other income

	2015 $	2014 $
Management fee income (note 8)	-	2,491,034
Interest income	438,275	334,817
Foreign exchange gain	1,006,324	415,783
	1,444,599	3,241,634

16. Income taxes

	2015 $	2014 $
Current tax recovery		
Adjustments on refund from prior years' assessment	232,907	-
Income tax recovery	232,907	-

Significant items causing the Group's effective income tax rate to differ from the Canadian combined federal and provincial statutory rate of 26.55% (2014: 26.63%) are as follows:

	2015 $	2014 $
Loss before income taxes	(19,575,655)	(6,200,729)
Expected income tax recovery at statutory rates	5,197,336	1,651,254
Different tax rates in other jurisdictions	-	(130,358)
Expenses not deductible for tax	(195,168)	(504,406)
Tax losses and other deductible temporary differences not recognized	(5,002,168)	(1,016,490)
Adjustments on refund from prior years' assessment	232,907	-
Income tax recovery	232,907	-

The Canadian tax rate decreased from 26.63% in 2014 to 26.55% in 2015 due to a different provincial allocation.

An analysis of deferred tax recognized in the consolidated financial statements and its movement during the year is as follows:

	Accelerated tax depreciation $	**Total $**
Deferred tax liabilities		
Balance - March 31, 2013	46,613	46,613
Charged to profit or loss	(46,613)	(46,613)
Balance - March 31, 2014	-	-
Charged to profit or loss	-	-
Balance - March 31, 2015	-	-

Significant components of the Group's deductible temporary differences or unused tax losses for which no deferred tax assets have been recognized are summarized below:

	March 31, 2015 $	**March 31, 2014 $**
Non-capital loss carry-forwards (expires between 2028 and 2035)	30,859,588	22,547,978
Share issue costs	2,064,253	3,961,847
Transaction costs	559,952	559,952
Investment tax credits (expires between 2030 and 2034)	2,480,775	2,040,440
Exploration and evaluation assets	11,735,438	10,683,380
Capital loss carry-forwards	854,247	-
	48,554,253	39,793,597

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilize benefits therefrom.

Deferred tax liabilities have not been recognized on the temporary difference arising from the Company's investment in a joint venture for which the Company is able to control the timing of the reversal of the temporary difference, and it is probable that the temporary difference will not reverse in the foreseeable future. Such temporary difference amounted to approximately $52 million as of March 31, 2015 (2014: $53 million).

17. Net earnings (loss) per share

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

18. Related party transactions

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

(i) As of March 31, 2015, the Group had accounts receivable of $7,588,785 (2014: $5,839,066) from Labec Century. The balance mainly comprised (i) exploration expenditure of the Attikamagen property incurred and paid by the Group on behalf of Labec Century after Labec Century became the Group's joint venture and (ii) the fixed assets to be sold by the Group to Labec Century (further details of the cost allocation agreement are provided in note 8). The provisional amount of $5,781,155 relating to the cost allocation agreement was recorded based on management's best estimate at March 31, 2014, in anticipation of the completion of the agreement and the subsequent audit. The previously estimated accounts receivable was subsequently adjusted to $5,762,661 as at March 31, 2015 to reflect the impact of the finalization of the cost allocation agreement in December 2014 and the completion of the audit in April 2015. Management expects the collection of the outstanding balance within one year from the current year end.

(ii) As of March 31, 2015, the Group had accounts receivable of $3,210,771 (2014: $3,363,181) from WISCO Century Sunny Lake. The balance represented exploration expenditure of the Sunny Lake property incurred and paid by the Group on behalf of WISCO Century Sunny Lake (further details of the reimbursement agreement are provided in note 8). The provisional amount of $3,363,181 relating to the cost allocation agreement was recorded based on management's best estimate at March 31, 2014, in anticipation of the completion of the agreement and the subsequent audit. The previously estimated accounts receivable was subsequently adjusted to $3,210,771 as at March 31, 2015 to reflect the impact of the finalization of the cost allocation agreement in December 2014 and the completion of the audit in April 2015. Management expects the collection of the outstanding balance within one year from the current year end.

(iii) As of March 31, 2015, the Group had accounts receivable of $Nil (2014: $16,950) and accounts payable of $385,181 (2014: $2,013,874) with Augyva. In August 2014, $1,366,551 was paid to Augyva for their portion of investment tax credits received related to the Duncan Lake property. The President and CEO and a key officer of the Group are directors of Augyva.

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

	2015 $	2014 $
Salaries and directors' fees	2,373,414	2,942,838
Share-based compensation expenses	190,535	621,100
	2,563,949	3,563,938

19. 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 and foreign currency exchange 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. The following table shows the carrying values, fair values and fair value hierarchy of the Group's financial instruments as at March 31, 2015 and March 31, 2014:

		March 31, 2015		**March 31, 2014**	
Financial assets	**Level**	**Carrying value**	**Fair value**	**Carrying value**	**Fair value**
Fair value through profit or loss		**$**	**$**	**$**	**$**
Short term bank deposits	2	2,042,907	2,042,907	2,008,431	2,008,431
Accounts receivable	3	11,079,763	11,079,763	9,612,748	9,612,748
Derivative asset	2	-	-	21,624	21,624
		13,122,670	13,122,670	11,642,803	11,642,803

		March 31, 2015		**March 31, 2014**	
Financial liabilities	**Level**	**Carrying value**	**Fair value**	**Carrying value**	**Fair value**
Fair value through profit or loss		**$**	**$**	**$**	**$**
Accounts payable and accrued liabilities	3	1,961,048	1,961,048	3,700,878	3,700,878

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

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

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

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

Credit risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Group's credit risk is primarily attributable to cash and receivables. Cash and cash equivalents and short term bank deposits are held with major banks. The Group's receivables mainly represented an amount owing from its joint ventures, Labec Century and WISCO Century Sunny Lake. Management believes the risk of loss to be minimal.

Liquidity risk

The Group's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As of March 31, 2015, the Group had cash and cash equivalents and short term bank deposits of $30,694,219 (2014: $31,713,815) to settle current liabilities of $1,961,048 (2014: $3,700,878). Most of the Group's financial liabilities have contractual maturities of 30 days or less and are subject to normal trade terms.

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.

(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 excess cash in interest bearing accounts or term deposits with large reputable banks. The Group periodically monitors the investments it makes and is satisfied with the credit ratings of the banks holding the cash and short-term deposits of the Group. An absolute increase or decrease of 0.1% in the annual interest rate would not have a material impact on the net loss or equity at March 31, 2015.

(b) Foreign currency exchange risk

The Group's principal functional currency is the Canadian Dollar and major purchases are transacted in Canadian Dollars. The principal drivers of the Group's foreign currency exchange fluctuations are the foreign currency transactions and the translation of the foreign currency monetary items of the Group's overseas subsidiaries. Management believes the foreign currency exchange risk derived from currency conversions is low and, therefore, does not hedge its foreign currency exchange risk.

20. Capital management

The Group considers its capital structure to consist of share capital and deficit, which, as at March 31, 2015, amounted to $109,241,263. 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 year ended March 31, 2015. The Group is not subject to externally imposed capital requirements.

21. Operating Commitments

The Group has entered into lease commitments on its head office and other premises. The Company also agreed to incur minimum annual exploration expenditures pursuant to the amended Altius Agreement of $0.5 million for each of the Grenville and Schefferville West projects until the cumulative exploration expenditure of $7 million per project is fulfilled. Further details of this commitment are described in note 6. The Company is currently in discussion with Altius on the appropriate way to transfer the related claims to them or otherwise to extinguish its exploration and other obligations under the existing agreement.

Future minimum operating commitments payable as at March 31, 2015 and March 31, 2014 are as follows:

	March 31, 2015		March 31, 2014	
	Lease commitments $	Exploration expenditures $	Lease commitments $	Exploration expenditures $
Within one year	595,886	623,569	731,982	1,580,000
After one year but not more than five years	554,776	4,000,000	1,019,036	15,444,000
More than five years	10,922	3,435,828	18,898	-
	1,161,584	8,059,397	1,769,916	17,024,000

22. Capital commitments

In September 2011, pursuant to the Altius Agreement described in note 6, the Company agreed to issue up to a maximum of 35,000,000 common shares to Altius upon satisfaction of certain milestones related to the definition of National Instrument 43-101 compliant iron ore resources above specific thresholds as part of its consideration to acquire a 100% interest in four of Altius' regional iron ore projects in the Labrador Trough: Astray, Grenville, Menihek and Schefferville West. The Company is currently in discussion with Altius on the appropriate way to transfer the related claims to them or otherwise to extinguish its exploration and other obligations under the existing agreement.

In connection with the transfer of the Astray-X project to Northern Star as described in note 9, on November 30, 2012, Altius agreed to amend the provisions of the Altius Agreement to provide for an option to replace the 8 million Bonus Shares issuable upon satisfaction of certain milestones related to the Astray-X project, with common shares issuable by Northern Star as adjusted by certain equivalence formulae stipulated in an assignment agreement.

23. Comparative figures

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