Century Global Commodities Corporation

Consolidated Financial Statements
March 31, 2020
(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

June 29, 2020

(Signed) *"Alex Tsang"*
Alex Tsang
Chief Financial Officer

June 29, 2020

Independent auditor's report

To the Shareholders of Century Global Commodities Corporation

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Century Global Commodities Corporation and its subsidiaries (together, the Company) as at March 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

What we have audited
The Company's consolidated financial statements comprise:

- the consolidated statements of financial position as at March 31, 2020 and 2019;
- the consolidated statements of profit or loss for the years then ended;
- the consolidated statements of comprehensive loss for the years then ended;
- the consolidated statements of changes in equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

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

Independence
We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis.

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Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with 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.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Chong Ho Song.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario
June 29, 2020

Century Global Commodities Corporation
Consolidated Statements of Financial Position
As of March 31, 2020
(Expressed in Canadian Dollars, unless otherwise stated)

	Notes	March 31, 2020 $	March 31, 2019 $
Assets			
Current assets			
Cash and cash equivalents		2,567,780	5,746,934
Short term bank deposits		1,119,345	1,846,537
Marketable securities	8	204,547	541,938
Trade and other receivables	9, 33	2,979,703	10,260,210
Lease receivable	17	75,068	69,780
Sales taxes and other taxes recoverable		78,617	207,656
Prepayments and deposits		122,894	787,652
Inventories	10	1,989,973	1,205,432
		9,137,927	20,666,139
Assets classified as held for sale	19	3,079,014	-
		12,216,941	20,666,139
Non-current assets			
Exploration and evaluation assets	11	8,082	455,697
Property, plant and equipment	12	115,235	1,354,059
Investment property	13	1,020,255	-
Right-of-use assets	17	365,375	-
Deferred tax assets	18	86,027	-
Investment in a joint venture	14	7,380,195	7,708,819
Investment in other equity instruments	8	70,306	66,442
Other receivables	9, 33	6,520,636	-
Lease receivable	17	47,095	122,162
		15,613,206	9,707,179
Total assets		27,830,147	30,373,318

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

Century Global Commodities Corporation
Consolidated Statements of Financial Position
As of March 31, 2020

(Expressed in Canadian Dollars, unless otherwise stated)

	Notes	March 31, 2020 $	March 31, 2019 $
Liabilities			
Current liabilities			
Trade and other payables	16	1,830,897	1,756,316
Lease liabilities	17	260,699	-
		2,091,596	1,756,316
Liabilities directly associated with assets classified as held for sale	19	1,565,754	-
		3,657,350	1,756,316
Non-current liabilities			
Lease liabilities	17	154,937	-
Total liabilities		3,812,287	1,756,316
Shareholders' equity			
Share capital	20	117,057,236	117,057,236
Contributed surplus		3,326,663	3,096,367
Deficit		(97,709,723)	(91,631,767)
Other components of equity		736,646	190,994
Equity attributable to owners of the Company		23,410,822	28,712,830
Non-controlling interests	24	607,038	(95,828)
Total equity		24,017,860	28,617,002
Total equity and liabilities		27,830,147	30,373,318

Approved by the Board of Directors

/s/ "Sandy Chim" Director
Date: June 29, 2020

/s/ "Kit Ying (Karen) Lee" Director
Date: June 29, 2020

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

Century Global Commodities Corporation
Consolidated Statements of Profit or Loss
For the year ended March 31, 2020

(Expressed in Canadian Dollars, unless otherwise stated)

	Notes	Years ended March 31, 2020 $	2019 $
Revenue	7, 25	8,094,819	6,083,668
Cost of sales		(6,131,520)	(4,490,005)
Gross profit		1,963,299	1,593,663
Other income	26	279,058	213,712
Selling expenses		(502,347)	(819,757)
Administrative expenses	27	(5,565,557)	(5,586,193)
Project maintenance costs		(41,688)	(266,963)
Share-based compensation expenses	21	(76,138)	(111,277)
Loss on foreign exchange		(142,169)	(81,571)
Loss on dissolution or disposal of subsidiaries in other currencies		(333,547)	-
Other losses	28	(905,697)	(350,000)
Impairment of investment in a joint venture	14	(360,000)	-
Impairment of goodwill	15	-	(98,943)
Interest expense		(21,976)	-
Share of profit/(loss) of a joint venture	14	31,376	(32,002)
Loss before tax		(5,675,386)	(5,539,331)
Income tax recovery	29	80,333	-
Net loss for the year		(5,595,053)	(5,539,331)
Attributable to:			
Owners of the Company		(5,378,608)	(5,373,518)
Non-controlling interests		(216,445)	(165,813)
		(5,595,053)	(5,539,331)
Net loss per share attributable to owners of the Company – Basic and diluted	30	(0.05)	(0.05)
Weighted average number of shares outstanding		98,504,571	98,501,831

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

Century Global Commodities Corporation
Consolidated Statements of Comprehensive Loss
For the year ended March 31, 2020
(Expressed in Canadian Dollars, unless otherwise stated)

	Years ended March 31, 2020 $	2019 $
Net loss for the year	(5,595,053)	(5,539,331)
Other comprehensive income/(loss)		
Exchange gain on translation of operations in other currencies	381,809	123,508
Changes in fair value of investment in equity instruments at FVTOCI	161,185	(28,488)
Other comprehensive income for the year	542,994	95,020
Total comprehensive loss for the year	(5,052,059)	(5,444,311)
Attributable to:		
Owners of the Company	(4,835,614)	(5,278,498)
Non-controlling interests	(216,445)	(165,813)
	(5,052,059)	(5,444,311)

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

Century Global Commodities Corporation
Consolidated Statements of Changes in Equity
For the year ended March 31, 2020

(Expressed in Canadian Dollars, unless otherwise stated)

	Attributable to owners of the Company									
	Share capital $	Contributed surplus $	Deficit $	Share-based compensation reserve $	Warrants $	Special warrant reserve $	Investment fair value reserve $	Foreign currency translation reserve $	Non-controlling interests $	Total $
Balance – March 31, 2019	117,057,236	3,096,367	(91,631,767)	1,566,462	-	347,940	(310,169)	(1,413,239)	(95,828)	28,617,002
Effect of adoption of IFRS 16 (note 4)	-	-	(25,152)	-	-	-	-	-	-	(25,152)
Balance – April 1, 2019, restated	117,057,236	3,096,367	(91,656,919)	1,566,462	-	347,940	(310,169)	(1,413,239)	(95,828)	28,591,850
Net loss for the year	-	-	(5,378,608)	-	-	-	-	-	(216,445)	(5,595,053)
Other comprehensive income for the year	-	-	-	-	-	-	161,185	381,809	-	542,994
Total comprehensive income/(loss) for the year	-	-	(5,378,608)	-	-	-	161,185	381,809	(216,445)	(5,052,059)
Disposal and write off of marketable securities (note 8)	-	-	(94,770)	-	-	-	94,770	-	-	-
Dissolution of a subsidiary in other currencies	-	(20,538)	20,538	-	-	-	-	229,194	-	229,194
Disposal of a subsidiary in other currencies (note 32)	-	-	-	-	-	-	-	(25,905)	198,642	172,737
Conversion of CMI's special warrant certificates (note 23)	-	95,594	-	-	-	(347,940)	-	-	252,346	-
Equity-settled share-based compensation arrangements (note 21)	-	-	-	52,539	-	-	-	-	23,599	76,138
Dividends declared and settled (note 31)	-	155,240	(599,964)	-	-	-	-	-	444,724	-
Balance – March 31, 2020	117,057,236	3,326,663	(97,709,723)	1,619,001	-	-	(54,214)	(828,141)	607,038	24,017,860

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

Century Global Commodities Corporation
Consolidated Statements of Changes in Equity
For the year ended March 31, 2020

(Expressed in Canadian Dollars, unless otherwise stated)

	Attributable to owners of the Company									
	Share capital $	**Contributed surplus $**	**Deficit $**	**Share-based compensation reserve $**	**Warrants $**	**Special warrant reserve $**	**Investment fair value reserve $**	**Foreign currency translation reserve $**	**Non-controlling interests $**	**Total $**
Balance – March 31, 2018	117,057,226	3,087,181	(86,348,933)	1,458,586	20,000	-	(210,997)	(1,536,747)	-	33,526,316
Net loss for the year	-	-	(5,373,518)	-	-	-	-	-	(165,813)	(5,539,331)
Other comprehensive income/(loss) for the year	-	-	-	-	-	-	(28,488)	123,508	-	95,020
Total comprehensive income/(loss) for the year	-	-	(5,373,518)	-	-	-	(28,488)	123,508	(165,813)	(5,444,311)
Disposal of marketable securities (note 8)	-	-	70,684	-	-	-	(70,684)	-	-	-
Exercise of share-based awards (notes 20, 21)	10	3,391	-	(3,401)	-	-	-	-	-	-
Issuance of CMI’s special warrant certificates (note 23)	-	-	-	-	-	423,720	-	-	-	423,720
Conversion of CMI’s special warrant certificates (note 23)	-	5,795	-	-	-	(75,780)	-	-	69,985	-
Equity-settled share-based compensation arrangements (note 21)	-	-	-	111,277	-	-	-	-	-	111,277
Warrants expired (note 22)	-	-	20,000	-	(20,000)	-	-	-	-	-
Balance – March 31, 2019	117,057,236	3,096,367	(91,631,767)	1,566,462	-	347,940	(310,169)	(1,413,239)	(95,828)	28,617,002

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

Century Global Commodities Corporation
Consolidated Statements of Cash Flows
For the year ended March 31, 2020

(Expressed in Canadian Dollars, unless otherwise stated)

		Years ended March 31,	
		2020	**2019**
Cash generated by/(used in)	**Notes**	**$**	**$**
Operating activities			
Loss before tax		(5,675,386)	(5,539,331)
Adjustments for			
Bank and other interest income		(58,152)	(101,243)
Dividend income from marketable securities		(2,357)	(3,324)
Loss on foreign exchange		142,169	81,571
Loss on disposal of fixed assets		64,942	56,308
Depreciation	12, 13	111,987	257,500
Amortization of right-of-use assets		224,421	-
Share-based compensation arrangements	21	76,138	111,277
Inventories written off		17,967	-
Other losses of write offs on cessation of mainland China operations	28	905,697	-
Impairment of investment in a joint venture	14	360,000	-
Impairment of goodwill	15	-	98,943
Exchange reserve written off on dissolution of a subsidiary in other currencies		229,194	-
Gain on disposal of a subsidiary	32	(46,525)	-
Share of (profit)/loss of a joint venture	14	(31,376)	32,002
Changes in working capital items			
Decrease in trade and other receivables		534,467	308,575
Decrease/(increase) in sales taxes and other taxes recoverable		28,919	(26,091)
Decrease in prepayments and deposits		122,159	110,112
Increase in inventories		(1,087,146)	(531,386)
Increase in trade and other payables		526,267	112,158
Net cash used in operating activities		(3,556,615)	(5,032,929)
Investing activities			
Bank interest received		58,152	101,243
Short term bank deposits retrieved		727,192	2,564,145
Dividends received from marketable securities		2,357	3,324
Marketable securities purchased		(104,279)	-
Proceeds from sale of marketable securities		601,936	391,267
Additions of exploration and evaluation assets		(127,654)	(192,613)
Investment tax credit refunds received		44,946	3,872
Purchases of property, plant and equipment		(7,347)	(162,201)
Proceeds from sale of property, plant and equipment		31,086	430
Proceeds from disposal of a subsidiary	32	15,711	-
Purchase of other equity investment		-	(65,369)
Proceeds from a finance lease arrangement		69,779	64,902
Net cash generated by investing activities		1,311,879	2,709,000
Financing activities			
Principal payment of lease liabilities		(240,468)	-
Subscriptions received for CMI's private placement financing		1,492,500	-
Issuance of CMI's special warrant certificates	23	-	423,720
Net cash generated by financing activities		1,252,032	423,720
Net change in cash and cash equivalents		(992,704)	(1,900,209)

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

Century Global Commodities Corporation
Consolidated Statements of Cash Flows
For the year ended March 31, 2020

(Expressed in Canadian Dollars, unless otherwise stated)

		Years ended March 31,	
		2020	**2019**
	Note	**$**	**$**
Net change in cash and cash equivalents		(992,704)	(1,900,209)
Cash and cash equivalents – Beginning of year		5,746,934	7,578,497
Effect of foreign exchange rate changes, net		240,317	68,646
Cash and cash equivalents – End of year		4,994,547	5,746,934
Analysis of cash and cash equivalents			
Cash in bank and on hand		1,736,092	4,067,402
Short term bank deposits with original maturity of three months or less		831,688	1,679,532
Cash in bank classified as assets held for sale	19	2,426,767	-
Cash and cash equivalents – End of year		4,994,547	5,746,934

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

1. Nature of operations

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

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

These audited consolidated financial statements were approved by the Board of Directors for issue on June 29, 2020.

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 5.

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. Disposal group held for sale is stated at the lower of its carrying amount and fair value less costs to sell. These consolidated financial statements are presented in the Canadian Dollar, 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.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests ("NCI"). Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the NCI even if this results in the NCI having a deficit balance.

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

Name of entity	Place of business / Country of incorporation	Ownership interest held by the Group %	Ownership interest held by NCI %	Principal activities
Century Iron Ore Holdings Inc.	Canada	100%	-	Investment holding
Canadian Century Iron Ore Corporation	Canada	100%	-	Exploration and mining of mineral property
0849873 B.C. Ltd.	Canada	100%	-	Exploration and mining of mineral property
Century Metals Inc. ("CMI")	Canada	50.2%	49.8%	Exploration and mining of mineral property
Century Iron Mines Hong Kong Holdings Limited	Hong Kong, China	100%	-	Investment holding
Century Food Company Limited	Hong Kong, China	100%	-	Distribution of food
Century Trading (Wuhan) Company Limited	Mainland China	100%	-	Investment holding

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 each 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.

During the year, the functional currency is the Canadian Dollar for the Company's subsidiaries in Canada, the Hong Kong Dollar for the Company and its subsidiaries in Cayman Islands and Hong Kong, and the Chinese Yuan for the Company's subsidiaries in mainland China.

Goodwill

Goodwill arising on acquisitions of subsidiaries is carried at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss. An impairment loss recognized for goodwill is not reversed in the subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

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 other comprehensive income of the joint venture. 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. In addition, when there has been a change recognized directly in the equity of the joint venture, the Group recognizes its share of any changes, when applicable, in the consolidated statement of changes in equity.

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.

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.

Financial assets

(a) Classification

The Group classifies its financial assets as those to be measured at amortized cost and those to be measured subsequently at fair value. The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ("FVTOCI").

The Group has elected to designate its investments in marketable securities and other equity instruments as at FVTOCI as the investments are intended to be held for the foreseeable future.

(b) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

(i) Debt instruments: The Group's debt instruments comprise cash, short term bank deposits and trade and other receivables. They are assets held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest and are subsequently measured at amortized cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss. Impairment losses are presented as separate line item in the statement of profit or loss.

(ii) Equity instruments: The Group's investments in marketable securities and other equity instruments are designated as at FVTOCI. Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the investment fair value reserve, and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to retained earnings. Dividends from such investments are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

(c) Impairment

The Group recognizes a loss allowance for expected credit losses ("ECL") on financial assets which are subject to impairment under IFRS 9 (including trade receivables, finance lease receivable and other receivables). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, twelve-month ECL represents the portion of lifetime ECL that is expected to result from default events that are possible within twelve months after the reporting date. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group records lifetime ECL for its trade receivables. For the Group's finance lease receivable and other receivables, the Group records a twelve-month ECL unless a significant increase in credit risk since initial recognition has occurred, at which point the Group will measure the loss allowance at lifetime ECL.

Financial liabilities

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. The Group's financial liabilities are trade and other payables and classified as current liabilities. They are not discounted due to their short-term nature.

Inventories

Inventories are stated at the lower of cost and net realizable value. Cost of inventories is determined using the weighted average method. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

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, Furniture and fixtures	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.

Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is stated at cost less accumulated depreciation and accumulated impairment losses. The Group's investment property is depreciated on a straight-line basis over its leasehold term of 35 years.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

Leases

The Group as a lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. At the commencement date of the lease, the Group recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets.

(a) Right-of-use assets

Right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated amortization and impairment losses.

Right-of-use assets are amortized over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is amortized over the useful life of the underlying asset. The amortization starts at the commencement date of the lease.

The Group applies IAS 36 *Impairment of Assets* to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

(b) Lease liabilities

Lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

Lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The carrying amount of a lease liability is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of storage facilities (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

(d) Accounting policy applied until March 31, 2019

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the lessee is classified as a finance lease. All other leases are classified as operating leases.

The Group is a lessee of certain operating lease arrangements. Payments made under operating leases are charged to the profit or loss on a straight-line basis over the period of the lease.

The Group as a lessor

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. When the Group is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

The Group has rented out its investment property under operating lease arrangement. Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

The Group has entered into certain finance lease arrangements as the lessor. Amounts due from lessees under finance leases are recognized as receivables at the amount of the Group's net investment in the leases. Finance income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Asset impairment

(a) 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 be fully recovered from successful development or by sale.

(b) Property, plant and equipment, investment property and right-of-use assets

The Group's management performs impairment tests on property, plant and equipment, investment property and right-of-use assets when events or circumstances indicate that an 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.

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.

(c) Investment in joint ventures

The Group determines at each reporting date whether there is any objective evidence that the investment in the joint venture 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 and its carrying value and recognizes the amount in profit or loss.

Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognized for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognized for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the non-current asset (or disposal group) is recognized at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortized while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognized.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

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.

Share-based compensation expenses 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.

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 measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognizes revenue when it transfers control of a product or service to a customer.

The Group's revenue arises from the distribution of food and the provision of food service.

(a) Distribution of food

The Group distributes food products to wholesalers and retailers. Each contract with a customer generally includes one performance obligation. Sales are recognized at a point in time when control of the goods has transferred to the customer, being when the goods are delivered to the customer, the customer has full discretion over the use of the goods, and there is no unfulfilled obligation that could affect the customer's acceptance of the goods. Transaction price of the contract with customer is generally fixed and agreed upon prior to delivery of the goods. Delivery occurs when the goods have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

Certain customers of the Group are entitled to volume discounts based on aggregate sales over a year. Revenue from these sales is recognized based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur. A liability is recognized for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. No element of financing is deemed present as the sales are generally made with a credit term of 60 to 90 days, which is consistent with market practice.

A receivable is recognized when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(b) Provision of food service

The Group provides food service and it serves food and beverages to end customers. Each contract with a customer generally includes one performance obligation. Revenue from the provision of food service is recognized at a point in time when the Group delivers the goods and services to the customer and the customer accepts the goods and services. Transaction price of the contract with customer is generally fixed and agreed upon prior to delivery of the goods and services. Payment of the transaction price is due immediately when the goods and services are delivered by the Group and accepted by the customer.

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. The Group does not adjust any of the transaction prices for the time value of money.

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. Changes in accounting policies

The Group applies, for the first time, IFRS 16 *Leases* in its consolidated financial statements. The changes in accounting policies and the retrospective adjustments arising from the adoption of the new standard are described below.

IFRS 16 *Leases*

IFRS 16 supersedes IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases-Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for most leases under a single on-balance sheet model. Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 did not have an impact for leases where the Group is the lessor.

The Group adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of April 1, 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognized as an adjustment to the opening balance of retained earnings at the date of initial application. Comparatives are not restated, as permitted under the transitional provisions in the standard. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application.

(a) Impact on lessee accounting

IFRS 16 changes how the Group accounts for leases previously classified as operating lease under IAS 17, which were off-balance sheet.

On the adoption of IFRS 16, for all leases (except as noted below), the Group recognizes right-of-use assets and lease liabilities in the balance sheet, initially measured at the present value of future lease payments; recognizes amortization of right-of-use assets and interest on lease liabilities in profit or loss; and separate the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within operating activities) in the cash flow statement.

Lease incentives (e.g. rent-free period) are recognized as part of the measurement of the right-of-use assets and lease liabilities whereas under IAS 17 they resulted in the recognition of a lease incentive liability, amortized as a reduction of rental expenses on a straight-line basis.

Under IFRS 16, right-of-use assets are tested for impairment in accordance with IAS 36 *Impairment of Assets*. This replaces the previous requirement to recognize a provision for onerous lease contracts.

For short-term leases with lease term of 12 months or less and leases of low-value assets, the Group has opted to recognize a lease expense on a straight-line basis as permitted by IFRS 16.

(b) Impact on lessor accounting

Lessor accounting under IFRS 16 is substantially unchanged from the accounting under IAS 17. Under IFRS 16, a lessor continues to classify leases as either finance leases or operating leases using the same classification principle as in IAS 17 and account for those two types of leases differently.

(c) Adjustments recognized on adoption of IFRS 16

On adoption of IFRS 16, the Group recognized right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for leases were recognized based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. Lease liabilities were recognized based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Group also applied the available practical expedients wherein it applied the short-term leases exemptions to leases with lease term that ends within 12 months at the date of initial application, excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application, and used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

(Expressed in Canadian Dollars, unless otherwise stated)

The effect of adoption of IFRS 16 on the Group's consolidated statement of financial position as at April 1, 2019 is as follows:

	April 1, 2019 **$**
Increase in right-of-use assets, at net book value	312,066
Increase in lease liabilities	(372,213)
Decrease in other payables	34,995
Increase in deficit	25,152

The following is a reconciliation of operating lease commitments at March 31, 2019 to the lease liabilities recognized at April 1, 2019:

	$
Operating lease commitments disclosed as at March 31, 2019	463,485
Weighted average incremental borrowing rate as at April 1, 2019	4.55%
Discounted operating lease commitments as at April 1, 2019	428,852
Less: Leases with remaining lease term of less than 12 months	(62,159)
Add: Net other adjustments	5,520
Lease liabilities recognized as at April 1, 2019	372,213

5. Critical accounting estimates and judgments

The Group makes estimates and assumptions concerning the future that are believed to be reasonable under the circumstances. Estimates and judgments are continuously evaluated and are based on management's experience and other factors, including expectations about future events. The 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, based on IFRS 6 *Exploration for and Evaluation of Mineral Resources* and IAS 36 *Impairment of Assets*. In undertaking this review, management is required to make significant estimates of, amongst other things, future production and sale values, unit sales prices, future operating and capital costs and reclamation costs to the end of the mine's life. These estimates are subject to various risks and uncertainties, which may ultimately have an effect on the expected recoverability of the carrying value of the exploration and evaluation assets. In the event that the prospects for the development of the investment project and the mineral projects are enhanced in the future, an assessment of the recoverable amount of the projects will be performed at that time, which may lead to a reversal of part or all of the impairment that has been recognized.

(ii) Valuation of property, plant and equipment and investment property

The Group carries its property, plant and equipment and investment property at cost less accumulated depreciation and accumulated impairment losses. The Group reviews the carrying value of its property, plant and equipment and investment property whenever events or changes in circumstances indicate that their carrying values may not be recoverable based on IAS 36 *Impairment of Assets*. A market approach is used in estimating the fair value less costs of disposal (“FVLCD”) of the Company’s long-term property, plant and equipment, primarily operational drills, field equipment and camps. In the event that the prospects for the development of the investment project and the mineral projects are enhanced in the future, an assessment of the recoverable amount of the projects will be performed at that time, which may lead to a reversal of part or all of the impairment that has been recognized.

(iii) Provision for expected credit losses on accounts receivable

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

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

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group’s historical credit loss experience and forecast of economic conditions may also not be representative of customer’s actual default in the future. The information about the ECLs on the Group’s trade receivables is disclosed in note 9.

(iv) Share-based compensation expenses

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

(v) Classification of joint arrangements

The Group 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.

(vi) 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 IFRS 9 *Financial Instruments* to identify whether any objective evidence exists indicating the possibility for potential impairment; Where there is objective evidence of impairment, the entire carrying amount of the investment is tested for impairment in accordance with IAS 36 *Impairment of Assets*, the guideline for impairment assessment of the Company's assets. Management use their judgement in assessing the factors and making estimates and assumptions that are supported by quantifiable market information, supplemented by internal analysis as required. These assessment and estimates have been applied in a manner consistent with prior periods. In the event that the prospects for the development of the investment project and the mineral projects are enhanced in the future, an assessment of the recoverable amount of the projects will be performed at that time, which may lead to a reversal of part or all of the impairment that has been recognized.

(vii) Going concern

The assessment of events or conditions that may cast significant doubt on the Company's ability to continue as a going concern involves significant judgment. In making this determination management considers all relevant information. Please refer to note 34 for liquidity risk disclosures. Management has determined that there is no going concern uncertainty at March 31, 2020.

(viii) COVID-19

On March 11, 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. Although the Group has adjusted some of its operating procedures, to date the Group's operations have not been significantly impacted by COVID-19. The management will monitor the situation and may take actions that alter the Group's business operations as may be required by federal, provincial or local authorities, or that management determines are in the best interests of the Group's employees, customers, suppliers, shareholders and other stakeholders. Such alterations or modifications could cause substantial interruption to the Group's business, any of which could have a material adverse effect on the Group's operations or financial results.

6. New standards and interpretations issued but not yet effective

The following standards have been issued but are not yet effective.

Amendments to IAS 1 and IAS 8: *Definition of Material*

The IASB has made amendments to IAS 1 *Presentation of Financial Statements* and IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* which use a consistent definition of materiality throughout International Financial Reporting Standards and the Conceptual Framework for Financial Reporting, clarify when information is material and incorporate some of the guidance in IAS 1 about immaterial information.

In particular, the amendments clarify that the reference to obscuring information addresses situations in which the effect is similar to omitting or misstating that information, and that an entity assesses materiality in the context of the financial statements as a whole. The amendments also clarify the meaning of "primary users of general purpose financial statements" to whom those financial statements are directed, by defining them as "existing and potential investors, lenders and other creditors" that must rely on general purpose financial statements for much of the financial information they need.

The amendments are applied prospectively for the Group's financial periods beginning April 1, 2020. The amendments are not expected to have a significant impact on the Group's consolidated financial statements.

Amendments to IFRS 3: *Definition of a Business*

The amended definition of a business requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of the term "outputs" is amended to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits.

Since the amendments apply prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after April 1, 2020, being the date of first application for the Group, the Group will not be affected by these amendments on transition.

Amendments to IFRS 10 and IAS 28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The IASB has made limited scope amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures*. The amendments clarify the accounting treatment for sales or contribution of assets between an investor and its associates or joint ventures. They confirm that the accounting treatment depends on whether the nonmonetary assets sold or contributed to an associate or joint venture constitute a "business" (as defined in IFRS 3 *Business Combinations*).

Where the non-monetary assets constitute a business, the investor will recognize the full gain or loss on the sale or contribution of assets. If the assets do not meet the definition of a business, the gain or loss is recognized by the investor only to the extent of the other investor's interests in the associate or joint venture.

The amendments apply prospectively. The effective date of the amendments has yet to be set by the IASB; however, earlier application of the amendments is permitted. The Company's management anticipate that the application of these amendments may have an impact on the Group's consolidated financial statements in future periods should such transactions arise.

7. Segment information

The Group's operating segments are as follows:

(i) the mining segment, which engages in the exploration and development of mineral projects in Canada and the investment in global mining securities;

(ii) the food segment, which engages in the distribution of food and the provision of food service in Hong Kong and mainland China; and

(iii) the corporate segment, which mainly represents the Group's corporate and managerial functions.

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

(Expressed in Canadian Dollars, unless otherwise stated)

The following tables present information for the Group's operating segments for the years ended March 31, 2020 and 2019, respectively.

For the year ended March 31, 2020	**Mining $**	**Food $**	**Corporate $**	**Total $**
Segment revenue				
Revenue from contracts with customers:				
Distribution of food	-	7,936,359	-	7,936,359
Provision of food service	-	158,460	-	158,460
Sales to external customers	-	8,094,819	-	8,094,819
Segment profit or loss				
Gross profit	-	1,963,299	-	1,963,299
Income and gains:				
Interest income	12,050	-	46,102	58,152
Other income or gains	27,746	53,703	139,457	220,906
	39,796	53,703	185,559	279,058
Expenses:				
Selling expenses	-	502,347	-	502,347
Salaries, pension and directors' fees	1,061,898	1,472,013	597,101	3,131,012
Consulting and professional fees	1,105,402	21,649	255,183	1,382,234
Corporate promotion and listing fees	50,283	-	40,338	90,621
Other administrative expenses	335,060	437,235	189,395	961,690
Project maintenance costs	41,688	-	-	41,688
Share-based compensation expenses	56,154	11,973	8,011	76,138
Loss on foreign exchange	3,025	60,531	78,613	142,169
Loss/(gain) on dissolution or disposal of subsidiaries	-	(46,525)	380,072	333,547
Other losses	-	905,697	-	905,697
Impairment of investment in a joint venture	360,000	-	-	360,000
Interest expense	11,860	-	10,116	21,976
Share of profit of a joint venture	(31,376)	-	-	(31,376)
	2,993,994	3,364,920	1,558,829	7,917,743
Loss before tax	(2,954,198)	(1,347,918)	(1,373,270)	(5,675,386)
Segment assets				
Investment in a joint venture	7,380,195	-	-	7,380,195
Total assets	18,694,478	3,952,259	5,183,410	27,830,147
Segment liabilities				
Total liabilities	2,218,419	770,878	822,990	3,812,287
Other segment information				
Depreciation & amortization	109,317	165,392	61,699	336,408
Capital expenditure	127,654	5,340	2,007	135,001

(Expressed in Canadian Dollars, unless otherwise stated)

For the year ended March 31, 2019	Mining $	Food $	Corporate $	Total $
Segment revenue				
Revenue from contracts with customers:				
Distribution of food	-	5,447,011	-	5,447,011
Provision of food service	-	636,657	-	636,657
Sales to external customers	-	6,083,668	-	6,083,668
Segment profit or loss				
Gross profit	-	1,593,663	-	1,593,663
Income and gains:				
Interest income	16,011	-	85,349	101,360
Other income or gains	3,324	109,028	-	112,352
	19,335	109,028	85,349	213,712
Expenses:				
Selling expenses	-	819,757	-	819,757
Salaries, pension and directors' fees	990,356	1,610,326	656,359	3,257,041
Consulting and professional fees	684,534	141,594	273,272	1,099,400
Corporate promotion and listing fees	57,468	-	37,073	94,541
Other administrative expenses	316,682	662,118	156,411	1,135,211
Project maintenance costs	266,963	-	-	266,963
Share-based compensation expenses	29,806	47,806	33,665	111,277
Loss on foreign exchange	128	29,453	51,990	81,571
Other losses	-	-	350,000	350,000
Impairment of goodwill	-	98,943	-	98,943
Share of loss of a joint venture	32,002	-	-	32,002
	2,377,939	3,409,997	1,558,770	7,346,706
Loss before tax	(2,358,604)	(1,707,306)	(1,473,421)	(5,539,331)
Segment assets				
Investment in a joint venture	7,708,819	-	-	7,708,819
Total assets	17,909,009	3,502,379	8,961,930	30,373,318
Segment liabilities				
Total liabilities	625,659	579,554	551,103	1,756,316
Other segment information				
Depreciation	30,242	174,704	52,554	257,500
Capital expenditure	193,833	80,273	80,708	354,814

Included in the revenue of the Group's food segment is revenue of $6,043,135 (2019: $3,542,247) which was derived from sales to three (2019: three) major external customers. Revenue contributed by each of the major customers of the Group in descending order of value were $2,466,589, $2,047,234 and $1,529,312 (2019: $1,870,287, $1,034,758 and $637,202).

(Expressed in Canadian Dollars, unless otherwise stated)

The Group operates in two principal geographical areas – Canada and China (including Hong Kong). The following table presents information for the Group's geographical segments for the years ended March 31, 2020 and 2019, respectively.

	Canada $	China $	Total $
Sales to external customers			
Year ended March 31, 2020	-	8,094,819	8,094,819
Year ended March 31, 2019	-	6,083,668	6,083,668
Non-current assets			
March 31, 2020	14,288,128	1,325,078	15,613,206
March 31, 2019	8,462,254	1,244,925	9,707,179

8. Financial assets at fair value through other comprehensive income

Financial assets at FVTOCI comprise marketable securities and other equity investment. During the year, the Group invested in certain equity securities in Canada and Hong Kong. The Group has elected to designate these investments as at FVTOCI.

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

	2020 $	2019 $
Financial assets at FVTOCI		
Listed equity securities – Canada, at fair value	204,547	541,938
Unlisted equity securities – Hong Kong, at fair value	70,306	66,442

During the year, the Group sold certain Canadian listed equity securities as these investments no longer coincided with the Group's investment strategy. At disposal, the fair value of the investments was $601,936 (2019: $391,267), and a cumulative loss of $8,057 (2019: gain of $70,684) was transferred to deficit.

During the year, the following gains or losses were recognized in profit or loss and other comprehensive income:

	2020 $	2019 $
Gains/(losses) recognized in other comprehensive income	161,185	(28,488)
Dividend income recognized in profit or loss:		
Related to investments at FVTOCI derecognized during the year	1,483	-
Related to investments at FVTOCI held as of the balance sheet date	874	3,324
	2,357	3,324

(Expressed in Canadian Dollars, unless otherwise stated)

9. Trade and other receivables

	2020 $	2019 $
Trade receivables (i)	1,627,856	1,130,769
Other receivables	351,847	561,671
Receivable from Labec Century (ii)	4,309,865	5,356,999
Receivable from WISCO Century Sunny Lake (ii)	3,210,771	3,210,771
	9,500,339	10,260,210
Classified as:		
Current assets	2,979,703	10,260,210
Non-current assets	6,520,636	-
	9,500,339	10,260,210

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

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

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

	Current $	Past due less than 6 months $	Past due 6 months to less than 1 year $	Past due over 1 year $	Total $
As at March 31, 2020					
Expected credit loss rate	0%	0%	0%	100%	
Gross carrying amount	1,612,514	9,296	6,046	-	1,627,856
Expected credit losses	-	-	-	-	-
As at March 31, 2019					
Expected credit loss rate	0%	0%	0%	100%	
Gross carrying amount	1,110,100	20,669	-	-	1,130,769
Expected credit losses	-	-	-	-	-

(ii) Labec Century and WISCO Century Sunny Lake are the Company’s joint venture and the operator of the Company’s Sunny Lake Joint Venture respectively. As at March 31, 2020, total receivables from Labec Century and WISCO Century Sunny Lake amounted to $7,520,636, of which $1,000,000 is classified as current and $6,520,636 as non-current. Please refer to note 33 for the details of the balances.

(Expressed in Canadian Dollars, unless otherwise stated)

10. Inventories

	2020 **$**	**2019** **$**
Trading merchandise held for sale	1,989,973	1,205,432

11. Exploration and evaluation assets

	2020 **$**	**2019** **$**
Trudeau gold and other non-ferrous properties		
Balance at beginning of year	455,697	355,441
Additions	127,654	192,613
Investment tax credits	52,503	(92,357)
Classified as assets held for sale (note 19)	(627,772)	-
Balance at end of year	8,082	455,697

Trudeau gold property

The Trudeau gold property is an early stage gold-focused polymetallic exploration project, located approximately 35 kilometres northwest of the city of Rouyn-Noranda, Quebec. CMI holds a 100% interest in the property consisting of three non-contiguous claim groups surrounding Duparquet Lake, namely Fabie, Trudeau and Eastchester.

As at March 31, 2020, exploration and evaluation assets of the Trudeau gold property is classified as assets held for sale. For details, please refer to note 19.

Impairment assessment of iron ore properties

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

At March 31, 2020, the net book value of the above two properties remains nil. In the event that the prospects for the development of the mineral projects are enhanced in the future, an assessment of the recoverable amount of the projects will be performed at that time, which may lead to a reversal of part or all of the impairment that has been recognized.

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 $14.0 million on the project under the Augyva Agreement. The transfer registration of 14% was completed in May 2013.

As of March 31, 2020, the Group has a 65% registered interest in the Duncan Lake property and is in the process of registering approximately an additional 3% interest as a result of its contribution to the exploration expenditure incurred for the property subsequent to the earn-in of its 65% interest in the property.

Sunny Lake property

On December 19, 2011, the Company and WISCO International Resources Development & Investment Limited ("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 $40.0 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.

Subsequent to the acquisition of ownership interest of 17.1%, WISCO Sunny Lake acquired an additional 1.8% interest in the Sunny Lake property for the consideration of $1,800,000, increasing its interest in the property to 18.9%. On January 1, 2016, WISCO Sunny Lake was amalgamated with WISCO Canada ADI Resources Development & Investment Limited ("WISCO ADI").

As at March 31, 2020, the Company owns 81.1% of the Sunny Lake property and the remaining funding obligation of WISCO ADI to earn in up to a 40% of interest in the property is $21.1 million.

(Expressed in Canadian Dollars, unless otherwise stated)

12. Property, plant and equipment

	Land $	Drilling & field equipment $	Camp and properties $	Leasehold improvements, furniture & fixtures $	Computer & office equipment $	Vehicles $	Total $
Cost							
Balance - March 31, 2018	137,177	971,427	2,149,782	454,821	490,987	72,568	4,276,762
Additions	-	-	-	100,490	34,781	26,930	162,201
Disposals	-	-	-	(122,404)	(59,238)	-	(181,642)
Exchange differences	-	-	(34,782)	(4,783)	(1,695)	450	(40,810)
Balance - March 31, 2019	137,177	971,427	2,115,000	428,124	464,835	99,948	4,216,511
Additions	-	-	-	-	6,393	954	7,347
Disposals	-	-	-	(109,923)	(87,614)	(60,146)	(257,683)
Transfer to investment property (note 13)	-	-	(965,170)	(70,229)	-	-	(1,035,399)
Exchange differences	-	-	(64,281)	(2,346)	4,272	(1,088)	(63,443)
Balance - March 31, 2020	137,177	971,427	1,085,549	245,626	387,886	39,668	2,867,333
Accumulated depreciation and impairment							
Balance - March 31, 2018	100,000	971,427	1,104,833	139,460	340,594	71,865	2,728,179
Depreciation	-	-	34,880	131,719	85,954	4,947	257,500
Disposals	-	-	-	(83,270)	(41,647)	-	(124,917)
Exchange differences	-	-	(341)	571	1,389	71	1,690
Balance - March 31, 2019	100,000	971,427	1,139,372	188,480	386,290	76,883	2,862,452
Depreciation	-	-	21,185	44,534	36,035	2,642	104,396
Disposals	-	-	-	(55,877)	(50,063)	(39,686)	(145,626)
Transfer to investment property (note 13)	-	-	(71,147)	(3,229)	-	-	(74,376)
Exchange differences	-	-	(3,861)	3,407	5,877	(171)	5,252
Balance - March 31, 2020	100,000	971,427	1,085,549	177,315	378,139	39,668	2,752,098
Net book value							
Balance - March 31, 2020	37,177	-	-	68,311	9,747	-	115,235
Balance - March 31, 2019	37,177	-	975,628	239,644	78,545	23,065	1,354,059

(Expressed in Canadian Dollars, unless otherwise stated)

13. Investment property

	2020 **$**
<u>Cost</u>	
Balance – April 1, 2019	-
Transfer from property, plant and equipment (note 12)	1,035,399
Exchange differences	72,358
Balance – March 31, 2020	1,107,757
<u>Accumulated depreciation and impairment</u>	
Balance – April 1, 2019	-
Transfer from property, plant and equipment (note 12)	74,376
Depreciation	7,591
Exchange differences	5,535
Balance – March 31, 2020	87,502
<u>Net book value</u>	
Balance – March 31, 2020	1,020,255

The Group's investment property is a commercial office premise located at Wuhan, China. During the year, the Group ceased to occupy its office property at Wuhan and rented it out to a third party under an operating lease, please refer to note 17 for details of the lease. Accordingly, the Group transferred the office premise from property, plant and equipment to investment property, and applied the cost model to account for it.

Rental income derived from the Group's investment property amounted to $9,457. Direct operating expenses arising from the investment property, which generated rental income during the year, amounted to $28,208.

14. Investment in a joint venture

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

	2020 **$**	**2019** **$**
Balance at beginning of year	7,708,819	7,740,821
Share of profit/(loss) of Labec Century	31,376	(32,002)
Impairment	(360,000)	-
Balance at end of year	7,380,195	7,708,819

The financial information of Labec Century is summarized as follows:

	March 31, 2020 $'000	**March 31, 2019 $'000**
Assets		
Current assets*	11,032	15,553
Non-current assets	8,801	5,118
Liabilities		
Current liabilities	6,887	7,778
Non-current liabilities	-	-
* Includes cash and cash equivalents of	10,355	11,551

	Years ended March 31,	
	2020 $'000	**2019 $'000**
Profit/(loss) from continuing operations	52	(53)
Total comprehensive profit/(loss)	52	(53)

The principal activities of Labec Century are to explore and develop the Attikamagen property. Since January 1, 2016, Labec Century reduced its exploration activities to claims maintenance only to preserve cash for the iron ore market to recover in the future. The principal place of business is in the Province of Québec, Canada. Labec Century is the sole owner of the Attikamagen property.

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 disposition of the subsidiary resulted in a non-cash accounting gain of $47,722,258 for the year ended March 31, 2013.

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. On January 1, 2016, WISCO Attikamagen was amalgamated with WISCO ADI.

As at March 31, 2020, the Group continues to own a 60% interest in Labec Century.

(Expressed in Canadian Dollars, unless otherwise stated)

15. Goodwill

	2020 $	2019 $
Cost		
Balance at beginning of year	98,943	97,291
Exchange differences	-	1,652
Balance at end of year	98,943	98,943
Accumulated impairment		
Balance at beginning of year	98,943	-
Impairment loss	-	98,943
Balance at end of year	98,943	98,943
Net book value		
As at March 31	-	-

As at March 31, 2020, management performed an impairment test on goodwill and maintained that a full impairment is adequate. During the year ended March 31, 2019, the food service operation in mainland China which was acquired in prior year has been incurring losses owing to rising costs and increasing competition from restaurants newly opened in the neighbourhood of the operation. The management did not expect the operation to be profit making in the foreseeable future and therefore has sold its assets in March 2019 to reduce losses. Accordingly, management has fully impaired the goodwill.

16. Trade and other payables

	2020 $	2019 $
Trade payables (i)	622,346	207,609
Other payables and accruals	1,208,551	1,548,707
	1,830,897	1,756,316

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

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

(Expressed in Canadian Dollars, unless otherwise stated)

17. Leases

The Group as a lessor

During the year ended March 31, 2018, the Group has entered into certain lease arrangements to lease out two drills for terms of 4 years until 2022. Pursuant to the lease agreements, the lessee shall pay to the Group an initial payment before delivery of the drills and monthly payments over the lease term. At the end of the lease, the lessee can purchase the drills by paying a purchase price. Alternatively, the lessee can exercise an early buyout option to purchase the drills by making a lump sum payment to the Group equal to the total of the remaining unpaid monthly payments and the purchase price. The leases qualified as finance lease arrangements.

The Group's lease receivable as of the balance sheet date is as follows:

	Minimum lease payments		Present value of minimum lease payments	
	2020	**2019**	**2020**	**2019**
Lease receivable	**$**	**$**	**$**	**$**
Within 1 year	80,909	80,908	75,068	69,780
Between 1 and 2 years	48,186	80,909	47,095	75,068
Between 2 and 3 years	-	48,186	-	47,094
More than 3 years	-	-	-	-
	129,095	210,003	122,163	191,942
Less: unearned finance income	(6,932)	(18,061)	-	-
Lease receivable	122,163	191,942	122,163	191,942

The Group has entered into an operating lease on its investment property, as detailed in note 13, for a term of 1 year. As of March 31, 2020, undiscounted lease payments to be received within 1 year under the operating lease is $35,893.

(Expressed in Canadian Dollars, unless otherwise stated)

The Group as a lessee

During the year, the Group leased certain office and storage premises under operating leases for terms of 2 to 10 years. The right-of-use assets of these underlying building assets as of the balance sheet date are as follows:

Right-of-use assets	**2020** **$**
Net book value	
Balance – April 1, 2019 on adoption of IFRS 16	312,066
Additions on lease inception	283,030
Lease modifications	(11,967)
Amortization	(230,356)
Exchange differences	12,602
Balance – March 31, 2020	365,375

The Group's lease liabilities as of the balance sheet date is as follows:

Lease liabilities	**2020** **$**
Within 1 year	260,699
Between 1 and 2 years	146,099
Between 2 and 3 years	8,838
More than 3 years	-
	415,636

Movement of lease liabilities during the year is as follows:

Lease liabilities	**2020** **$**
Balance – April 1, 2019 on adoption of IFRS 16	372,213
Additions	283,030
Lease modifications	(11,967)
Accretion of interest	22,612
Lease payments	(263,080)
Exchange differences	12,828
Balance – March 31, 2020	415,636

During the year, total cash outflows incurred for leases amounted to $296,744. Interest expense of $22,612 was incurred on lease liabilities. Lease expenses of short-term operating leases and low-value assets charged to profit or loss were $26,582 and $7,082 respectively. There were no variable lease payments charged to profit or loss.

(Expressed in Canadian Dollars, unless otherwise stated)

As of the balance sheet date, there were no commitment for short-term leases not accounted for as lease liabilities, and there were no material future cash outflows to which the Group is potentially exposed that are not reflected in the measurement of lease liabilities.

18. Deferred tax

Deferred tax assets	2020 $	2019 $
Tax losses	86,027	-

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

Deferred tax assets	Tax losses $
Balance – March 31, 2019	-
Credited to profit or loss (note 29)	80,333
Exchange differences	5,694
Balance – March 31, 2020	86,027

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:

	2020 $	2019 $
Non-capital loss carry-forwards (expires between 2021 and 2040)	33,948,823	30,209,669
Investment tax credits (expires between 2030 and 2034)	1,950,445	1,950,445
Exploration and evaluation assets	2,034,858	4,038,891
	37,934,126	36,199,005

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 has 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 $31,376 as of March 31, 2020 (2019: $32,002).

(Expressed in Canadian Dollars, unless otherwise stated)

19. Assets and liabilities of disposal group classified as held for sale

On September 23, 2019, CMI entered into a letter of intent with Reyna Silver Corp. ("Reyna Silver") to acquire all the issued and outstanding share capital of Reyna Silver, which mainly owns two silver exploration properties in Mexico. The acquisition of Reyna Silver is a reverse takeover under Policy 5.2 of the Toronto Stock Exchange.

On March 20, 2020, CMI entered into an acquisition and amalgamation agreement with Reyna Silver and 1244916 B.C. Ltd., a wholly owned subsidiary of CMI, to acquire all the issued and outstanding share capital of Reyna Silver.

Subsequent to the balance sheet date on June 3, 2020, CMI completed the acquisition transaction with Reyna Silver. Upon completion of the transaction, the Group has lost the control of CMI and retains an interest of 3.67% in it, for details please refer to note 36.

The following assets and liabilities of CMI are reclassified as held for sale as at 31 March 2020:

	$
Assets classified as held for sale	
Cash and cash equivalents	2,426,767
Sales taxes and other taxes recoverable	24,475
Exploration and evaluation assets	627,772
	3,079,014
Liabilities directly associated with assets classified as held for sale	
Other payables	1,565,754
Net assets directly associated with the disposal group	1,513,260

(Expressed in Canadian Dollars, unless otherwise stated)

20. Share capital

Authorized

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

Issued and fully paid

At March 31, 2020, the Company had 98,504,571 ordinary shares issued and outstanding, representing an amount of $117,057,236. The changes in issued share capital for the year are as follows:

	Number of shares	$
Balance – March 31, 2018	98,494,571	117,057,226
Ordinary shares issued under an equity incentive plan (note 21)	10,000	10
Balance – March 31, 2019 and 2020	98,504,571	117,057,236

21. Share-based compensation arrangements

	2020 $	2019 $
Share options expense:		
Share options issued by the Company	28,793	111,277
Share options issued by CMI	47,345	-
	76,138	111,277

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

(Expressed in Canadian Dollars, unless otherwise stated)

Share options issued by the Company

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.

The share options outstanding as of March 31, 2020 are as follows:

	Number of options	Weighted average exercise price $
Balance – March 31, 2018	8,727,500	0.30
Forfeited	(10,000)	0.35
Balance – March 31, 2019	8,717,500	0.30
Forfeited	(165,000)	0.35
Balance – March 31, 2020	8,552,500	0.30

The exercise prices and exercise periods of the share options outstanding as of March 31, 2020 are as follows:

Number of options	Exercise price $	Exercise period
4,067,500	0.345	March 9, 2015 to March 8, 2025
300,000	0.345	June 1, 2015 to May 31, 2025
100,000	0.345	November 11, 2015 to November 10, 2025
195,000	0.345	February 5, 2016 to February 4, 2026
3,240,000	0.22	August 4, 2016 to August 3, 2026
650,000	0.345	June 23, 2017 to June 22, 2027
8,552,500		

As of the balance sheet date, the weighted average remaining contractual life of the outstanding share options is 5.7 years, and 8,335,834 options are vested and exercisable.

(Expressed in Canadian Dollars, unless otherwise stated)

Share awards issued by the Company

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 shares, cash, securities or other property, or a combination thereof.

Share units outstanding under the Plan are shown as follows:

	Time-based (i)	Operational (ii)	Financial (iii)	Number of share units	Weighted average fair value at the measurement date $
Balance – March 31, 2018	10,000	290,375	279,125	579,500	0.48
Vested and shares exercised	(10,000)	-	-	(10,000)	0.34
Expired	-	(263,750)	(263,750)	(527,500)	0.49
Forfeited	-	(16,875)	(5,625)	(22,500)	0.46
Balance – March 31, 2019	-	9,750	9,750	19,500	0.40
Expired	-	(9,750)	(9,750)	(19,500)	0.40
Balance – March 31, 2020	-	-	-	-	

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 target**: 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 target**: 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 period of vesting would occur between November 2018 and March 2020.

(iii) **Financial target**: 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 period of vesting would occur between November 2018 and March 2020.

On July 10, 2018, 10,000 shares were issued at nil consideration for the share units vested under the time-based target. An amount of $3,401 was transferred from the share award reserve to share capital and contributed surplus upon the issuance of the shares.

(Expressed in Canadian Dollars, unless otherwise stated)

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

Share options issued by CMI

CMI operates a share option scheme (the "CMI Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of CMI's operations. Eligible participants of the CMI Scheme include the directors, employees and consultants of CMI.

On September 13, 2019, CMI granted 1.7 million share options under the CMI Scheme (the "CMI Options") to its directors and officers. Each of these CMI Options is (i) fully vested upon grant, and (ii) exercisable at the exercise price determined as the closing price of CMI on the trading day 24 hours after the announcement of the signing of the letter of intent between CMI and Reyna Silver in relation to the acquisition of all the issued and outstanding share capital of Reyna Silver, as further detailed in note 19.

The fair value of the CMI Options has been estimated using the Black-Scholes model by considering the following key assumptions: risk-free interest rate 1.5%, exercise price and stock price of $0.03 per share, volatility 99%, estimated dividend 0%, estimated forfeiture 0% and expected life option of 10 years. The CMI Options are exercisable for a period of up to 10 years from the date of grant. The fair value calculated based on the model is $0.03 per share option.

The CMI Options outstanding as of March 31, 2020 are as follows:

	Number of options	Weighted average exercise price $
Balance – March 31, 2019	-	-
Granted	1,700,000	0.03
Balance – March 31, 2020	1,700,000	0.03

The exercise prices and exercise periods of the CMI Options outstanding as of March 31, 2020 are as follows:

Number of options	Exercise price $	Exercise period
1,700,000	0.03	September 13, 2019 to September 13, 2029

As of the balance sheet date, the weighted average remaining contractual life of the outstanding CMI Options is 9.5 years, and all the 1,700,000 options are vested and exercisable.

(Expressed in Canadian Dollars, unless otherwise stated)

22. Warrants

The warrants issued and expired during the year ended March 31, 2019 were as follows:

	Number of warrants	Weighted average exercise price $
Balance – March 31, 2018	1,000,000	2.50
Expired	(1,000,000)	2.50
Balance – March 31, 2019	-	

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 between November 30, 2017 to November 29, 2018 at an exercise price of $2.50. The warrants have expired on November 29, 2018.

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.

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. Champion has not exercised any warrants during the exercisable period of the warrants, no derivative asset was recognized as a result.

23. Special warrant reserve

	Number of special warrants	$
Balance – March 31, 2018	-	-
Issuance of CMI's special warrant certificates	7,061,999	423,720
Conversion of CMI's special warrant certificates	(1,263,000)	(75,780)
Balance – March 31, 2019	5,798,999	347,940
Conversion of CMI's special warrant certificates	(5,798,999)	(347,940)
Balance – March 31, 2020	-	-

On March 8, 2018, CMI offered to investors to subscribe for its special warrants at a subscription price of $0.06 per unit (the "Special Warrant Private Placement"). On July 9, September 7 and November 2, 2018, CMI has completed three tranches of the Special Warrant Private Placement and issued 4,531,999, 1,263,000 and 1,267,000 special warrant certificates for gross proceeds of approximately $271,920, $75,780 and $76,020, respectively. In total, CMI has issued 7,061,999 special warrants for aggregate proceeds of approximately $423,720. No broker or finder fees were paid on these private placement exercises.

(Expressed in Canadian Dollars, unless otherwise stated)

On March 7, 2019, 1,263,000 special warrant certificates issued on September 7, 2018 were converted automatically into 1,263,000 common shares of CMI upon reaching the six-month anniversary of the issuance of the special warrants. On April 4, 2019, the remaining 5,798,999 special warrant certificates of CMI were converted automatically into 5,798,999 common shares of CMI upon the prospectus qualification of CMI's common shares.

On May 27, 2019, the Company announced that May 31, 2019 was set as the record date for the spin-out transaction of CMI. The spin-out of CMI would happen in the form of a distribution of shares of CMI to the Company's shareholders other than those residing in Quebec and the United States, who would receive cash instead of shares. All of the Company's shareholders of record at the close of business on the record date would be entitled to receive one CMI's share for every 9.851 Company's shares held. For those shareholders who would receive cash instead of shares, the CMI's shares they entitled would be delivered to a custodian for sale in the open market following the distribution, and the net cash proceeds would be delivered to them, net of any withholding taxes (if any). The distribution was completed on June 12, 2019. After the spin-out transaction, the Company still maintains a 50.2% controlling ownership in CMI.

On June 17, 2019, CMI began trading on the TSX Venture Exchange under the stock symbol CMET.

24. Partly-owned subsidiaries with material non-controlling interests

Details of the Group's subsidiaries that have material NCI are set out below:

	2020	**2019**
	$	**$**
Loss for the year allocated to NCI:		
CMI	182,877	739
CXJWH	33,568	165,074
Dividends paid to NCI:		
CMI	-	-
CXJWH	-	-
Accumulated NCI:		
CMI	607,038	69,246
CXJWH	-	(165,074)

During the year, the Group has disposed of the subsidiary CXJWH, for details, please refer to note 32.

Set out below is summarised financial information of the above subsidiaries. The amounts disclosed are before any inter-company eliminations, and are up to the date of disposal for the subsidiary CXJWH.

	CMI		CXJWH	
	2020	**2019**	**2020**	**2019**
	$'000	**$'000**	**$'000**	**$'000**
Assets				
Current assets	2,451	1,128	-	64
Non-current assets	1,477	1,164	-	40
Liabilities				
Current liabilities	1,566	71	-	664
Non-current liabilities	1,144	663	-	-
Revenue	-	-	158	227
Net loss for the year	388	247	111	427
Other comprehensive income for the year	-	-	-	-
Total comprehensive loss for the year	388	247	111	427
Cashflows from operating activities	(79)	(190)	(77)	(290)
Cashflows from investing activities	-	-	(1)	(49)
Cashflows from financing activities	1,492	775	58	353
Net change in cash and cash equivalents	1,413	585	(20)	14

25. Revenue

During the year, the Group's revenue arose from the distribution of food and the provision of food service. An analysis of the Group's revenue from contracts with customers by type of goods or services is provided in note 7. All of the Group's sales revenue were derived from China (including Hong Kong) and were recognized according to accounting policy as described in note 3.

26. Other income

	2020	**2019**
	$	**$**
Marketing service income	44,878	108,448
Bank and other interest income	58,152	101,360
Recovery of bank deposit (i)	130,000	-
Dividend income	2,357	3,324
Other income	43,671	580
	279,058	213,712

(i) In July 2019, the Company has recovered $130,000 of the $350,000 bank deposit loss occurred in March 2019 and reported in the Company's audited consolidated annual financial statements for the year ended March 31, 2019 as detailed in note 28. To date, these incidents have resulted in a total net loss of $220,000 (principal amount) to the Company (excluding lost interest and legal fees).

(Expressed in Canadian Dollars, unless otherwise stated)

27. Administrative expenses

	2020 $	2019 $
Salaries, pension and directors' fees	3,131,012	3,257,041
Consulting and professional fees	1,382,234	1,099,400
General office expenses	505,302	733,088
Travel	119,980	144,623
Corporate promotion and listing fees	90,621	94,541
Depreciation and amortization	336,408	257,500
	5,565,557	5,586,193

28. Other losses

During the fiscal period and after a few years of test piloting a restaurant and food services operation in mainland China following the start-up of the Hong Kong food distribution business, the Group determined that permanent closure of the mainland China operations was appropriate to allow management to allocate resources and to focus on the Hong Kong food distribution business and its continued success in generating revenue and profit. The significant impact of COVID-19 in the Chinese economy, especially in Wuhan, confirmed management's decision. As a result, the Group has written off the prepayments and inventories relating to its mainland China operations amounting to $905,697.

In March 2019, a fixed deposit of $350,000 held by the Company at a bank in Canada was illegally unwound pursuant to instructions from an unknown perpetrator who had hijacked the email account of one of our staff and delivered falsified instructions, and those funds were transmitted to an unknown third party's bank account. Management of the Company immediately reported the theft incident to the police for investigation when it was discovered. Management has also reported the incident to the Company's Audit Committee and the Board of Directors, and conducted a review of its internal control systems to strengthen its control measures. In July 2019, the Company has recovered $130,000 of the $350,000 bank deposit loss, for details please refer to note 26.

29. Income tax

	2020 $	2019 $
Current tax	-	-
Deferred tax		
Origination and reversal of temporary differences (note 18)	80,333	-
Income tax recovery	80,333	-

(Expressed in Canadian Dollars, unless otherwise stated)

The Company's tax residency is in Hong Kong and is subject to income tax at Hong Kong applicable rate of 16.5%. Significant items causing the Group's effective income tax rate to differ from Hong Kong applicable rate of 16.5% (2019: 16.5%) are as follows:

	2020 **$**	**2019** **$**
Loss before income taxes	(5,675,386)	(5,539,331)
Expected income tax recovery at applicable rate	936,439	913,990
Different tax rates in other jurisdictions	(42,510)	202,572
Expenses not deductible for tax	(308,522)	(148,829)
Tax losses and other deductible temporary differences not recognized	(631,040)	(991,664)
Utilization of tax losses previously not recognized	45,633	23,931
Tax losses recognized	80,333	-
Income tax recovery	80,333	-

The Canadian, Hong Kong and Chinese tax rates for the fiscal year 2020 are 26.50% (2019: 26.55%), 16.5% (2019: 16.5%) and 25% (2019: 25%), respectively. The tax rates are different due to the different locations of each entity of the group.

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

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

31. Dividends

	2020 **$**	**2019** **$**
Dividends on ordinary shares declared and settled	599,964	-

On May 27, 2019, the Company announced the detailed plan of the spin-out transaction of CMI, which would happen in the form of a distribution of shares of CMI to the Company's shareholders other than those residing in Quebec and the United States, who would receive cash instead of shares. The distribution was completed on June 12, 2019, with 9,999,406 shares of CMI at a fair value of $0.06 per share being distributed to the Company's shareholders. For details of the spin-out transaction of CMI, please refer to note 23.

(Expressed in Canadian Dollars, unless otherwise stated)

32. Disposal of a subsidiary

During the year, the Group has disposed of its subsidiary CXJWH which carried out food service operations in China. The carrying values of the assets and liabilities disposed of, and the gain on disposal of the subsidiary are summarized as follows:

	$
Net liabilities disposed of:	
Cash	9,994
Accounts receivable	12,849
Inventory	3,069
Fixed assets	14,746
Accounts payable and accrued liabilities	(234,215)
	(193,557)
Consideration receivable	25,705
Net liabilities disposed of	193,557
Non-controlling interest	(198,642)
Foreign currency translation reserve	25,905
Gain on disposal of subsidiary	46,525

The net cash outflow from the disposal of a subsidiary is analyzed as follows:

	$
Consideration receivable	25,705
Cash disposed of	(9,994)
	15,711

(Expressed in Canadian Dollars, unless otherwise stated)

33. 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, 2020, the Group had accounts receivable of $4,309,865 (2019: $5,356,999) from Labec Century. The balance mainly comprised of exploration expenditure of the Attikamagen property incurred and paid by the Group on behalf of Labec Century after Labec Century became the Group's joint venture. The balance is repayable upon request.

(ii) As of March 31, 2020, the Group had accounts receivable of $3,210,771 (2019: $3,210,771) from WISCO Century Sunny Lake. The balance represented exploration expenditure of the Sunny Lake property incurred and paid by the Group on behalf of WISCO Century Sunny Lake. The balance is repayable upon request.

(iii) As of March 31, 2020, the Group had accounts receivable of $193,578 (2019: $184,986) from management for an advance for business purpose.

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

	2020 **$**	**2019** **$**
Salaries and directors' fees	1,167,700	1,160,200
Share-based compensation expenses	19,220	76,063
	1,186,920	1,236,263

34. Financial risk management

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

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

The Group's financial assets and financial liabilities have been classified into categories that determine their basis of measurement. As at March 31, 2020 and 2019, the Group's financial instruments are comprised of cash and cash equivalents, short term bank deposits, marketable securities, investment in other equity instruments, trade and other receivables, trade and other payables. With the exception of cash and cash equivalents, marketable securities and investment in other equity instruments, all other financial instruments of the Group are measured at amortized cost.

(Expressed in Canadian Dollars, unless otherwise stated)

The following table shows the carrying values, fair values and fair value hierarchy of the Group's financial instruments that are measured at fair value as at March 31, 2020 and 2019:

		March 31, 2020		March 31, 2019	
	Level	Carrying value $	Fair value $	Carrying value $	Fair value $
Marketable securities	1	204,547	204,547	541,938	541,938
Investment in other equity instruments	3	70,306	70,306	66,442	66,442
		274,853	274,853	608,380	608,380

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.

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

	2020 $	2019 $
Balance – Beginning of year	66,442	-
Purchases	-	66,442
Exchange differences	3,864	-
Balance – End of year	70,306	66,442

Credit risk

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

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

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

Liquidity risk

The Group's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As of March 31, 2020, the Group has cash and cash equivalents and short-term bank deposits of $3,687,125 (2019: $7,593,471) to settle current liabilities other than those directly associated with assets held for sale of $2,091,596 (2019: $1,756,316). Most of the Group's financial liabilities have contractual maturities of 30 days or less and are subject to normal trade terms. The Group's objective for liquidity risk management is to maintain sufficient liquid financial resources to fund the consolidated balance sheets, pursue growth and development strategies, and to meet commitments and obligations in the most cost-effective manner possible. The Group achieves this by maintaining sufficient cash and cash equivalents and managing working capital. The Group monitors its financial position on a monthly basis at minimum. The Group's operations may not generate sufficient cash flow to fund obligations. The Company may need to take additional measures to increase its liquidity and capital resources, including obtaining additional debt or equity financing, pursuing joint-venture arrangements, or other financing arrangements. The Group may experience difficulty in obtaining satisfactory financing terms and failure to obtain adequate financing on satisfactory terms could have a material adverse effect on the Group's results of operations or financial condition.

Market risk

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

(a) Interest rate risk

The Group has cash balances only and it has no interest bearing debt. The Group's current policy is to invest most of its excess cash in interest bearing accounts or term deposits with large reputable banks. The Group periodically monitors the investments it makes and is satisfied with the credit ratings of the banks holding the cash and short-term deposits of the Group. An absolute increase or decrease of 1% in the annual interest rate would not have a material impact on the net loss or equity at March 31, 2020.

(b) Foreign currency exchange risk

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

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

(c) Capital market risk

The Group's current policy is to invest some portion of its excess cash in marketable securities, primarily shares of publicly listed mining companies. The Group sets investment guidelines, including pre-set targeted capital allocation and returns, exit and entry prices, and periodically monitors the investments it makes. The Group is satisfied with the financial and operating performance of the mining companies the Group invests in. An absolute increase or decrease of 5% in the investment return would not have a material impact on the net loss or equity at March 31, 2020.

35. Capital management

The Group considers its capital structure to consist of share capital, contributed surplus and deficit, which, as at March 31, 2020, amounted to $22,674,176. 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, 2020. The Group is not subject to externally imposed capital requirements.

36. Subsequent events

On June 3, 2020, CMI completed the acquisition of all the issued and outstanding shares of Reyna Silver. Upon closing of the transaction, CMI changed its name to Reyna Silver Corp.. After the acquisition transaction, majority of the entity's outstanding shares is owned by the former shareholders of Reyna Silver, while the Group retains an interest of 3.67%. As a result, the Group is deemed to have disposed of CMI after the transaction. Subsequent to the transaction, the Group will not consolidate CMI, and will account for it as an investment designated as at FVTOCI.