



**ANNUAL INFORMATION FORM
FOR THE YEAR-ENDED MARCH 31, 2012**

JUNE 29, 2012

**CENTURY IRON MINES CORPORATION
Suite 602, 170 University Avenue
Toronto, Ontario, Canada M5H 3B3**

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INTRODUCTORY NOTES

Cautionary Note Regarding Forward Looking Statements

This annual information form (the "**Annual Information Form**" or "**AIF**") contains "forward-looking information" under the provisions of Canadian provincial securities laws. When used in this AIF, words such as "believe", "intend", "may", "will", "should", "plans", "anticipates", "believes", "potential", "intends", "expects", "estimates", "forecasts", "likely", "goal" and similar expressions are intended to identify such forward-looking statements. Forward-looking statements reflect our current expectations and assumptions, and are subject to a number of known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any anticipated future results, performance or achievements expressed or implied by the forward-looking statements.

Forward-looking statements in this Annual Information Form include those that relate to statements about future financial and operating performance, strategic plans, completion of joint venture transactions, completion and execution of material contracts, future operations, cost estimates, mineral resource estimates and realization of mineral resources, the ability to identify new mineral resource estimates and convert existing and new resource estimates into mineral reserves, results of exploration, future work programs, capital expenditures and objectives, evolution and economic performance of development projects, timing of exploration and development of projects, costs, timing and location of future drilling, exploration budgets and targets, simulation of potential increase in tonnage at Duncan Lake, the ability of the Company to obtain all permits required to conduct operations, continuity of a favourable iron ore market, contractual commitments, environmental and reclamation expenses, continuous availability of required manpower and continuous access to capital markets.

Such forward-looking information is necessarily based upon a number of factors and assumptions that, while considered reasonable by the Company as of the date of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The assumptions made by the Company in preparing the forward looking information contained in this AIF, which may prove to be incorrect, include, but are not limited to, assumptions relating to the Company's business, the completion of transactions contemplated by joint venture agreements, the execution of material contracts on terms favourable to the Company or at all, non-default by contracted parties, the state of the economy and the mineral exploration industry in general and the provision of goods and services by contracted parties on agreed timeframes, plant and equipment work being advanced or otherwise functioning as anticipated, the assumptions made in respect of the mineral resource estimate on the Company's Duncan Lake property (as disclosed in the technical report for that property-see "Material Properties - Duncan Lake Property") are accurate, aboriginal rights will be settled in a manner that will enable the Company to proceed with its planned exploration and development programs, required regulatory approvals are received, no unusual geological or technical problems occur, the price of iron ore remaining consistent with expectations and whether significant events occur outside of the normal course of business for the Company. No assurance can be given that these assumptions will prove to be correct. These assumptions should be considered carefully by readers. Readers are cautioned not to place undue reliance on the forward-looking information and statements or the assumptions on which the Company's forward-looking information and statements are based.

Forward-looking information is subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements. Such risks include, but are not limited to changes in the world wide price of mineral commodities, currency fluctuations, general market conditions, and the uncertainty of future profitability and access to sufficient capital could cause actual results to differ materially from a conclusion, forecast or projection, whether express or implied, contained in the forward-looking information; the inability of the Company to maintain its interest in the its properties or to obtain or comply with all required permits and licences, risks normally incidental to exploration and development of mineral properties, uncertainties in the interpretation of drill results, the possibility that future exploration, development or mining results will not be consistent with expectations, changes in governmental regulation adverse to the Company, lack of adequate infrastructure at the Company's projects, the risk that title to the Company's material properties may be impugned, environmental risks, economic uncertainties, the inability of the Company to obtain additional financing when and as needed, competition from other mining businesses, the future price of iron ore and other metals and

commodities, fluctuation in currency exchange rates, title defects, inability to settle aboriginal rights in a manner acceptable to the Company, uncertainty of mineral resource estimates, exploration potential and mineral grades, any required change in mineral resource or mineral reserve estimation methodology, or a change in the assumptions underlying the mineral resource estimates, which may result in a different (smaller) mineral resource estimate and other related matters. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements.

Readers are advised to carefully review and consider the risk factors identified in this AIF under the heading "Risk Factors" for a discussion of the factors that could cause the Company's actual results, performance and achievements to be materially different from any anticipated future results, performance or achievements expressed or implied by the forward-looking statements. Readers are further cautioned that the foregoing list of assumptions and risk factors is not exhaustive and it is recommended that readers consult the more complete discussion of the Company's business, financial condition and prospects that is included in this AIF. The forward-looking information and statements contained in this AIF are made as of the date hereof and, accordingly, are subject to change after such date. The Company does not undertake to update any forward-looking information, except as, and to the extent, required by applicable securities laws. The forward-looking statements contained herein are expressly qualified by this cautionary statement.

Cautionary Note Regarding Technical Information

This AIF contains disclosure of scientific or technical information for the Company's mineral projects that is based on technical reports for each of the Company's material properties. Those reports are identified in under "Material Properties" below in the discussion of each property. It also contains disclosure derived from public announcements of exploration results issued by the Company. Each of these reports and public announcements was prepared in accordance with National Instrument 43-101 – Standards for Disclosure for Mineral Projects of the Canadian Securities Administrators, by or under the supervision of "qualified persons" (as defined in that National Instrument).

Any mineral resource figures referred to in this AIF are estimates, and no assurances can be given that the indicated levels of iron will be produced. Such estimates are expressions of judgment based on knowledge, mining experience, analysis of drilling results and industry practices. Valid estimates made at a given time may significantly change when new information becomes available. While the Company believes that the resource estimate included in this AIF is well established, resource estimates are by their nature imprecise and depend, to a certain extent, upon statistical inferences which may ultimately prove unreliable. If such estimates are inaccurate or are reduced in the future, this could have a material adverse impact on the Company.

This AIF uses the terms "measured", "indicated" and "inferred" mineral resources. Mineral resources are not mineral reserves and do not have demonstrated economic viability. Furthermore, "inferred mineral resources" have a great amount of uncertainty as to their existence, are estimated on limited information not sufficient to verify geological and grade continuity or to allow technical and economic parameters to be applied, and are subject to great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Estimates of inferred mineral resources may not form the basis of feasibility or other economic studies. Readers are cautioned not to assume that all or any part of an inferred mineral resource exists, or is economically or legally mineable. Readers are also cautioned not to assume that all or any part of measured or indicated mineral resources will ever be converted into reserves.

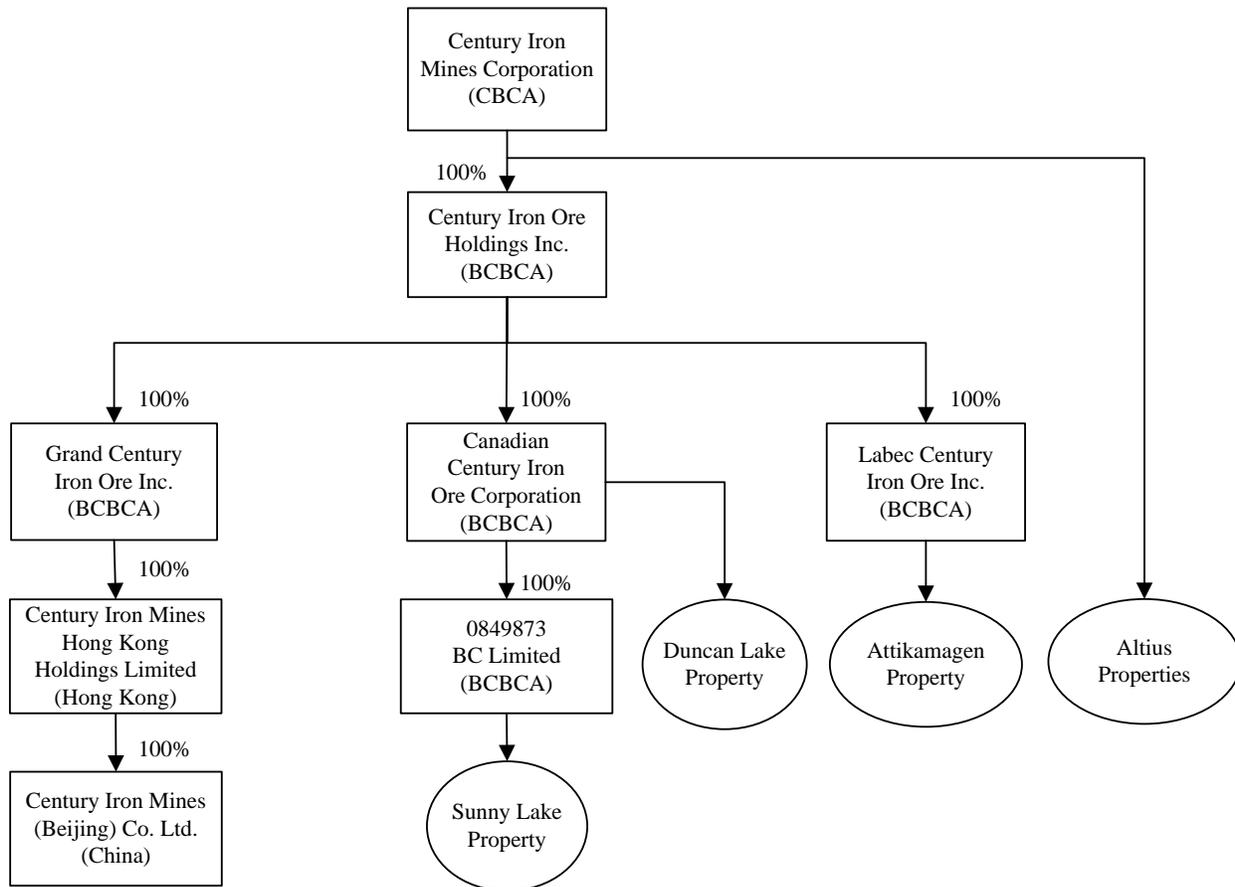
CORPORATE STRUCTURE

Century Iron Mines Corporation is incorporated under the *Canada Business Corporations Act* (the "**Act**"). Century Iron Mines Corporation was originally incorporated under the name "Red Rock Capital Corp." and changed its name to "Century Iron Mines Corporation" concurrent with the completion of its Qualifying Transaction on May 18, 2011.

In this Annual Information Form, the terms "**Company**" or "**Century Iron**" refer to Century Iron Mines Corporation and all its subsidiaries together unless the context otherwise clearly requires. Certain terms used herein are defined in the disclosure to which the term relates.

Century Iron owns its mineral properties and conducts mineral exploration activities through the following direct and indirect wholly-owned subsidiaries: Century Iron Ore Holdings Inc. ("**Century Holdings**"), Grand Century Iron Ore Inc. ("**Grand Century**"), Canadian Century Iron Ore Corporation ("**Canadian Century**"), Labec Century Iron Ore Inc. ("**Labec Century**") and 0849873 BC Ltd. ("**0849873**"). Each of Century Holdings, Grand Century, Canadian Century, Labec Century and 0849873 are incorporated under the *Business Corporations Act* (British Columbia) (the "**BCBCA**"). See the chart below that describes the inter-corporate relationships among the Company and its subsidiaries and the ownership of the Company's principal properties.

The head and registered office of the Company is located at Suite 602, 170 University Avenue, Toronto, Ontario, Canada M5H 3B3, telephone (416) 977-3188, facsimile (416) 977-8002. The Company's website address is www.centuryiron.com.



GENERAL DEVELOPMENT OF THE BUSINESS

Since the beginning of its last completed fiscal year, Century Iron has transformed itself from a capital pool company to be one of Canada's largest holders of mineral resource claims over potential iron ore deposits with interests in several properties in Québec and in Newfoundland and Labrador including (1) the Duncan Lake property (the "**Duncan Lake Property**") of which Century Iron has a 51% interest with an option to increase to a 65% interest under an option and joint venture agreement with Augyva Mining Resources Inc. ("**Augyva**"); (2) the Attikamagen property (the "**Attikamagen Property**") of which Century Iron has a 56% interest with an option to increase to a 60% interest under an option and joint venture agreement with Champion Minerals Inc. ("**Champion**"); (3) the Sunny Lake property (the "**Sunny Lake Property**"), which is 100% owned by Century Iron; and (4) the Astray, Grenville, Menihék and Schefferville properties (collectively, the "**Altius Properties**"), in which the Company has a 100% interest. The Duncan Lake Property, Attikamagen Property and Sunny Lake Property are all subject to joint ventures with WISCO International Resources Development & Investment Limited ("**WISCO**") and the Duncan Lake Property is subject to an off-take arrangement with Minmetals Exploration & Development Co., Ltd. ("**China Minmetals**"). See "Material Properties" and "Other Properties" below for a discussion of the terms of these arrangements.

It is the Company's corporate vision to become one of the major iron ore producing companies in Canada through the exploration and development of our mineral properties. Through the Company's strategic partners, WISCO and China Minmetals, both major Chinese state-owned enterprises, the Company believes it is well-positioned to achieve this goal.

Initial Organization

The Company was incorporated on July 10, 2007 under the name "Red Rock Capital Corp." and became a "capital pool company" on November 2009 with its shares listed on the TSX Venture Exchange (the "**TSXV**"). During the period from incorporation until May 18, 2011 (the date the Company completed its Qualifying Transaction), the Company had no significant assets (other than cash) and no commercial operations.

On May 18, 2011, the Company completed its "Qualifying Transaction" in accordance with the policies of the TSXV. The Qualifying Transaction involved:

- the acquisition (the "**Acquisition**") by the Company of Century Iron Ore Holdings Inc. ("**Century Iron Holdings**"), a private company incorporated under the provisions of the BCBCA with an indirect interest in the Duncan Lake Property, Sunny Lake Property and Attikamagen Property, by way of an amalgamation (the "**Amalgamation**") between Century Iron Holdings and Red Rock Acquisition Corp. (the "**Red Rock AcquisitionCo**"), a wholly-owned subsidiary of the Company incorporated under the provisions of the BCBCA for the purpose of completing the Acquisition. The Acquisition was completed pursuant to the terms of an acquisition agreement (the "**Acquisition Agreement**") among the Company, Century Iron Holdings, Red Rock AcquisitionCo and Century Iron Ore Corporation ("**Century NL**"), formerly the sole shareholder of Century Iron Holdings;
- the consolidation of the common shares of the Company on the basis of one post-consolidation share for each previous outstanding ten common shares of the Company effective May 16, 2011;
- the change of the Company's name from "Red Rock Capital Corp." to "Century Iron Mines Corporation";
- a \$60.9 million investment by WISCO for 24.99% of the common shares of the Company. See "General Development of the Business – The WISCO Transaction";
- a \$12.2 million investment by Minmetals Exploration & Development (Luxembourg) Limited S.à.r.l., an affiliate of China Minmetals for 5% of the common shares of the Company. See "General Development of the Business – The Minmetals Transaction";

- a brokered private placement completed by Century Iron Holdings for gross proceeds of approximately \$32.5 million;
- a non-brokered private placement completed by the Company and Century Iron Holdings for gross proceeds of approximately \$7.0 million; and
- an offering of common shares to certain directors, officers, employees and eligible consultants of Century Iron Holdings for gross proceeds of approximately \$3.0 million.

Upon completion of the Amalgamation, the amalgamated company, named "Century Iron Ore Holdings Inc.", became a wholly-owned subsidiary of the Company and the primary assets of Century Iron Holdings became the primary assets of the Company. The Qualifying Transaction constituted a reverse takeover under Canadian GAAP and the policies of the TSXV.

Following completion of the Qualifying Transaction, the Company commenced trading on the TSXV as a Tier 1 Mining Issuer under the symbol "FER" and in September 2011, the Company delisted from the TSXV upon graduation to the Toronto Stock Exchange (the "TSX") under the same symbol. The Company is a reporting issuer in the provinces of British Columbia, Alberta and Ontario.

Corporate Organization of Century Iron Holdings

Century Iron Holdings was incorporated on September 22, 2010 as a wholly-owned subsidiary of Century NL. Prior to the completion of the corporate organization of Century Iron Holdings, each of Canadian Century, Grand Century and Labec Century were wholly-owned subsidiaries of Century NL.

Century Iron Holdings acquired direct ownership of Grand Century, Canadian Century and Labec Century and indirect ownership of 0849873 from Century NL, pursuant to a share transfer agreement dated October 21, 2010 between Century Iron Holdings and Century NL (the "**Share Transfer Agreement**"), as discussed in greater detail below under "Interest of Management and Others in Material Transactions".

On November 18, 2010, the Company entered into a letter of intent (the "**LOI**") with Century Iron Holdings and Century NL, formerly the sole shareholder of Century Iron Holdings and a significant shareholder of the Company. The LOI set out the general terms and conditions of, but did not bind the parties to complete, the Acquisition by way of the Amalgamation.

On February 17, 2011 and further to the execution of the LOI, the Company entered into the Acquisition Agreement pursuant to which Company agreed to complete the Acquisition as its Qualifying Transaction.

On May 16, 2011, pursuant to the terms of the Acquisition Agreement, Century Iron Holdings and Red Rock AcquisitionCo entered into an Amalgamation Agreement (the "**Amalgamation Agreement**"). Pursuant to the terms of the Amalgamation Agreement, all of the outstanding common shares of Century Iron Holdings were cancelled and exchanged for an aggregate number of common shares of the Company determined by multiplying number of common shares of Century Iron Holdings issued and outstanding immediately prior to the completion of the Amalgamation by an exchange ratio of 0.857375 (the "**Exchange Ratio**"). In addition, each warrant to purchase common shares of Century Iron Holdings outstanding as at the time of Amalgamation was cancelled and exchanged for warrants to purchase common shares of the Company, with the number of warrants and exercise price therefore adjusted to reflect the Exchange Ratio. The Amalgamation was completed on May 18, 2012. As consideration for the issuance of common shares of the Company to former holders of common shares of Century Iron Holdings, the amalgamated company, Century Holdings, issued one common share to the Company for each common share of the Company issued to former holders of common shares of Century Iron Holdings and Century Iron Holdings became the wholly owned subsidiary of the Company.

The WISCO Transaction

WISCO Framework Agreement

On January 13, 2011, Century Iron Holdings entered into a binding framework agreement (the "**WISCO Framework Agreement**") with WISCO International Resources Development & Investment Limited ("**WISCO**") that set out a strategic relationship between Century Iron Holdings and WISCO involving:

- an equity investment in the Company by WISCO for 24.99% of the outstanding shares of the Company upon completion of the Qualifying Transaction on a non-diluted basis (the "**WISCO Private Placement**");
- the execution of joint venture agreements between the Company or its subsidiaries and WISCO for each of the Duncan Lake Property, Attikamagen Property and Sunny Lake Property (the "**WISCO Joint Venture Agreements**"); and
- the execution of iron ore off-take agreements in favour of WISCO for each of the Duncan Lake Property, Attikamagen Property and Sunny Lake Property.

Century Iron Holdings entered into a further framework agreement (the "**WISCO JV Framework Agreement**") with WISCO on February 18, 2011 that sets forth certain principal agreements of Century Iron Holdings and WISCO regarding the joint venture for the Duncan Lake Property, Attikamagen Property and Sunny Lake Property, as originally contemplated under the WISCO Framework Agreement.

WISCO Private Placement

The WISCO Private Placement was completed pursuant to a subscription agreement entered into among the Company, Century Iron Holdings and WISCO dated February 18, 2011, as amended February 21, 2011 (the "**WISCO Subscription Agreement**"). The WISCO Private Placement was completed immediately following the Amalgamation and as part of the Qualifying Transaction. WISCO subscribed for and purchased from the Company an aggregate of 23,197,768 common shares of the Company for an aggregate gross purchase price of \$60,877,653 that resulted in WISCO owning 24.99% of the common shares of the Company on a non-diluted basis upon completion of the Qualifying Transaction.

WISCO Investment Agreement

On May 6, 2011, the Company and WISCO entered into an investment agreement (the "**WISCO Investment Agreement**"), which became effective on May 18, 2011 concurrent with the completion of the Qualifying Transaction. The following is a summary of the material terms of the WISCO Investment Agreement:

- Provided that WISCO owns 10% or more of the common shares of the Company on a non-diluted basis, WISCO has the right to designate, after consultation with the Company, individuals to be nominated at each meeting of shareholders of the Company at which directors are to be elected (the "**WISCO Nominees**"). The number of WISCO Nominees will be determined from time to time based on (a) the percentage of the common shares of the Company held by WISCO, and (b) the number of directors comprising the board of directors of the Company from time to time, with the product rounded down to the nearest whole number of directors. If the number of common shares of the Company owned by WISCO falls below 10% for a period of ten continuous calendar days, then the right of WISCO to designate WISCO Nominees under the WISCO Investment Agreement will terminate and be of no further force and effect. WISCO currently has the right to appoint two WISCO Nominees to the board of directors of the Company pursuant to the terms of the WISCO Investment Agreement.
- Provided that WISCO owns 10% or more of the common shares of the Company on a non-diluted basis, WISCO has the right to maintain its percentage of common shares of the Company in the event

that the Company completes a cash offering of equity securities. The pre-emptive right does not apply in respect of certain issuances including any equity securities issued on the exercise of a conversion, exchange or purchase right attached to a security issued prior to the date of the WISCO Investment Agreement and convertible into common shares, or in respect of shares issued by the Company under any of its share incentive plans or equity securities issued as commission or finders' fees.

- Subject to certain exceptions, including the right of WISCO at any time to transfer or sell its common shares of the Company pursuant to a take-over bid or other transaction, the WISCO Investment Agreement provides that WISCO may not sell its shares acquired pursuant to the terms of the WISCO Private Placement for a period of 18 months from the date of the WISCO Investment Agreement.
- The WISCO Investment Agreement contains certain positive and negative covenants of the Company relating to the Duncan Lake Property, Attikamagen Property, and Sunny Lake Property as well as the use of the net proceeds from the WISCO Private Placement.

WISCO Shareholders Agreement

Pursuant to the terms of the WISCO Subscription Agreement, on May 6, 2011, WISCO entered into a shareholders agreement (the "**WISCO Shareholders Agreement**") with Century NL and the principals of Century (the "**Century Principals**") which became effective on May 18, 2011 concurrent with the completion of the Qualifying Transaction. The WISCO Shareholders Agreement includes the following material provisions:

- The agreement by Century NL and the Century Principals (subject to their fiduciary duties) to vote their common shares of the Company to give effect to the rights granted to WISCO under the WISCO Shareholders Agreement and under the WISCO Investment Agreement, including the election of the WISCO Nominees to the board of directors of the Company;
- The agreement of Century NL and WISCO, subject to applicable securities laws and the policies of the TSX, to discuss with each other and consult on various fundamental issues pertaining to the Company, including but not limited to those matters requiring or involving approval of the shareholders of the Company;
- Century NL and the Century Principals have agreed to restrictions on transfer with respect to their ownership of common shares of the Company and, with respect to the Century Principals, their ownership of Century NL. These restrictions apply for an initial three-year lock-up period (the "**Initial Lock-Up Period**"). After expiry of the Initial Lock-Up Period, there will be a staggered release from the lock-up agreements based on achievement of certain milestones, including completion of a bankable feasibility study on any of the projects and commencement of construction on any of the projects, with all shares to be released from the lock-up agreements upon the completion of construction of a mine on any of the Properties. The lock-up agreements are subject to certain limited exceptions, including transfers among Century NL and the Century Principals and certain of their respective affiliates;
- Mutual rights of first refusal, which will apply with respect to Century NL and the Century Principals until such time as their ownership interest in the Company is less than 20% and will apply with respect to WISCO until such time as their ownership interest in the Company is less than 15%; and
- Covenant between Century NL, the Century Principals and WISCO not to perform any act or enter into any transaction or negotiation which might materially adversely interfere or be materially inconsistent with the consummation of the transactions contemplated in the WISCO Shareholders Agreement, the WISCO Subscription Agreement, the WISCO Investment Agreement, or the WISCO Framework Agreement, or which might materially adversely interfere with or impact upon the negotiation and/or execution of the WISCO Joint Venture Agreements.

The Minmetals Transaction

Minmetals Framework Agreement

- On February 21, 2011, Century Iron Holdings entered into a binding framework agreement (the "**Minmetals Framework Agreement**") with China Minmetals that set out a strategic relationship between Century Iron Holdings and China Minmetals involving:
- An equity investment in the Company by Minmetals Exploration & Development (Luxembourg) Limited S.à.r.l. ("**Minmetals**"), an affiliate of China Minmetals, for 5.0% of the outstanding shares of the Company upon completion of the Qualifying Transaction on a non-diluted basis (the "**Minmetals Private Placement**"); and
- the execution of iron ore off-take agreements in favour of China Minmetals in respect of iron ore production from the Duncan Lake property.

Minmetals Private Placement

The Minmetals Private Placement completed immediately following the Amalgamation and as part of the Qualifying Transaction. Minmetals subscribed for and purchased from the Company an aggregate of 4,641,410 common shares of the Company for an aggregate gross purchase price of \$12,180,403 that resulted in WISCO owning 5.0% of the common shares of the Company on a non-diluted basis upon completion of the Qualifying Transaction.

Minmetals Investment Agreement

Upon closing of the Minmetals Private Placement on May 18, 2011, Minmetals and the Company entered into an investment agreement (the "**Minmetals Investment Agreement**") that provides for the lock-up of the common shares of the Company acquired by Minmetals pursuant to the Minmetals Private Placement for a period of 18 months after completion of the Qualifying Transaction.

Minmetals Off-take Agreement

Pursuant to the terms of the Minmetals Private Placement, the Company, Century Iron Holdings and Minmetals agreed to, upon completion of the Minmetals Private Placement and at least 180 days prior to the anticipated date of commencement of commercial production, negotiate in good faith and use commercially reasonable efforts to enter into a definitive off-take agreement (the "**Minmetals Off-take Agreement**") in favour of Minmetals in respect of iron ore produced from the Duncan Lake Property.

Material provisions regarding the Minmetals Off-take are summarized as follows:

- Minmetals will have a right to purchase 10% of Canadian Century's interest in all iron ore produced from the Duncan Lake Property (the "**Product**") from the first shipment of Product until the termination of production (the "**Minmetals Off-take**"); and
- the purchase price for any Product purchased by Minmetals under the Minmetals Off-take will be equal to the price at which Product is sold to WISCO pursuant to the terms of a joint venture framework agreement dated February 18, 2011 between Century Holdings and WISCO, which price will be based on market price, provided that if such price is not applicable, then the price of the Product will be agreed to by the parties and based on market price of iron ore of similar quantity and quality.

WISCO Joint Venture Agreements

On August 30, 2011, the Company entered into an agreement with WISCO (the "**Interim Joint Venture Agreement**") to govern the joint ventures between the Company and WISCO for the exploration and development of the Duncan Lake Property, Attikamagen Property and Sunny Lake Property. The Interim Joint Venture Agreement contemplates the formation of separate joint ventures for each of the Duncan Lake, Attikamagen and Sunny Lake projects.

On December 19, 2011, the Company and WISCO executed the definitive joint venture or shareholders agreements that govern the joint ventures to be formed between the Company and WISCO for the exploration and development of the Attikamagen Property and Sunny Lake Property (the "**Joint Venture Agreements**"). Formation of the joint ventures under the Joint Venture Agreements and initial fundings are subject to certain conditions. See "Material Properties – Attikamagen Property" and "Material Properties – Sunny Lake Property" below for a summary of the material terms of the Joint Venture Agreements.

The Company has also completed negotiations with WISCO regarding the shareholders agreement in respect of the Duncan Lake Project. Execution of the agreement remains subject to completion of WISCO's internal processes. The Interim Joint Venture Agreement contemplates that Canadian Century will contribute its interest in the Duncan Lake joint venture for a 60% voting and participating interest in the joint venture with WISCO and that WISCO will invest \$40 million in exchange for a 40% voting and participating interest in the joint venture. It is anticipated that the shareholders agreement to be entered into between WISCO and the Company in respect of the Duncan Lake Property will have substantially similar terms as the shareholders agreement in respect of the Attikamagen Property; however, there is no assurance that the shareholders agreement in respect of the Duncan Lake Property will be finalized or executed. See "Material Properties – Duncan Lake Property" for a summary of the expected material terms of the shareholders agreement to be entered into between the Company and WISCO for the exploration and development of the Duncan Lake Property.

Acquisition of the Altius Properties

On September 19, 2011, the Company and Altius Minerals Corporation ("**Altius**") entered into an agreement (the "**Altius Agreement**") pursuant to which the Company agreed to acquire from Altius the right, title and 100% interest in four early-stage iron ore properties located in the Labrador Trough region of western Labrador, known as the Astray, Grenville, Menihok and Schefferville properties (the "**Altius Properties**") in consideration for an aggregate of up to 40,000,000 common shares of the Company as follows: (a) 2,000,000 common shares upon closing of the transaction; (b) 3,000,000 common shares on or before the second anniversary of the closing date; and (c) upon the achievement of certain milestones (the "**NI 43-101 Milestones**"), up to a maximum of 35,000,000 common shares. The NI 43-101 Milestones for each of the four Altius Properties are as follows: one million shares (up to three million shares) for each one billion tonnes of taconite and one million shares (up to 5 million shares) for each 33 million tonnes of direct shipping ore (DSO), and for the Grenville property only, one million shares (up to three million shares) for each 500 million tonnes of meta-taconite (specularite).

As part of the transaction, the Company and Altius entered into a royalty agreement (the "**Royalty Agreement**") pursuant to which the Company granted and will pay to Altius a 1% to 4% sliding scale gross sales royalty in respect of iron ore produced from the Altius Properties on terms and conditions as set out in the Royalty Agreement.

The Company has also agreed to incur aggregate exploration expenditures on the Projects in a minimum amount of \$28,000,000 and make certain share payments to Altius over a five-year period contingent on the achievement of NI 43-101 Milestones.

On November 18, 2011, the Company issued 2,000,000 common shares to Altius pursuant to the Altius Agreement. The remaining 3,000,000 common shares are issuable on or before November 18, 2013. The transfer of the titles of the Altius Properties from Altius to the Company was completed on November 22, 2011.

The Altius Properties cover 1,647 square kilometres and a significant portion of the indicated iron formation within the Newfoundland and Labrador portion of the Labrador Trough. Preliminary results from a recently completed 22,000 line kilometre airborne horizontal gradient and magnetic total field survey and initial ground follow-up work, indicate the multiple targets for each of the major recognized iron ore types (i.e. taconite, meta-taconite, and DSO) that are presently being mined or are under development in the region are present throughout this extensive land package. A minimum \$4.3 million program is underway for the year one program.

PIHL Off-take Agreement

Century Iron Holdings has entered into an off-take agreement (the "**PIHL Off-take Agreement**") with Prosperity Materials Macao Commercial Offshore Limited ("**Prosperity Macao**"), a subsidiary of Prosperity Minerals Holdings Limited ("**Prosperity Minerals**"). Prosperity Minerals is listed on the London AIM Exchange and is itself controlled by Prosperity International Holdings (H.K.) Limited ("**PIHL**"), a company listed on the Hong Kong Stock Exchange ("**HKSE**"). Prosperity Minerals and Century Holdings share common significant shareholders. As such, the PIHL Off-take Agreement constitutes a connected party transaction under the listing rules of the London AIM Exchange and HKSE, and is subject to the compliance with such rules.

The PIHL Off-take Agreement is with respect to the Duncan Lake, Attikamagen and Sunny Lake Properties. Subject to certain conditions, the PIHL Off-take Agreement provides for the potential supply of one million metric tonnes of iron ore over a three year period commencing 2011. However, there can be no assurance that commercial production of iron ore from the properties will be achieved within this off-take period and commercial production within this period is not supported by any technical report prepared in accordance with National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("**NI 43-101**"). Under the PIHL Off-take Agreement, the consignment of iron ore is anticipated to be purchased at the prevailing market price in the region, and the Prosperity Macao has agreed to make a prepayment of US\$10 million (the "**Prepayment**") to Century Iron Holdings to secure such potential supply of iron ore. The potential annual off-take to be allocated to the purchaser will be capped at 50% of the remaining annual iron ore produced after Century Iron Holdings has satisfied its supply obligations to WISCO and Minmetals. Century Iron Holdings will be able to drawdown the Prepayment at any time on or after two business days following the date of the PIHL Off-take Agreement. Century Holdings may be required to return the Prepayment if Prosperity Macao terminates the PIHL Off-take Agreement or assigns to a third party all or part of its rights thereunder, at any time on giving written notice to Century Iron Holdings, and Century Iron Holdings will then be obligated to repay to Prosperity Macao the Prepayment that remains outstanding within 14 days of receipt of such written notice. The Prepayment may be applied to the purchase price under the PIHL Off-take Agreement, but if no iron ore is delivered, Century Iron Holdings must return the Prepayment to Prosperity Macao.

MATERIAL PROPERTIES

The Company is the indirect owner of interests in four properties on which it is engaged in the business of conducting exploration activities. Three of these properties are currently material to the Company, namely the Duncan Lake Property, the Attikamagen Property and the Sunny Lake Property (collectively the "**Material Properties**"). The fourth property, which the Company refers to as the Altius Properties, as described below under "**Other Properties**") is presently not considered material to the Company's business operations.

Duncan Lake Property

The Duncan Lake Property is an advanced exploration stage property comprised of approximately 528 mining claims covering approximately 25,448.8 hectares in the western part of the La Grande Greenstone Belt in the James Bay region of Québec located approximately 130 kilometres from the East coast of James Bay. The Duncan Lake Property is the subject of a joint venture agreement between the Company and Augyva. Pursuant to the terms of a shareholders agreement expected to be entered into between the Company and WISCO in respect of the Duncan Lake Property, it is anticipated that WISCO will acquire up to a 40% interest in the Company's interest in the Duncan Lake Property. Negotiations on the material terms of the shareholders agreement have been completed; however, execution of the agreement remains subject to the completion of WISCO's internal processes. The

Company's interest in iron ore produced from the Duncan Lake Property is subject to an off-take arrangement with Minmetals. The following is a summary of the material provisions of the definitive joint venture agreement between the Company and Augyva, of the anticipated terms of the shareholders agreement to be entered into between the Company and WISCO in respect of the Duncan Lake Property, and of the terms of the off-take arrangement between the Company and Minmetals.

The Company intends to conduct the exploration of the Duncan Lake Property as described in Schedule B hereto.

The Duncan Lake Joint Venture Agreement

On May 20, 2008, Canadian Century entered into an option and joint venture agreement with Augyva in respect of the Duncan Lake Property (the "**Duncan Lake Joint Venture Agreement**").

Based on a NI 43-101 compliant technical report prepared by Met-Chem, the following is a summary of the mineral resource estimate for the Duncan Lake Property based on Augyva's 2008-2009 drilling program using a cut-off grade of 16% Fe:

	<u>Tonnage</u>	<u>Grade (Fe)⁽¹⁾</u>
Measured	5.7 million	23.29%
Indicated	25.6 million	23.84%
Inferred	821 million	24.56%

Note:

(1) Based on a 16% Fe cut-off grade.

The following is a summary of the material terms of the Duncan Lake Joint Venture Agreement.

Interests

Pursuant to the terms of the Duncan Lake Joint Venture Agreement, Canadian Century acquired the option to acquire up to a 65% interest in the Duncan Lake Property as follows:

- to earn an undivided 51% beneficial interest in the Duncan Lake Property by funding an initial \$6.0 million on or before May 20, 2012; and
- upon Canadian Century earning a 51% interest in the Duncan Lake Property, to earn an additional undivided 14% beneficial interest in the Duncan Lake Property by, on or before May 20, 2016, (i) expending an additional \$14.0 million in exploration, construction or operating costs, or (ii) completing a feasibility report in respect of the Duncan Lake Property.

In the event that Canadian Century funds less than the aggregate \$14.0 million required to obtain the additional 14% interest in the Duncan Lake Property, Canadian Century will earn an additional percentage interest that is the amount equal to the product obtained by multiplying 14% by a fraction, the numerator of which is the amount of Canadian Century's additional funding towards the acquisition of the 14% interest, and the denominator of which is \$14.0 million.

In November 2010, Canadian Century completed its funding of an aggregate of \$6.0 million to earn an undivided 51% beneficial interest in the Duncan Lake Property in accordance with the terms of the Duncan Lake Joint Venture Agreement. The funding was made possible by advances from Century NL which enabled Canadian Century to complete its initial funding. In accordance with the terms of the Duncan Lake Joint Venture Agreement, title to the Duncan Lake Property has been registered to reflect Canadian Century's 51% interest in the property and Augyva's 49% interest in the property.

Having earned an initial 51% interest in the Duncan Lake Property, Canadian Century now has the option to acquire an additional 14% interest by incurring a further \$14.0 million in exploration, construction or operating costs by May 20, 2016 or by completing a feasibility report in respect of the project. Canadian Century is the manager of the joint venture and the operator of the property.

Duncan Lake Joint Venture

Having earned an initial 51% interest in the property, under the terms of the Duncan Lake Joint Venture Agreement, Canadian Century and Augyva have formed a joint venture (the "**Duncan Lake Joint Venture**") for the exploration, and if warranted, development and exploitation of the Duncan Lake Property and the operation of any mine or mines to be constructed on the property.

Management Committee

The Duncan Lake Joint Venture is directed and controlled by a management committee comprised of five members, three of whom are appointed by Canadian Century and two by Augyva. The management committee is responsible for, among other things, reviewing and approving exploration programs, preparing exploration programs (in the event the operator does not prepare an exploration program) and reviewing, amending and approving operating plans.

Joint Venture Operator

Having earned a 51% interest in the Duncan Lake Property, Canadian Century or its designee approved by the management committee will act as operator. Thereafter, the party with the largest interest in the Duncan Lake Property or the party otherwise agreed to by the parties will act as operator. Under the terms of the Duncan Lake Joint Venture Agreement, the operator has such duties and obligations determined by the management committee from time to time including, proposing and, subject to the approval of the management committee, implementing exploration programs and any construction program and operating plans, managing, directing and controlling all exploration, development, construction and production operations in and under the Duncan Lake Property, and preparing and delivering to Canadian Century and Augyva periodic progress and current reports and information on any material results obtained from active field work.

Operating Costs

In accordance with the terms of the Duncan Lake Joint Venture Agreement, once Century has earned an additional 14% interest in the property or notified Augyva that it will not be exercising its right to acquire an additional 14% interest, as the case may be, any additional exploration, construction program, and operating costs will be borne by each of Canadian Century and Augyva in accordance with their respective interest in the property determined in accordance with the terms of the Duncan Lake Joint Venture Agreement.

Exploration Program Expenditures

The Duncan Lake Joint Venture Agreement provides that once the initial \$6.0 million investment advanced by Canadian Century has been expended on exploration expenditures, construction program or operating costs in respect of the Duncan Lake Property, if a participant elects not to contribute its cost share of an exploration program and the other participant elects to contribute such cost share in addition to its own, the interests of the parties will be adjusted in accordance with the applicable dilution formula set forth in the Duncan Lake Joint Venture Agreement and the interest of the non-contributing party will be diluted accordingly.

If the parties elect to contribute to an exploration program, they will be responsible for cost overruns up to 20% of the anticipated exploration program costs. If exploration expenditures are anticipated to exceed those estimated under an approved exploration program, the operator will provide written notice of same and, if cost overruns are estimated to exceed 20% of those approved under the exploration program, the management committee will convene a meeting for the purpose of determining whether to approve the exploration program overruns. If the management committee approves the cost overruns, the parties will be responsible for providing their cost share of

exploration program overruns. If the overruns are not approved, the operator will curtail or abandon the exploration program.

Default in Paying Committed Exploration Expenditures

Under the terms of the Duncan Lake Joint Venture Agreement, a default in payment by either party of its committed exploration expenditures renders that party liable to pay interest on any such outstanding payments, and, if the defaulting party does not remit payment within fifteen days from the date on which notice of default is given by the operator, the interest of the defaulting party will be deemed to be converted into a net smelter return royalty calculated in accordance with the terms of the Duncan Lake Joint Venture Agreement and thereafter that party will have no further rights or interest in respect of the Duncan Lake Property or any assets acquired or held by the parties with respect to the property except for the net smelter return royalty. Notwithstanding conversion of any outstanding amounts into a net smelter return royalty in accordance with the terms of the Duncan Lake Joint Venture Agreement, the operator remains entitled to take action to recover any amount owing by the defaulting party.

Construction Program Expenditures

Following delivery of a feasibility report in accordance with the terms of the Duncan Lake Joint Venture Agreement, the operator will prepare a construction program based on the feasibility report. The parties may then elect to contribute their cost share of the construction program. The operator will proceed with a construction program if participants holding interests of at least 51% elect to contribute their respective cost share of a construction program, together with the cost share of the participant who has elected (or is deemed to have elected) not to participate in the construction program. Under the terms of the Duncan Lake Joint Venture Agreement, the election to contribute to a construction program renders the participants liable to pay their respective cost share of all construction program costs incurred including overruns up to 15% of anticipated construction program costs.

Under the terms of the Duncan Lake Joint Venture Agreement, if it appears that construction program costs will exceed those estimated under the construction program by 15% or more, the operator will provide notice of same to the participants and the management committee will convene a meeting for the purpose of considering the construction program overruns. If the management committee approves such overruns, each participant contributing to the construction program will be liable for the payment of the overruns. If the management committee does not approve the cost overruns, the operator will curtail or abandon the construction program. Alternately, the Duncan Lake Joint Venture Agreement provides that any participant that has approved the construction program overruns may advance the amount of the overrun which was not accepted, and on doing so, such participant will be entitled to recover the amount of the advance from the sale of mineral products derived from the Duncan Lake Property together with interest thereon calculated from the date the funds were advanced, and such party will have the prior and first right to receive the share of any mineral products mined from the Duncan Lake Property (or share the proceeds of such mineral products) until the participant has received mineral products in kind (or the proceeds of such mineral products) of a value equal to the amount advanced, together with interest thereon.

Default in Paying Committed Construction Program Costs

Under the terms of the Duncan Lake Joint Venture Agreement, a default in payment by either party of its committed construction program costs renders that party liable to pay interest on any such outstanding payments, and, if the defaulting party does not remit payment within fifteen days from the date on which notice of default is given by the operator, the defaulting participant will be deemed to be in default under the terms of the agreement and the management committee (excluding representatives of the defaulting party) may determine either (i) to convert the interest of the defaulting party into a net smelter return royalty calculated in accordance with the terms of the agreement (in which case the defaulting party will have no further rights or interest in respect of the Duncan Lake Property or any assets acquired or held by the parties with respect to the property except for the net smelter return royalty), or (ii) that the defaulting party will remain liable for its cost share of construction program costs, and in addition, will be liable for damages occasioned to the other participant caused by the default.

Operating Plan Cost Overruns

The Duncan Lake Joint Venture Agreement provides that once Canadian Century has contributed an additional \$14.0 million entitling it to an additional 14% interest in the Duncan Lake Property (or contributed such other lesser additional amount entitling it to an additional pro rata interest in the property), each participant will be liable to pay its cost share of all operating costs incurred under operating plans, including operating cost overruns up to 20% of an approved operating plan. If operating cost overruns are estimated to exceed those estimated under an approved operating plan, the operator will provide the participants with written notice of same, and the management committee will convene a meeting for the purpose of reviewing, amending (if considered appropriate) and voting on whether to approve the amendment to the operating plan.

Default in Paying Operating Costs

If a participant fails to pay any part of its cost share of operating costs, the Duncan Lake Joint Venture Agreement provides that the other participant or the operator may pay all or a portion of the unpaid cost share of the defaulting participant and in such case, the other participant or the operator will be entitled to recover the amount so paid, together with interest thereon, in accordance with the terms of the Duncan Lake Joint Venture Agreement, and the paying party will be entitled to a prior and first right to receive a share of any mineral products derived from the Duncan Lake Property (or share the proceeds of such mineral products) of the defaulting participant until the participant has received mineral products of a value equal to the amount advanced (or the proceeds of such mineral products), together with interest thereon.

Disposition of Production

Under the terms of the Duncan Lake Joint Venture Agreement, Canadian Century may negotiate and enter into off-take agreements on behalf of all participants on commercially reasonable terms to purchase all mineral products, if any, extracted from the Duncan Lake Property. If the selling price of any mineral products under the terms of such off-take agreement is less than 95% of the fair market price then-prevailing of such mineral products, then each participant will have the option in its sole discretion to take in kind and separately dispose of its share of mineral products anywhere in the world except to customers of Canadian Century located in China.

Cash Available for Distribution

The Duncan Lake Joint Venture Agreement provides that all net revenue received by the joint venture from the sale of mineral products or other revenues received by the joint venture from operations or otherwise will be distributed as follows:

- until Canadian Century has been paid an amount equal to \$6.0 million plus \$14.0 million (or such other lesser additional investment paid by Canadian Century to enable it to earn an additional pro rata interest in the Duncan Lake Property), 100% of any such cash flow will be distributed to Augyva and to Canadian Century in priority to which such payments were made; and
- thereafter, any such cash flow will be distributed to Canadian Century and Augyva in accordance with their respective interests.

Conversion of Interest upon Dilution

Pursuant to the terms of the Duncan Lake Joint Venture Agreement, if at any time after Canadian Century has earned an additional 14% in the Duncan Lake Property (or such other lesser additional pro rata interest) a participant elects or is deemed to have elected not to contribute to an exploration program or construction program, its respective interest shall be reduced, and the other participant's interest proportionately increased, in accordance with the formula set forth in the Duncan Lake Joint Venture Agreement. If the calculation results in a reduction of a participant's interest to less than 10%, its interest will be deemed to be converted into a royalty calculated in accordance with the terms of the Duncan Lake Joint Venture Agreement and thereafter such party will have no

further rights or interest under the Duncan Lake Joint Venture Agreement except for the right to receive the net smelter return royalty.

Right of First Refusal

Under the terms of the Duncan Lake Joint Venture Agreement, if either participant receives a bona fide offer from an arm's-length third party to purchase its interest or rights under the Duncan Lake Joint Venture Agreement, the participant may not accept such offer until it has first offered to sell such interest or rights to the other participant on the same terms and conditions as the offer received and the same is not accepted by the other participant.

Operator's Lien

The Duncan Lake Joint Venture Agreement provides that the operator is entitled to a lien in respect of any net smelter return royalty of a party defaulting in the payment of its cost share of exploration expenditures. In addition, under the terms of the Duncan Lake Joint Venture Agreement, each party grants a security interest to and in favour of the operator in respect of the following: (i) the undivided share of mineral products in respect of the Duncan Lake Property owned or to be owned by each participant, (ii) the interest of each participant in the Duncan Lake Property, and (iii) all personal property derived directly or indirectly from any dealing with the foregoing, as security for: (i) the parties' respective obligations from time to time to make contributions to exploration expenditures, construction program costs, operating costs, (ii) any amount paid or advanced by the operator to cover any unpaid portion of the operating costs of the other parties, and (iii) the parties' respective share of the costs of termination and liquidation of the joint venture and its assets.

The security interest granted by each participant to the operator will not prevent a participant, at any time until the security interest becomes enforceable, from:

- selling, assigning, transferring, conveying or otherwise disposing of all or any part of its mineral products free from such security interest;
- selling, assigning, conveying, transferring or otherwise disposing of all or an undivided part of its interest in accordance with the terms of the Duncan Lake Joint Venture Agreement; or
- entering into a security agreement in accordance with the terms of the Duncan Lake Joint Venture Agreement.

Indemnity

Subject to certain exceptions, the Duncan Lake Joint Venture Agreement provides that each of Canadian Century and Augyva will indemnify the operator, in proportion to each party's interest at the date of the event that gives rise to a claim, against any loss, liability, claim, demand, damage, expense, injury and death resulting from any acts or omissions of the operator or its officers, employees or agents. The parties will not indemnify the operator in the case of negligence or wilful misconduct of the operator or its officers, employees or agents.

Termination

The Duncan Lake Joint Venture Agreement will terminate in any of the following circumstances:

- upon liquidation of the assets held by the joint venture following written agreement by the parties to terminate and distribute any joint venture funds held by the operator;
- if the operator resigns or is removed and no other party consents to act as operator;

- in the event of delay or failure of a party to perform any of its obligations under the agreement due to an event of force majeure if such delay or failure continues or is anticipated to continue for a period of at least 120 days;
- except with respect to its net smelter return royalty, the conversion of a party's interest to a net smelter return royalty in accordance with the terms of the agreement; or
- the sale, abandonment or liquidation of all of the assets of the joint venture and the distribution of any proceeds there from, net of liabilities, to the participants in accordance with the terms of the agreement.

The Duncan Lake Shareholders Agreement

The Company and WISCO have completed negotiations in respect of a shareholders agreement (the "**Duncan Lake Shareholders Agreement**") to be entered into between the Company and WISCO regarding the Duncan Lake Property. It is anticipated that pursuant to the terms of the Duncan Lake Shareholders Agreement the parties will capitalize a newly-incorporated joint venture company ("**Duncan Lake JV Corp.**") to be owned 60% by Canadian Century and 40% by an affiliate of WISCO ("**WISCO Duncan Lake**"). WISCO Duncan Lake will contribute \$40 million to earn up to a 40% equity interest in Duncan Lake JV Corp. and Canadian Century will contribute its interest in the Duncan Lake Property in exchange for a 60% interest in Duncan Lake JV Corp.

Material provisions of the Duncan Lake Shareholders Agreement have been settled, however execution of the agreement remains subject to the completion of WISCO's internal processes. Execution of the definitive joint venture agreement for the Duncan Lake Property with WISCO, according to the framework as set up in the Interim Joint Venture Agreement entered into between the Company and WISCO on August 30, 2011, remains pending upon the completion of WISCO's internal processes. There is no assurance that the parties will finalize and execute the Duncan Lake Shareholders Agreement in its current settled form or at all.

The following is a summary of the settled material terms of the Duncan Lake Shareholders Agreement.

Initial Shareholdings

It is anticipated that the Duncan Lake Shareholders Agreement will involve the following transactions:

- the parties will enter into a contribution agreement pursuant to which Canadian Century will agree to transfer its interest in the Duncan Lake Property to Duncan Lake JV Corp. in exchange for 60 million Class C non-voting common shares of Duncan Lake JV Corp.;
- Canadian Century will purchase 60 million Class A voting common shares of Duncan Lake JV Co. for a subscription price of \$6,000;
- WISCO Duncan Lake will purchase 40 million Class A voting common shares of Duncan Lake JV Co. for a subscription price of \$4,000; and
- pursuant to the terms of an investment agreement to be entered into upon closing among the Company, WISCO and WISCO Duncan Lake, WISCO Duncan Lake will invest \$40 million in two tranches, with \$20 million in the first tranche upon closing, and \$20 million on the first anniversary of closing in exchange for an aggregate of 40 million Class B non-voting common shares of Duncan Lake JV Co.

It is anticipated that the Duncan Lake Shareholders Agreement will provide that if WISCO Duncan Lake fails to advance the full \$40 million by the first anniversary of the closing date, Duncan Lake JV Co. will have the right to buy-back such number of Class A shares and Class B shares at a price of \$0.0001 per share that will result in WISCO Duncan Lake owning: (i) 25% of the Class A shares outstanding upon completion of the repurchase, and (ii) 25% of the aggregate of Class B shares and Class C shares outstanding upon completion of the repurchase.

It is also anticipated that the Duncan Lake Shareholders Agreement will provide that if WISCO Duncan Lake is not in default of its investment obligations under the Duncan Lake Shareholders Agreement, then prior to the completion of its \$40 million investment, WISCO Duncan Lake will be treated as if it had subscribed for the full 40 million Class B shares for all purposes other than with respect to any entitlement to receive distributions.

Upon completion of the \$40 million earn-in by WISCO Duncan Lake, it is anticipated that Canadian Century will hold 60 million Class A shares and 40 million Class B shares and WISCO Duncan Lake will hold 40 million Class A shares and 40 million Class B shares, which will convert into Class C shares upon repayment to WISCO Duncan Lake of a 50% priority distribution (as set out immediately below).

Cash Available for Distribution

The Duncan Lake Shareholders Agreement is expected to provide that subject to the completion of the \$40 million investment by WISCO, WISCO Duncan Lake will be entitled to 50% of the cash available for distribution as payment to WISCO Duncan Lake, which will represent repayment of capital equal to 50% of its total investment. Once WISCO Duncan Lake has been repaid such priority distribution amount, the shareholders of Duncan Lake JV Co. will each be entitled to 50% of the remaining cash available for distribution through the declaration of dividends allocated in accordance with their pro rata interest. The Duncan Lake Shareholders Agreement is expected to provide that upon liquidation, dissolution or winding-up of Duncan Lake JV Co., WISCO will be entitled to a priority distribution as repayment of its capital in an amount up to 50% of its investment, less any amounts paid as priority distribution from any cash available for distribution, and that the Class B and C shares will share pro rata after payment of any priority distribution to WISCO.

Duncan Lake JV Co. Management and Board Composition

It is anticipated that the board of directors of Duncan Lake JV Co. will be comprised of five members, with the shareholder holding the majority of Class A shares entitled to appoint three members of the board, and the other shareholder entitled to appoint two members. The parties have agreed that if either shareholder's aggregate holding of Class B shares or Class C shares falls below 25% of such shares then outstanding, then that shareholder will be entitled to appoint one member, and the shareholder holding 75% or more of such shares will be entitled to appoint four members unless the shareholders otherwise agree. If a shareholder holds shares that in the aggregate represent less than 15% of the total issued and outstanding Class B shares and Class C shares, then that shareholder will not be entitled to appoint any directors to the board of Duncan Lake JV Co. The chairman of the board will be nominated by whichever shareholder holds more than 50% of the Class A shares of Duncan Lake JV Co. If neither Canadian Century nor WISCO Duncan Lake hold more than 50% of the Class A shares then the chairman of the board will be elected by simple majority of the board.

It is anticipated that if WISCO Duncan Lake owns an aggregate of Class B shares and Class C shares in Duncan Lake JV Co. comprising 40% or more of the total issued and outstanding Class B shares and Class C shares of Duncan Lake JV Co., the CEO and the CFO will be a nominee of WISCO Duncan Lake. If WISCO Duncan Lake owns a number of shares equal to more than 15% but less than 40% of the aggregate outstanding Class B shares and Class C shares of Duncan Lake JV Co., then the CEO will be a nominee of Canadian Century and the CFO or the COO will be a nominee of WISCO Duncan Lake.

Matters Requiring Shareholder Approval

It is anticipated that the Duncan Lake Shareholders Agreement will provide that certain fundamental matters require the affirmative vote of shareholders holding not less than 80% of the Class A common shares of Duncan Lake JV Co. It is expected that these fundamental matters will include, among other things, the following:

- the sale or other disposal or modification or alteration of the Duncan Lake Property or other assets of Duncan Lake JV Co., in excess of certain thresholds set out in the Duncan Lake Agreement;
- any reorganization of Duncan Lake JV Co. or winding-up or dissolution of Duncan Lake JV Co.;

- the creation of any security interests over any direct or indirect interest of Duncan Lake JV Co.;
- the incurrence of indebtedness of Duncan Lake JV Co. other than as contemplated in the Duncan Lake Shareholders Agreement or under an approved budget;
- amendments to the constating documents of Duncan Lake JV Co.;
- the issuance of any shares or other securities of Duncan Lake JV Co.;
- any alterations to the capital stock of Duncan Lake JV Co.;
- any payment of dividends other than in accordance with the Duncan Lake Shareholders Agreement;
- any decision in relation to retention of profits as reserves or for working capital and determination of cash available for distribution, other than as provided in the Duncan Lake Shareholders Agreement;
- the redemption, repurchase, repayment or retirement of any outstanding securities of Duncan Lake JV Co., other than as provided in the Duncan Lake Shareholders Agreement;
- the establishment of any major business policies of Duncan Lake JV Co. and material modifications thereto;
- the settlement of any claims against Duncan Lake JV Co. involving a payment in excess of \$500,000;
- the waiver of any material claims or rights of Duncan Lake JV Co.;
- any amendments, waivers, consents, termination or other actions with respect to the Duncan Lake Joint Venture;
- the entering into any amendment, waiver, consent, termination or other action with respect to any material agreement between Duncan Lake JV Co. and any other person relating to the assets of Duncan Lake JV Co.;
- the approval of any budget or any material amendments thereto in relation to the Duncan Lake Joint Venture and the Duncan Lake Property, other than as provided in the Duncan Lake Shareholders Agreement;
- the annual approval of exploration, development programs or plans (including construction design plans) and any amendments thereto in relation to the Duncan Lake Joint Venture or the Duncan Lake Property (except non-material amendments thereto);
- any deviation from an approved budget or program where there is a deviation from forecasted expenditures in more than the amount prescribed in the Duncan Lake Shareholders Agreement;
- the decision to commission a feasibility report as well as acceptance and approval thereof;
- the acceptance of the audited financing statements of Duncan Lake JV Co. and the appointment of auditor;
- the decision to proceed with a program to achieve commercial production on the basis of a feasibility report;
- the decision to start production on a commercial basis with a view to achieving commercial production;

- a decision to conduct mining by a method not substantially in accordance with an approved feasibility report, budget or program;
- the approval of a production plan or any amendments thereto;
- any temporary or permanent suspension or material reduction of operations in a manner not contemplated in an approved budget or program;
- any proposal relation to the tax filings or tax planning structure of Duncan Lake JV Co.;
- all matters relating to the expansion or the reduction to the Duncan Lake Property in excess of the thresholds set out in the Duncan Lake Shareholders Agreement, except in accordance with an approved budget; and
- all matters relating to how the rights or interests of Duncan Lake JV Co. under the Duncan Lake Joint Venture Agreement in and to the Duncan Lake Property and the assets of Duncan Lake JV Co. are to be voted or exercised, other than in respect of approved programs and budgets.

Management Committee

It is anticipated that the Duncan Lake Shareholders Agreement will provide that board of Duncan Lake Joint Venture Co. will appoint representatives of the shareholders as the representatives of Duncan Lake JV Co. to the management committee formed under the Duncan Lake Joint Venture Agreement discussed above in proportion to the shareholders' rights to appoint directors to the board of Duncan Lake JV Co., conditional upon a minimum 15% share ownership in Duncan Lake JV Co.

Funding for Approved Programs and Budgets

It is expected that the Duncan Lake Shareholders Agreement will provide that shareholders will fund approved programs and budgets in excess of the initial \$40 million advanced by WISCO in accordance with their proportionate equity interest in Duncan Lake JV Co. by way of further equity investments in Duncan Lake JV Co. on a pro rata basis. In the event that a shareholder elects not to advance additional funds for the funding of an approved program and budget, the other shareholder may advance such additional funds and dilute the non-participating shareholder. The provisions relating to dilution under the Duncan Lake Shareholders Agreement for any time after the completion of a bankable feasibility study will apply only when no shareholder holds less than 20% of the total issued and outstanding equity shares of Duncan Lake JV Co. If after completion of the bankable feasibility study and any shareholder's ownership of equity shares is diluted below 20%, the shareholders will discuss and agree on an alternative dilution mechanism. The shareholders will agree that such discussion process will not affect the advancement of any programs or the Duncan Lake project.

Financing of Construction Program

It is anticipated that, under the terms of the Duncan Lake Shareholders Agreement, WISCO Duncan Lake will use commercially reasonable efforts to secure bank or other institutional funding financing commitment in order to provide debt financing of up to 70% of the total costs of a proposed construction program that Duncan Lake JV Co. is responsible for under the Duncan Lake Joint Venture Agreement. The construction program will only proceed if Duncan Lake JV Co. obtains (i) a fully-funded bank financing commitment for 70% of its total program costs, or (ii) a partially-funded bank financing commitment together with participant loan commitment of not less than 70% of its total construction program costs. If a construction program is approved, the shareholders will form a limited partnership to construct, develop and own the infrastructure required for the operation of the mine, with each shareholder owning a proportionate interest in the limited partnership. The limited partnership will enter into a lease arrangement to enable Duncan Lake JV Co. to use the mine infrastructure.

Production

It is anticipated that the Duncan Lake Shareholders Agreement will provide that in the event that the parties are able to bring the Duncan Lake Property into commercial production, WISCO Duncan Lake will have the right to purchase a percentage of product equal to its equity share interest at market value and otherwise on standard commercial terms. In addition, it is anticipated that, pursuant to the terms of a distribution agreement to be entered into between the parties and subject to the off-take rights of Minmetals, WISCO will have the right to distribute and market all remaining iron ore production after the allocation of all covenanted off-takes, including from Minmetals, with sales to be completed at market value and on standard commercial terms.

Indemnity

It is anticipated that the Duncan Lake Shareholders Agreement will contain mutual indemnities in favour of WISCO and WISCO Duncan Lake and the Company and Canadian Century with respect to matters such as the breach of any representations and warranties made in the agreement or the failure to perform obligations under the Duncan Lake Shareholders Agreement. In addition, it is anticipated that the Company and Canadian Century would agree to indemnify WISCO, WISCO Duncan Lake and Duncan Lake JV Co. for any loss, damages, costs or expenses suffered by them in connection with any breach or non-performance by the Company, Canadian Century or Augyva of any of their obligations under the Duncan Lake Joint Venture Agreement.

Default

It is anticipated that the Duncan Lake Shareholders Agreement will provide that, should WISCO Duncan Lake fail to advance the full \$40 million (but completes the payment of \$20 million upon closing), then:

- Canadian Century will hold 60 million Class A shares of Duncan Lake JV Co. and WISCO Duncan Lake will hold 20 million Class A shares;
- Canadian Century will hold 60 million Class C shares of Duncan Lake JV Co. and WISCO Duncan Lake will hold 20 million Class B shares; and
- Canadian Century will be entitled to nominate four directors to the board of Duncan Lake JV Co. and WISCO will be entitled to appoint one director.

The Duncan Lake Shareholders Agreement is also expected to contain provisions addressing the default by any party of its obligations to pay any committed shareholder funding under the agreement.

Closing

Management of the Company is working closely with WISCO to finalize the timetable for the execution of the Duncan Lake Shareholders Agreement and the completion of the contemplated closing transactions.

Minmetals Off-take Agreement

Pursuant to the terms of the Minmetals Private Placement, the Company and Minmetals have agreed, at least 180 days prior to the anticipated date of commencement of commercial production from the Duncan Lake Property, negotiate in good faith and use commercially reasonable efforts to enter into a definitive off-take agreement in favour of Minmetals in respect of iron ore produced from the Duncan Lake Property.

It is anticipated that the Minmetals Off-take Agreement will contain the following material terms:

- Minmetals will have a right to purchase 10% of Canadian Century's interest in all iron ore produced from the Duncan Lake Property from the first shipment of Product until the termination of production; and

- the purchase price for any Product purchased by Minmetals under the Minmetals Off-take will be equal to the price at which Product is sold to WISCO pursuant to the terms of the WISCO JV Framework Agreement, which price will be based on market price, provided that if such price is not applicable, then the price of the Product will be agreed to by the parties and based on market price of iron ore of similar quantity and quality.

Attikamagen Property

The Attikamagen Property is an early-stage exploration property located approximately 20 kilometres northeast of Schefferville, Québec. The property is comprised of approximately 1,022 mineral exploration claims covering approximately 34,348 hectares in the Labrador Trough region of Québec and Newfoundland and Labrador. The Attikamagen Property is the subject of a joint venture agreement between the Company and Champion. Pursuant to the terms of a shareholders agreement between the Company and WISCO, WISCO may acquire up to a 40% interest in the Company's interest in the Attikamagen Property. The following is a summary of the material provisions of the joint venture agreement between the Company and Champion Minerals Inc. and of the shareholders agreement between the Company and WISCO in respect of the Attikamagen Property.

The Company intends to carry out the exploration activities on the Attikamagen Property as described in Schedule B hereto.

The Attikamagen Joint Venture Agreement

On May 12, 2008, Labec Century entered into an option and joint venture agreement with Champion in respect of the Attikamagen Property (the "**Attikamagen Joint Venture Agreement**"). The Attikamagen Joint Venture Agreement was subsequently amended on July 9, 2009 and March 25, 2010.

The following is a summary of the material terms of the Attikamagen Joint Venture Agreement.

Interests

Pursuant to the terms of the Attikamagen Joint Venture Agreement, as amended, Labec Century may earn up to a 60% interest in the Attikamagen Property by expending up to \$13 million in exploration and development work expenditures on the property over a six year period as follows:

- by funding \$7.5 million in aggregate exploration and development expenditures on or before March 26, 2012 to earn an initial undivided 51% beneficial interest in the property, Labec Century has satisfied the funding commitment of \$7.5 million on the Attikamagen Property and has earned a 51% interest in the Attikamagen Property;
- upon Labec Century earning an initial 51% interest in the property, by funding a further \$2.5 million in exploration and development expenditures on or before March 26, 2013 to earn an additional undivided 5% beneficial interest in the property for total undivided 56% beneficial interest in the property. Labec Century has completed its additional expenditure of \$2.5 million on the Attikamagen Property and has earned the additional 5% interest in order to increase its interest to 56%; and
- upon Labec Century earning a 56% interest in the property, by funding an additional \$3.0 million in exploration and development costs on or before March 26, 2014 to earn an additional undivided 4% beneficial interest in the property for a total undivided beneficial interest of 60% in the Attikamagen Property.

In February and June 2012, Champion delivered to Labec Century transfers conveying legal title to a 51% interest and an additional 5% interest, respectively, for a total 56% interest, in the Attikamagen Property.

Labec Century retains the further option to earn an additional 4% interest to increase its total interest to a 60% interest in the Attikamagen Property, as described above.

Attikamagen Joint Venture

Upon acquiring a 51% interest in the property in accordance with the terms of the Attikamagen Joint Venture Agreement, Labec Century and Champion formed a joint venture for the purposes of conducting exploration on the Attikamagen Property and if warranted, engaging in development and mining on the property.

Manager

Pursuant to the Attikamagen Joint Venture Agreement, Labec Century will be the manager of the joint venture with overall management responsibility for operations so long as its interest in the Attikamagen Property is greater than 50%. Labec Century, in its capacity as manager of the joint venture, is at all times subject to the direction of the management committee. The duties of the manager include managing, directing and controlling operations, preparing and presenting to the management committee proposed programs and budgets, and implementing the decisions of the management committee.

Management Committee

Under the terms of the Attikamagen Joint Venture Agreement, the parties have formed a management committee comprised of:

- if Labec Century has an interest of less than 51% interest, four representatives, two of whom will be appointed by Labec Century and two by Champion, provided that in the event of a tie on any vote put to the committee, the appointees of Champion will be entitled to the deciding vote.
- if Labec Century has an interest of at least 51% but does not have at least 60%, four representatives, two of whom will be appointed by Labec Century and two of whom will be appointed by Champion, provided that in the event of a tie on any vote put to the committee, the appointees of Labec Century will be entitled to the deciding vote; and
- if Labec Century has at least a 60% interest in the property, five representatives, three of whom will be appointed by Labec Century and two of whom will be appointed by Champion.

Exploration Committee

Pursuant to the terms of the Attikamagen Joint Venture Agreement, the parties have formed an exploration committee comprised of four members, two of whom are representatives of Labec Century and two of whom are representatives of Champion. Decisions of the exploration committee require majority approval of the votes of the committee. In the event of a tie on any vote of the exploration committee, the representatives of Labec Century have a deciding vote. The exploration committee is responsible for the design of the exploration program to be carried out by Labec Century as the manager of the program.

Programs and Budgets

Under the terms of the Attikamagen Joint Venture Agreement, proposed programs and budgets for the Attikamagen Property are prepared by the manager of the joint venture and are considered and voted on by the management committee at the annual meeting of the management committee. Once the initial \$13.0 million exploration funding provided by Labec Century has been spent in its entirety on exploration expenditures, funding for approved programs and budgets will be contributed by the parties in accordance with each party's respective interest in the joint venture by way of advances to the manager on a pro rata basis. To the extent that a party determines not to advance funds required for the funding on an approved program and budget, the other party will have the right to advance funds and dilute the non-participating party accordingly.

Voluntary Reduction in Participation – Dilution

Pursuant to the Attikamagen Joint Venture Agreement, a party may elect to limit contributions to an adopted program and budget and, in such case, the other party may elect to proceed with, and assume the costs of, such adopted program and budget. In such case, the interest of the party electing to limit its contributions will be diluted in accordance with the dilution formula set forth in the Attikamagen Joint Venture Agreement. Recalculation of the parties' interest will be made in accordance with the formula to reflect actual contributions made by the parties in respect of an adopted program or budget.

Budget Overruns

In accordance with the terms of the Attikamagen Joint Venture Agreement, the manager will immediately notify the management committee of material departure from an adopted program and budget and the manager will be solely responsible for budget overruns of 20% unless the overrun was directly caused by an emergency or authorized or ratified by the management committee.

Default in Making Contributions

Under the terms of the Attikamagen Joint Venture Agreement, if a party elects to contribute to an approved program and budget and subsequently defaults in making a contribution to such program, the non-defaulting party may advance the defaulted portion of the contribution of the defaulting party and treat the advance, together with an accrued interest thereon, as a demand loan, failure of which to repay will be a default of the loan. In addition, if a party defaults in making a contribution to an approved program or a cash call under the terms of the Attikamagen Joint Venture Agreement, the interest of the parties shall be recalculated in accordance with the terms of the Attikamagen Joint Venture Agreement.

Elimination of Minority Interest

Pursuant to the terms of the Attikamagen Joint Venture Agreement, if at any time after having earned an initial 51% interest in the Attikamagen Property, a party's interest is reduced to less than 10%, that party will be deemed to have withdrawn from the joint venture, its interest will be converted into an iron ore royalty calculated in accordance with the terms of the Attikamagen Joint Venture Agreement, and the relinquished interest will be deemed to have accrued automatically to the other party.

Disposition of Production

Labec Century and Champion are each entitled to take in kind or separately dispose of production from the property directly in accordance with their respective interests in the joint venture. If a party fails to take its share of such product in kind, the manager may sell such share on behalf of the party at a price no less than the prevailing market price for up to one year.

Off-Take Agreements

Having earned an initial 51% interest, Labec Century is entitled to enter into off-take agreements in respect of any product extracted from the Attikamagen Property, on commercially reasonable terms with Champion so long as Labec Century has an interest in excess of 50% in the property. If the selling price of any such products negotiated by Labec Century is less than the fair market price at the time of sale by more than 2%, Champion will have the option to enter into a contract to sell its proportionate share of such product in whole or in part for a duration of up to one year.

Return of Investment

Upon the commencement of commercial production on the Attikamagen Property, 50% of the net cash flow available for distribution will be paid to Labec Century on a priority repayment basis and the remaining 50% of the net cash flow available for distribution shall be paid to the parties in accordance with their respective

participating interests in the Attikamagen Property. After payment of the priority repayments, all net cash flow available for distribution shall be paid to the parties in accordance with their respective participating interests in the Attikamagen Property.

Upon any bona fide sale of the Attikamagen Property or any significant part thereof to an arm's length third party, 50% of the proceeds of sale shall be paid to Labec Century on a priority repayment basis and the remaining 50% of the net cash flow available for distribution shall be paid to the parties in accordance with their respective participating interests in the Attikamagen Property. After payment of the priority repayments, all net cash flow available for distribution shall be paid to the parties in accordance with their respective participating interests in the Attikamagen Property.

Royalties

Three of the mineral licenses pertaining to the Attikamagen Property (the "**Royalty Properties**") are subject to a production royalty agreement dated July 20, 2007 and amended February 15, 2008 between Champion and 3099869 Nova Scotia Ltd. pursuant to which 3099369 Nova Scotia Ltd. is entitled to a royalty (the "**Attikamagen Royalty**") in the amount of \$1.50 per tonne of iron content in any iron ore mined and processed from the Royalty Properties. Under the terms of the agreement, Champion has the right and option to purchase the Attikamagen Royalty at any time during the term of the agreement for a cost of \$2.5 million. The agreement will continue as long as iron ore of economic value exists on the Royalty Properties.

Abandonment and Surrender of Property

The Attikamagen management committee may authorize the manager to surrender or abandon some or all of the properties held in the joint venture. If either Labec Century or Champion objects to the abandonment, the party that desires to abandon the properties shall assign to the objecting party all of the surrendering party's interest in the property.

Withdrawal and Termination

Labec Century and Champion remain liable for any outstanding obligations relating to budgets approved by the Attikamagen management committee and other continuing obligations after termination of the joint venture in accordance with each party's respective interest in the joint venture if the obligation arose out of operations during the term of the Attikamagen Joint Venture Agreement.

Right of First Refusal

If either party receives a bona fide offer from an arm's length third party to acquire that party's interest in the Attikamagen Property that it is willing to accept, such party must first offer to sell such interest to the other party to the Attikamagen Joint Venture Agreement on the same terms and conditions set out in the offer. The other party will have a period of 45 days to accept such offer and a further 30 days to close the transaction contemplated by the offer, failing which the party that originally received the offer will have the right for a period of 60 days to accept and close on the transaction contemplated by the offer provided, however, that such party (if it owns 50% or more of the property) shall have a "drag along" right and the other party (if it owns 50% or less of the property) shall have a "tag along" right.

The WISCO Attikamagen Shareholders Agreement

On December 17, 2011 the Company entered into a shareholders agreement (the "**Attikamagen Shareholders Agreement**") with Century Holdings, Labec Century, WISCO and WISCO Canada Attikamagen Resources Development & Investment Limited ("**WISCO Attikamagen**") pursuant to which the parties agreed to recapitalize Labec Century with WISCO Attikamagen contributing \$40 million to earn up to a 40% equity interest in Labec Century. The Attikamagen Shareholders Agreement has been entered into with a view towards the joint exploration and, if warranted, development of the Attikamagen Property. WISCO will invest \$40 million in Labec Century exchange for a 40% voting and participating interest in Labec Century. WISCO's investment will be

comprised of: (i) a \$20 million investment on the closing date in accordance with the Attikamagen Shareholders Agreement, and (ii) a \$20 million investment on the first anniversary of the closing date. The investment to Labec Century will be executed once the due diligence review on Labec Century as a prescribed closing procedure provided for in the Attikamagen Shareholders Agreement is completed by WISCO.

The following is a summary of the material terms of the Attikamagen Shareholders Agreement. A copy of the Attikamagen Shareholders Agreement is available under the Company's SEDAR profile at www.sedar.com.

Initial Shareholdings

Under the terms of the Attikamagen Shareholders Agreement, the recapitalization of Labec Century will involve the following transactions:

- Century Holdings will exchange its existing shareholdings in Labec Century for 60 million Class C non-voting common shares of Labec Century (the "**Class C shares**");
- Century Holdings will purchase 60 million Class A voting common shares of Labec Century (the "**Class A shares**") for a subscription price of \$6,000;
- WISCO Attikamagen will purchase 40 million Class A shares for a subscription price of \$4,000; and
- pursuant to the terms of an investment agreement to be entered into upon closing among the Company, WISCO and WISCO Attikamagen, WISCO Attikamagen will invest \$40 million in two tranches, with \$20 million in the first tranche upon closing, and \$20 million on the first anniversary of closing in exchange for an aggregate of 40 million Class B non-voting common shares of Labec Century (the "**Class B shares**").

If WISCO Attikamagen fails to advance the full \$40 million by the first anniversary of the closing date, Labec Century will have the right to buy-back such number of Class A shares and Class B shares at a price of \$0.0001 per share that will result in WISCO Attikamagen owning: (i) 25% of the Class A shares outstanding upon completion of the repurchase, and (ii) 25% of the aggregate of Class B shares and Class C shares outstanding upon completion of the repurchase.

Provided that WISCO Attikamagen is not in default of its investment obligations under the Attikamagen Shareholders Agreement, then prior to the completion of its \$40 million investment, WISCO Attikamagen will be treated as if it had subscribed for the full 40 million Class B shares for all purposes other than with respect to any entitlement to receive distributions.

Upon completion of the \$40 million earn-in by WISCO Attikamagen, Century Holdings will hold 60 million Class A shares and 40 million Class C shares and WISCO Attikamagen will hold 40 million Class A shares and 40 million Class B shares, which will convert into to Class C shares upon repayment to WISCO Attikamagen of a 50% priority distribution (as set out immediately below).

Cash Available for Distribution

Subject to the completion of its \$40 million investment, WISCO Attikamagen will be entitled to 50% of the cash available for distribution as payment to WISCO Attikamagen, which will represent repayment of capital equal to 50% of its total investment. Once WISCO Attikamagen has been repaid such priority distribution amount, the shareholders will each be entitled to 50% of the remaining cash available for distribution through the declaration of dividends allocated in accordance with their pro rata interest. Upon liquidation, dissolution or winding-up of Labec Century, WISCO will be entitled to a priority distribution as repayment of its capital in an amount up to 50% of its investment, less any amounts paid as priority distribution from any cash available for distribution, and that the Class B and C shares will share pro rata after payment of any priority distribution to WISCO.

Labec Century Management and Board Composition

The board of directors of Labec Century will be comprised of five members, with the shareholder holding the majority of Class A shares entitled to appoint three members of the board, and the other shareholder entitled to appoint two members. If either shareholder's aggregate holding of Class B shares or Class C shares falls below 25% of such shares then outstanding, then that shareholder will be entitled to appoint one member, and the shareholder holding 75% or more of such shares will be entitled to appoint four members unless the shareholders otherwise agree. If a shareholder holds shares that in the aggregate represent less than 15% of the total issued and outstanding Class B shares and Class C shares, then that shareholder will not be entitled to appoint any directors to the board of Labec Century. The chairman of the board will be nominated by whichever shareholder holds more than 50% of the Class A shares of Labec Century. If neither Labec Century nor WISCO Attikamagen hold more than 50% of the Class A shares then the chairman of the board will be elected by simple majority of the board.

If WISCO Attikamagen owns an aggregate of Class B shares and Class C shares comprising 40% or more of the total issued and outstanding Class B shares and Class C shares, the CEO and the CFO will be a nominee of WISCO Attikamagen. If WISCO Attikamagen owns a number of shares equal to more than 15% but less than 40% of the aggregate outstanding Class B shares and Class C shares, then the CEO will be a nominee of Century Holdings and the CFO or the COO will be a nominee of WISCO Canada.

Matters Requiring Shareholder Approval

Under the terms of the Attikamagen Shareholders Agreement, certain fundamental matters require the affirmative vote of shareholders holding not less than 80% of the Class A common shares of Labec Century. These fundamental matters include, among other things, the following:

- the sale or other disposal or modification or alteration of the Attikamagen Property or other assets of Labec Century, in excess of certain thresholds set out in the Attikamagen Shareholders Agreement;
- any reorganization of Labec Century or winding-up or dissolution of Labec Century;
- the creation of any security interests over any direct or indirect interest of Labec Century;
- the incurrence of indebtedness of Labec Century other than as contemplated in the Attikamagen Shareholders Agreement or under an approved budget;
- amendments to the constating documents of Labec Century;
- the issuance of any shares or other securities of Labec Century;
- any alterations to the capital stock of Labec Century;
- any payment of dividends other than in accordance with the Attikamagen Shareholders Agreement;
- any decision in relation to retention of profits as reserves or for working capital and determination of cash available for distribution, other than as provided in the Attikamagen Shareholders Agreement;
- the redemption, repurchase, repayment or retirement of any outstanding securities of Labec Century, other than as provided in the Attikamagen Shareholders Agreement;
- the pursuit of any business by Labec Century other than in connection with the Attikamagen Property;
- the establishment of any major business policies of Labec Century and material modifications thereto;
- the settlement of any claims against Labec Century involving a payment in excess of \$500,000;

- the waiver of any material claims or rights of Labec Century;
- any amendments, waivers, consents, termination or other actions with respect to the Duncan Lake Joint Venture;
- the entering into any amendment, waiver, consent, termination or other action with respect to any material agreement between Labec Century and any other person relating to the assets of Labec Century;
- any agreement between Labec Century and either shareholder or any of their affiliates;
- the approval of any budget or any material amendments thereto in relation to the Attikamagen Joint Venture and the Attikamagen Property, other than as provided in the Attikamagen Shareholders Agreement;
- the annual approval of exploration, development programs or plans (including construction design plans) and any amendments thereto in relation to the Attikamagen Joint Venture or the Attikamagen Property (except non-material amendments thereto);
- any deviation from an approved budget or program where there is a deviation from forecasted expenditures in more than the amount prescribed in the Attikamagen Shareholders Agreement;
- the decision to commission a feasibility report as well as acceptance and approval thereof;
- the acceptance of the audited financing statements of Labec Century and the appointment of auditor;
- the decision to proceed with a program to achieve commercial production on the basis of a feasibility report;
- the decision to start production on a commercial basis with a view to achieving commercial production;
- a decision to conduct mining by a method not substantially in accordance with an approved feasibility report, budget or program;
- the approval of a production plan or any amendments thereto;
- any temporary or permanent suspension or material reduction of operations in a manner not contemplated in an approved budget or program;
- any proposal relation to the tax filings or tax planning structure of Labec Century;
- all matters relating to the expansion or the reduction to the Attikamagen Property in excess of the thresholds set out in the Attikamagen Shareholders Agreement, except in accordance with an approved budget; and
- all matters relating to how the rights or interests of Labec Century under the Attikamagen Joint Venture Agreement in and to the Attikamagen Property and the assets of Labec Century are to be voted or exercised, other than in respect of approved programs and budgets.

Management Committee

The board of directors of Labec Century will appoint Labec Century's representatives to the management committee under the Attikamagen Joint Venture Agreement (the "**Attikamagen Management Committee**"). If

Labec Century is entitled to appoint two representatives to the Attikamagen Management Committee, then one representative will be appointed by the shareholder holding the majority of Class A shares and the other will be appointed by the other shareholder. If Labec Century is entitled to appoint three representatives to the Attikamagen Management Committee, then two representatives will be appointed by the shareholder holding the majority of Class A shares and one will be appointed by the other shareholder. If a shareholder holds less than 15% of the aggregate Class B shares and Class C shares outstanding, then such shareholder will not be entitled to appoint a representative to the Attikamagen Management Committee and the other shareholder will be entitled to appoint all of Labec Century's representatives to the committee.

Exploration Committee

The board of directors of Labec Century will appoint Labec Century's representatives to the exploration committee under the Attikamagen Joint Venture Agreement (the "**Attikamagen Exploration Committee**"). One of the representatives will be appointed by the shareholder holding the majority of Class A shares and the other will be appointed by the other shareholder. If a shareholder holds less than 15% of the aggregate Class B shares and Class C shares outstanding, then such shareholder will not be entitled to appoint a representative to the Attikamagen Exploration Committee and the other shareholder will be entitled to appoint all of Labec Century's representatives to the committee.

Funding for Approved Programs and Budgets

The shareholders will fund approved programs and budgets in excess of the initial \$40 million advanced by WISCO in accordance with their proportionate equity interest in Labec Century by way of further equity investments in Labec Century on a pro rata basis. In the event that a shareholder elects not to advance additional funds for the funding of an approved program and budget, the other shareholder may advance such additional funds and dilute the non-participating shareholder.

The provisions relating to dilution under the Attikamagen Shareholders Agreement for any time after the completion of a bankable feasibility study will apply only when no shareholder holds less than 20% of the total issued and outstanding equity shares of Labec Century. If after completion of the bankable feasibility study and any shareholder's ownership of equity shares is diluted below 20%, the shareholders will discuss and agree on an alternative dilution mechanism. The shareholders will agree that such discussion process will not affect the advancement of any programs or the Attikamagen project.

Financing of Construction Program

Under the terms of the Attikamagen Shareholders Agreement, WISCO Attikamagen will use commercially reasonable efforts to secure bank or other institutional funding financing commitment in order to provide debt financing of up to 70% of the Labec Century's share of total costs of a proposed construction program. The construction program will only proceed if Labec Century obtains (i) a fully-funded bank financing commitment for 70% of its share of total program costs, or (ii) a partially-funded bank financing commitment together with participant loan commitment of not less than 70% of its share of total construction program costs. If a construction program is approved, the shareholders will form a limited partnership to construct, develop and own the infrastructure required for the operation of the mine, with each shareholder owning a proportionate interest in the limited partnership. The limited partnership will enter into a lease arrangement to enable Labec Century to use the mine infrastructure.

Production

In the event that the parties are able to bring the Attikamagen Property into commercial production, WISCO Attikamagen will have the right to purchase from Labec Century a percentage of product equal to its equity share interest at market value and otherwise on standard commercial terms and, at a fair market value to be agreed between Century Holdings and WISCO International, an additional 20% of the production from the Attikamagen Property.

Indemnity

The Attikamagen Shareholders Agreement contains the following mutual indemnities in favour of WISCO and WISCO Attikamagen and the Company and Labec Century:

- the Company and Century Holdings agree to indemnify WISCO and WISCO Attikamagen for any loss suffered by WISCO, WISCO Attikamagen, any of their affiliates or Labec arising from the breach of any representations and warranties of the Company and Century Holdings or the failure of the Company or Century Holdings to perform any of their obligations under the Attikamagen Shareholders Agreement. In addition, the Company and Century Holdings agree to indemnify WISCO, WISCO Attikamagen and Labec for any loss, damages, costs or expenses suffered by WISCO, WISCO Attikamagen or Labec resulting from or relating to any breach or non-performance by the Company, Century Holdings or Champion of any of their obligations under the Attikamagen Joint Venture Agreement; and
- WISCO and WISCO Attikamagen agree to indemnify the Company and Century Holdings for any loss suffered by the Company, Century Holdings any of their affiliates or Labec arising from the breach of any representations and warranties of WISCO and WISCO Attikamagen or the failure of WISCO or WISCO Attikamagen to perform any of their obligations under the Attikamagen Shareholders Agreement.

Default

Under the terms of the Attikamagen Shareholders Agreement, if WISCO Attikamagen fails to advance the full \$40 million owing under the terms of the agreement (but completes the payment of \$20 million upon closing), then:

- Century Holdings will hold 60 million Class A shares and WISCO Attikamagen will hold 20 million Class A shares;
- Century Holdings will hold 60 million Class C shares and WISCO Attikamagen will hold 20 million Class B shares; and
- Century Holdings will be entitled to nominate four directors to the board of Labec Century. and WISCO will be entitled to appoint one director.

The Attikamagen Shareholders Agreement contains provisions regarding the default by any party of its obligations to pay any committed shareholder funding under the agreement.

Closing

As the transfers of the legal interests of a 56% interest in the Attikamagen Property to Labec Century have now been completed such that Labec Century is the registered and beneficial holder of a 56% interest in the Attikamagen Property, the parties are in a position to proceed with the reorganization of Labec Century as contemplated in the Attikamagen Shareholders Agreement. The Company understands that WISCO is in the process of completing its due diligence process, as contemplated in the Attikamagen Shareholders Agreement. Upon completion of that due diligence review, the Attikamagen Shareholders Agreement provides that the parties would then move to the reorganization and funding of Labec Century.

Sunny Lake Property

The Sunny Lake Property is an early-stage exploration property comprised of approximately 530 mining claims covering approximately 25,692 hectares located at Schefferville in the Labrador Trough region of northeastern Québec. The Sunny Lake claims are held by the Company through 0849873. The Company plans to

conduct the exploration activities on the Sunny Lake Property as set out in Schedule B hereto. The Sunny Lake Property is subject to a joint venture agreement between the Company and WISCO.

The Sunny Lake JV Agreement

On December 19, 2011, the Company entered into a definitive joint venture agreement (the "**Sunny Lake JV Agreement**") with 0849873, WISCO and WISCO Canada Sunny Lake Resources Development & Investment Limited, a wholly-owned subsidiary of WISCO ("**WISCO Sunny Lake**"), in respect of the joint venture (the "**Sunny Lake Joint Venture**") to be formed between 0849873 and WISCO Sunny Lake for the exploration and development of the Sunny Lake Property. According to the Sunny Lake JV Agreement, the Company will contribute its interest in the Sunny Lake Property for a 60% voting and participating interest in a new joint venture with WISCO. WISCO will invest \$40 million in exchange for a 40% voting and participating interest. The formation of the joint venture is in progress but has not been completed as of the date of this Annual Information Form. The following is a summary of the material terms of the Sunny Lake JV Agreement. A copy of the Sunny Lake JV Agreement is available under the Company's SEDAR profile at www.sedar.com.

Joint Venture Interests

Pursuant to the terms of the Sunny Lake JV Agreement, WISCO will invest up to an aggregate of \$40 million in the Sunny Lake Property in exchange for up to a 40% interest in the project. Title to the Sunny Lake Property will be transferred to the operator (the "**Sunny Lake Operator**"), a company to be incorporated under the provisions of the BCBCA, to be held in trust for 0849873 and WISCO Sunny Lake in accordance with their respective interests.

On and from the closing date of the formation of the Sunny Lake Joint Venture, WISCO Sunny Lake will invest an aggregate of \$40 million in the Sunny Lake Joint Venture by way of payments made to the Sunny Lake Operator. Following closing and until WISCO Sunny Lake earns a 40% interest in the Sunny Lake Joint Venture, WISCO Sunny Lake will have an undivided percentage interest in the Sunny Lake Joint Venture equal to 100% multiplied by the amount WISCO Sunny Lake has paid to the Sunny Lake Operator divided by \$100,000,000, and 0849873 will have a percentage interest determined as 100% minus WISCO Sunny Lake's percentage interest determined at the time of calculation.

After WISCO Sunny Lake has earned a 40% interest, each party's interest in the Sunny Lake Joint Venture will be determined by reference to the aggregate contribution of that party divided by the total aggregate contribution by that party, with Century deemed to have contributed \$60 million in respect of its contribution of the Sunny Lake Property.

Management Committee

The Sunny Lake Joint Venture will be directed and controlled by a management committee (the "**Sunny Lake Management Committee**") to be comprised of five members of whom two will be designated by WISCO Sunny Lake, two by 0849873, and one through consultation between WISCO Sunny Lake and 0849873. If at any time after WISCO has earned a 40% interest in the Sunny Lake Joint Venture, there is a dilution or change in interest in the joint venture held by WISCO Sunny Lake and 0849873 such that either party's interest is diluted to 25% or less, then that party will be entitled to designate one member of the Sunny Lake Management Committee and the participant with an interest of 75% or greater shall be entitled to designate four members of the committee, unless the parties otherwise agree. If a party holds less than a 15% interest in the Sunny Lake Joint Venture, then that party will cease to have any right to designate any member of the Sunny Lake Management Committee. The chairman of the committee will be a representative of the party holding the majority interest from time to time, and if no party holds a majority interest then the chairman will be elected by simple majority.

Under the terms of the Sunny Lake JV Agreement, certain fundamental matters must be approved by an affirmative vote of at least 80% of the members of the Sunny Lake Management Committee. These fundamental matters include, among other things, the following:

- the establishment of any major business policies of Sunny Lake Joint Venture or the Operator and material modifications thereto;
- the approval of any budget or any material amendments thereto in relation to the Sunny Lake Joint Venture and the Sunny Lake Property, other than as provided in the Sunny Lake JV Agreement;
- the annual approval of exploration, development programs or plans (including construction design plans) and any amendments thereto in relation to the Sunny Lake Joint Venture or the Sunny Lake Property (except non-material amendments thereto);
- any deviation from an approved budget or program where there is a deviation from forecasted expenditures in more than the amount prescribed in the Sunny Lake JV Agreement;
- the decision to commission a feasibility report as well as acceptance and approval thereof;
- the acceptance of the audited financing statements of the Operator and the appointment of auditor;
- the decision to approach lenders to obtain commitments for debt financing in relation to a construction program;
- a decision to conduct mining by a method not substantially in accordance with an approved feasibility report, budget or program;
- the approval of a product plan or any amendments thereto;
- the decision to start construction on the basis of a feasibility report;
- the decision to start commercial production;
- all matters relating to the expansion or the reduction to the Sunny Lake Property in excess of the thresholds set out in the Sunny Lake JV Agreement, except in accordance with an approved budget
- all matters relating to how the rights or interests of the Sunny Lake Property are to be voted or exercised, other than in respect of approved programs and budgets;
- the sale or other disposal or modification or alteration of the Sunny Lake Property or other assets of the Sunny Lake Joint Venture, in excess of certain thresholds set out in the Sunny Lake JV Agreement;
- any reorganization of the Operator or winding-up or dissolution of the Operator;
- the creation of any security interests over any direct or indirect interest of the Operator in the assets of the Sunny Lake Joint Venture;
- the incurrence of indebtedness of the Operator other than as contemplated in the Sunny Lake JV Agreement or under an approved budget;
- amendments to the constating documents of the Operator;
- the issuance of any shares or other securities of the Operator;
- any alterations to the capital stock of Operator;
- the redemption, repurchase, repayment or retirement of any outstanding securities of the Operator, other than as provided in the Sunny Lake JV Agreement;

- the pursuit of any business by the Operator other than in connection with the Sunny Lake project;
- the settlement of any claims against the Operator involving a payment in excess of \$500,000;
- the waiver of any material claims or rights of the Operator or the Sunny Lake Joint Venture;
- the entering into any amendment, waiver, consent, termination or other action with respect to any material agreement between Operator and any other person relating to the Sunny Lake Property;
- any agreement between the Operator and either joint venture participant or any of their affiliates;
- any proposal relation to the tax filings or tax planning structure of the Operator.

The Sunny Lake Operator is responsible for preparing programs and budgets for review and approval by the Sunny Lake Management Committee. The board of directors of the Sunny Lake Operator will be comprised of the members of the Sunny Lake Management Committee. Provided WISCO Sunny Lake holds an interest of 40% or more, WISCO Sunny Lake will be entitled to nominate the CEO and the CFO of the Sunny Lake Operator. If WISCO Sunny Lake has an interest equal to less than 40% and more than 15%, then the CEO will be a nominee of 0849873 and WISCO Sunny Lake will have the right to nominate the CFO or the COO. If either party has less than a 15% interest, it will not be entitled to nominate any senior officers of the Sunny Lake Operator.

Certain fundamental matters must be approved by an affirmative vote of 80% of the board of directors of the Sunny Lake Operator including, among other things, the following:

- the pursuit of any business by the Sunny Lake Operator (or any direct or indirect subsidiary thereof) other than in connection with the Sunny Lake Property;
- the waiver of any material claims or rights of the operator (or any direct or indirect subsidiary thereof) or the Sunny Lake Joint Venture; and
- the entering into any amendment, waiver, consent, termination or other action with respect any material agreement between the Sunny Lake Operator (or any direct or indirect subsidiary thereof) and any other person relating to the Sunny Lake Property.

Funding for Approved Programs and Budgets

Under the terms of the Sunny Lake JV Agreement, the initial \$40 million of approved programs and budgets will be funded by WISCO Sunny Lake. Funding for approved programs and budgets beyond the initial \$40 million advanced by WISCO Sunny Lake will be in accordance with each party's respective interest in the joint venture by way of additional advances to the Sunny Lake Operator on a pro rata basis. To the extent that a party determines not to advance funds required for the funding of an approved program and budget, the other party shall have the right to advance funds and dilute the non-participant.

Financing of Construction Program

Upon receipt of approvals required in respect of a proposed construction program, WISCO Sunny Lake will use commercially reasonable efforts to secure bank or other institutional funding financing commitment to provide debt financing of up to 70% of the total costs of such construction program. Under the terms of the Sunny Lake JV Agreement, a construction program may only proceed if there is (i) fully-funded bank financing commitment for 70% of the total program costs, or (ii) partially-funded bank financing commitment together with a participant loan commitment for no less than 70% of the total construction program costs.

Production

WISCO Sunny Lake and 0849873 are each entitled to share production from the Sunny Lake Property directly (in kind) in accordance with their respective interests in the joint venture subject to WISCO Sunny Lake's priority allocation which enables WISCO Sunny Lake to receive an additional product allocation in an amount equal to up to 50% of its \$40 million investment (subject to the completion of its investment in full) determined in accordance with a deemed profit calculation based on 50% of the net proceeds received from production in respect of a particular quarter, with the balance of production to be allocated to WISCO Sunny Lake and 0849873 in accordance with their respective interests in the joint venture. In addition, subject to WISCO Sunny Lake completing its \$40 million investment, WISCO Sunny Lake will have a right of first refusal to purchase from 0849873 an additional 20% of production.

Indemnity

The Sunny Lake JV Agreement contains the following mutual indemnities in favour of WISCO and WISCO Sunny Lake and the Company and 0849873:

- the Company and 0849873 agree to indemnify WISCO and WISCO Sunny Lake for any loss, damages, costs or expenses suffered by WISCO, WISCO Sunny Lake, their affiliates or the operator arising from the breach of any representation and warranty of the Company or 0849873 under the Sunny Lake JV Agreement or the contribution agreement to be entered into between the parties, or the failure of Company or 0849873 to perform any of their obligations under the Sunny Lake JV Agreement or the contribution agreement; and
- WISCO and WISCO Sunny Lake agree to indemnify the Company and 0849873 for any loss, damages, costs or expenses suffered by Company, 0849873, their affiliates or the operator arising from the breach of any representation and warranty of WISCO or WISCO Sunny Lake under the Sunny Lake JV Agreement or the contribution agreement to be entered into between the parties, or the failure of WISCO or WISCO Sunny Lake to perform any of their obligations under the Sunny Lake JV Agreement or the contribution agreement.

The parties also agree to indemnify, in proportion to their respective interests, the operator for any loss resulting from acts or omissions of the operator or its officers, employees or agents.

Default

The Sunny Lake JV Agreement contains provisions regarding the default by any party of its obligations to pay exploration expenditures, construction program costs or operating costs.

Closing

Closing of the transactions contemplated by the Sunny Lake JV Agreement will occur on the fifth business day after the date the mineral properties and mineral rights in respect of the Sunny Lake Property are registered in the name of the Sunny Lake Operator, or such other day as the parties may agree. The Company is presently working with WISCO to complete the corporate organization of the Operator and then to complete the transfer of the legal interest in the Sunny Lake Property to the Operator. Closing will take place following the completion of this corporate organization and the legal transfer of the Sunny Lake Property.

OTHER PROPERTIES

Altius Properties

The Altius Properties cover an area of 164,991 hectares and a significant portion of the indicated iron formation within the Newfoundland and Labrador portion of the Labrador Trough. The Schefferville property consists of three map-staked mineral licenses in the Schefferville area comprising 475 claims (11,875 hectares). The Astray property consists of 38 map staked mineral licenses comprising 2,894 claims (72,350 hectares). The Menihek property consists of eight map staked mineral licenses comprising 1,087 claims (27,175 hectares). The Grenville property consists of 43 map stakes mineral licenses comprising 2,135 claims (53,375 hectares). The Altius Properties claims are held by the Company.

Under the Altius Agreement, the Company agreed to acquire from Altius the right, title and 100% interest in the Altius Properties in consideration for an aggregate of up to 40,000,000 common shares of the Company as follows: (a) 2,000,000 common shares upon closing of the transaction; (b) 3,000,000 common shares on or before the second anniversary of the closing date; and (c) upon the achievement of the NI 43-101 Milestones, up to a maximum of 35,000,000 common shares. The NI 43-101 Milestones for each of the four Altius Properties are as follows: 1 million shares (up to 3 million shares) for each 1 billion tonnes of taconite and 1 million shares (up to 5 million shares) for each 33 million tonnes of direct shipping ore (DSO), and for the Grenville property only, 1 million shares (up to 3 million shares) for each 500 million tonnes of meta-taconite (specularite). As part of the transaction, the Company and Altius entered into the Royalty Agreement pursuant to which the Company granted and will pay to Altius a 1% to 4% sliding scale gross sales royalty in respect of iron ore produced from the Altius Properties on terms and conditions as set out in the Royalty Agreement. The Company has also agreed to incur aggregate exploration expenditures on the Altius Properties in a minimum amount of \$28,000,000 and make certain share payments to Altius over a five-year period contingent on the achievement of NI 43-101 Milestones.

Preliminary results from a recently completed 22,000 line kilometre airborne horizontal gradient and magnetic total field survey and initial ground follow-up work, indicate the multiple targets for each of the major recognized iron ore types (i.e. taconite, meta-taconite, and DSO) that are presently being mined or are under development in the region are present throughout this extensive land package. A minimum \$4.3 million program is underway for the year one program.

Significant Acquisitions and Dispositions

As of the date of this AIF, other than as set out above, the Company has not completed any other significant acquisitions or dispositions.

BUSINESS OF THE COMPANY

General

The Company is a Canadian-based metals exploration company that holds potential iron ore land claims with interests in several properties in Québec and in Newfoundland and Labrador. The Company's material mineral projects (the "**Mineral Projects**") consist of: (1) the Duncan Lake Property of which Century Iron has a 51% interest with an option to increase to a 65% interest; (2) the Attikamagen Property of which Century Iron has a 56% interest with an option to increase to a 60% interest; (3) the Sunny Lake Property, which is 100% owned by the Company. The Company also has an interest in the Astray, Grenville, Menihek and Schefferville properties (referred to by the Company as the "**Altius Properties**"), which are 100% owned by Century Iron. The Company is focused on advancing exploration on the Material Projects with the objective of developing the Material Projects, subject to achievement of positive feasibility studies, in order to become a major Canadian iron ore producer. It has two key strategic partners in WISCO and Minmetals, both state-owned Chinese companies with financial and

technical resources to assist the Company with funding and technical expertise for the exploration and development of its iron ore projects. See "Schedule B – The Mineral Projects" for a description of each of the Mineral Projects.

Mineral Projects

See "Schedule B – Material Properties" for a description of each of the Material Properties.

Specialized Skill and Knowledge

The Company requires specialized skill and knowledge to conduct its exploration activities. Success in the mining industry requires its personnel to possess a very high level of technological sophistication and solid experience to meet the challenges of the industry. The officers and directors of the Company are industry professionals who have extensive expertise and highly technical experience specific to the mining industry. They provide a strong foundation of advanced field skills and advanced knowledge and specialized mineral exploration experience, complemented by their demonstrated ability to succeed in the management and administration of a mining exploration company.

Competitive Conditions

The Company faces intense competition and competes with other mining companies, many of which have greater resources and experience. Competition in the metals mining industry is primarily for mineral rich properties that can be developed and can produce economically; the technical expertise to find, develop and operate such properties; the labour to operate the properties; and the capital for the purpose of funding such properties. Many competitors not only explore for and mine metals, but also conduct refining and marketing operations on a world-wide basis. Such competition may result in the Company being unable to acquire desired properties, to recruit or retain qualified employees or to acquire the capital necessary to fund its operations and develop its properties. The Company's inability to compete with other mining companies for these resources would have a material adverse effect on the Company's results of operations and business. See "Risk Factors – Competition".

Cycles

The Company's business can be cyclical. The exploration and development of mineral resources is dependent on access to areas where production is to be conducted. Seasonal weather variations can affect access in certain circumstances. The Mineral Projects are located in Québec and in Newfoundland and Labrador. Due to the region's cold climate in the winter months, exploration activities on the Mineral Projects may be restricted during the winter as a result of various weather-related factors including inclement weather, snow, frozen ground and restricted access due to snow, ice, or other weather-related factors.

Environmental Protection

The Company's exploration activities are subject to Canadian federal and provincial laws and regulations relating to the protection of the environment all of which the Company is currently in material compliance. The financial and operational effects of environmental protection requirements on capital expenditures, expenditures and the Company's competitive position during the financial year ended March 31, 2012 were not material and are not expected to be material for the financial year ending on March 31, 2013.

Employees

As at March 31, 2012, the Company had the following employees:

<u>Location</u>	<u>Full-Time Salaried</u>	<u>Hourly</u>	<u>Total</u>
Toronto Office	16	-	16
Montréal Office	1	-	1

<u>Location</u>	<u>Full-Time Salaried</u>	<u>Hourly</u>	<u>Total</u>
Hong Kong Office	5	-	5
Beijing Office	4	-	4
Mineral Project Sites.....	-	13	13

Reorganizations

See "Interest of Management and Others in Material Transactions – Century Holdings Corporate Organization".

Social or Environmental Policies

The Company's operating practices are governed by the principles set out in its Code of Business Conduct and Ethics as well as by the Charters of the Environmental Sustainability Committee of the Board of Directors and the Health and Safety Committee of the Board of Directors. The Environmental Sustainability Committee of the Board, which was established in August 2011 and reports to the Board, monitors activities of the Company as they relate to environmental matters and compliance with environmental regulations. The committee is also responsible for social policies and programs of the Company as they relate to social issues affecting communities where the Company conducts its business and activities. The Health and Safety Committee of the Board, which was also established in August 2011 and reports to the Board, is responsible for the activities of the Company as they relate to compliance with the health and safety of employees of the Company in the workplace. Century Iron is fully committed to a policy of corporate responsibility and sustainability in all aspects of its operations. Towards this end the Company plans to continue to implement, expand and promote its sustainable development and social responsibility policies and programs, to build employee and community awareness of health and safety issues and to protect the environment.

First Nations and Community Relations

Considering the location of the Company's properties, it is important for the Company's success that it foster and maintain good relations with local communities, including aboriginal communities. To that end, the Company takes steps such as having management of the Company regularly meet with representatives and other members of the local communities, engaging in activities that support these communities, and implementing measures to hire and train members of these communities to work in the Company's operations.

RISK FACTORS

Due to the nature of the Company's business and the present stage of exploration and development of the Mineral Projects, the Company may be subject to significant risks, including those set out below. Readers are encouraged to carefully consider all such risks, including those set out in the discussion below.

The Company's actual exploration and operating results may be materially different from those expected as at the date of this AIF.

Nature of the Company's Exploration Activities

The exploration for and development of mineral deposits involves significant risks, which even a combination of careful evaluation, experience and knowledge may not mitigate. Few properties that are explored are ultimately developed into producing mines. The Mineral Projects are still in the exploration and development stages. Significant expenditures will be required to establish ore reserves and to construct mining and material handling

facilities at the Mineral Projects. It is impossible to provide any assurance that the exploration programs completed and further planned by the Company will result in a profitable commercial mining operation.

No assurance can be given that the Company's exploration activities will result in the discovery of minerals in sufficient quantities and/or grades to justify commercial operations or that funds required for additional exploration or development can be obtained on a timely basis. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot accurately be predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, explosions, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in the operation of mines and the conduct of exploration programs. The Company will rely upon consultants and others for exploration, development, construction and operating expertise.

The Company will carefully evaluate the political and economic environment in considering any properties for acquisition. There can be no assurance that additional significant restrictions will not be placed on the Mineral Projects and any other properties the Company may acquire or its operations. Such restrictions may have a material adverse effect on the Company's business and results of operation.

There can be no certainty that further exploration and development will result in the definition of any mineral resources other than those described in this AIF. Substantial expenditures will be required to establish mineral resources and mineral reserves through drilling, to develop metallurgical processes to extract the metal from mineral resources and to develop the mining and processing facilities and infrastructure at any site chosen for mining.

Uncertainty in the Estimation of Mineral Resources

The figures for mineral resources contained in this AIF and used in the Company's technical reports estimates only and no assurance can be given that the anticipated tonnages and grades will be achieved or that mineral resources will be converted to mineral reserves. There are numerous uncertainties inherent in estimating mineral reserves and mineral resources, including many factors beyond the Company's control. Such estimation is a subjective process, and the accuracy of any mineral reserve or mineral resource estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. The volume and grade of mineral resources mined and processed (if at all) and recovery rates may not be the same as estimated. Any material reductions in estimates of mineral resources could have a material adverse effect on the Company's financial condition.

Uncertainty Relating to Inferred Mineral Resources and Exploration Potential

Inferred mineral resources that are not mineral reserves do not have demonstrated economic viability. Due to the uncertainty which may attach to Inferred Mineral Resources, there is no assurance that inferred mineral resources will be upgraded to indicated or measured mineral resources as a result of continued exploration. The disclosure of exploration potential is conceptual in nature by definition and there is no assurance that exploration of the mineral potential identified will result in any category of mineral resources being identified.

Joint Ventures

There is no assurance that the Company, its joint venture partners or the partners to the shareholders agreements signed by the Company will successfully perform as contemplated in those agreements. Even if the Company and those other parties are able to perform as contemplated by the applicable agreements, the Company will be exposed to all risks to which participants in mining joint ventures are typically exposed including as set out below.

Although terms of the Duncan Lake Shareholders Agreement in respect of the Duncan Lake Property have been agreed to with WISCO, that agreement has not been signed. Although the Company and WISCO have entered into the Interim Joint Venture Agreement to, among other things, govern the joint venture between the Company and WISCO for the development and exploration of the Duncan Lake Property, there is no assurance that the Duncan Lake Shareholders Agreement will be executed in the form the Company anticipates, or at all.

The Company's interests in its material properties are subject to the risks normally associated with the conduct of joint ventures and the operation of complex agreements among shareholders. The existence or occurrence of one or more of the following circumstances and events could have a material adverse impact on the Company: (i) disagreement with joint venture partners, or fellow shareholders in holding or operating companies, on how to explore and develop the properties; (ii) inability to exert influence over certain strategic decisions made in respect of the Company's properties; (iii) inability of joint venture partners, or fellow shareholders in holding or operating companies, to satisfy or perform their obligations to the joint venture, to joint venture partners, to fellow shareholders or to third parties; (iv) litigation between joint venture partners or fellow shareholders regarding joint venture or company matters; and (v) our inability to achieve agreement with WISCO and its subsidiaries as to key decisions regarding advancement of our Duncan Lake, Attikamagen and Sunny Lake Properties due to the shareholder approval requirements that will apply under the respective shareholder agreements for each of these properties. In addition, under the Attikamagen Shareholders Agreement, the Sunny Lake JV Agreement and, if it is executed in the anticipated form, the Duncan Lake Shareholders Agreement, the Company's partner each has significant approval rights over a number of fundamental matters. Any exercise of those rights by the Company's partner may have a material adverse impact on the Company.

To the extent that the Company is not the operator of its joint venture properties, the success of any such operations will be dependent on such operators for the timing of activities related to such properties and the Company will be largely unable to direct or control the activities of the operators. The Company is subject to the decisions made by the operators of the property, and will rely on the operators for accurate information about the properties. Although the Company expects that the operators of the properties to which it owns an interest will operate such properties with the highest standards and in accordance with the respective joint venture agreements, there can be no assurance that all decisions of the operators will achieve expected goals.

Future Profits/Losses and Production Revenues/Expenses

There can be no assurance that significant losses will not occur in the near future or that the Company will be profitable in the future. The Company's operating expenses and capital expenditures may increase in subsequent years as needed consultants, personnel and equipment associated with advancing exploration, development and commercial production, if any, of the Mineral Projects and any other properties the Company may acquire are added. The amounts and timing of expenditures will depend on the progress of ongoing exploration and development, the results of consultants' analyses and recommendations, the rate at which operating losses are incurred, the execution of any joint venture agreements with strategic partners, and the Company's acquisition of additional properties and other factors, many of which are beyond the Company's control. The Company does not expect to receive significant revenues from operations in the foreseeable future. The Company expects to incur losses unless and until such time as the Mineral Projects and any other properties the Company may acquire enter into commercial production and generate sufficient revenues to fund its continuing operations. The development of the Mineral Projects and any other properties the Company may acquire will require the commitment of substantial resources to conduct the time-consuming exploration and development of properties. There can be no assurance that the Company will generate any revenues or achieve profitability. There can be no assurance that the underlying assumed levels of expenses will prove to be accurate.

Title to Properties

The acquisition of title to resource properties is a very detailed and time-consuming process. Title to, and the area of, resource claims may be disputed. Although the Company believes it has taken reasonable measures to ensure that its title to the Mineral Projects is held as described in this AIF, there is no guarantee that title to any of the claims comprising the Mineral Projects will not be challenged or impaired or become the subject of title claims by First Nation groups or other parties. No assurances can be given that title defects to the Mineral Projects do not exist. The Mineral Projects may be subject to prior unregistered agreements, interests or native land claims and title

may be affected by undetected defects. There may be valid challenges to the title of any of the concessions and licence agreements comprising the Mineral Projects that, if successful, could impair development and/or operations. A defect could result in the Company losing all or a portion of its right, title, estate and interest in and to the properties to which the title defect relates.

First Nations Claims

The Company conducts its operations in western Labrador in the Province of Newfoundland and Labrador and in north-eastern Québec, which areas are subject to conflicting First Nations land claims. There are a number of First Nations peoples living in the Québec-Labrador peninsula with overlapping claims to asserted aboriginal land rights. Aboriginal claims to lands, and the conflicting claims to traditional rights between aboriginal groups are not currently governed by any existing treaty rights and may have an impact on the Company's ability to develop its projects. The boundaries of the traditional territorial claims by these groups, if established, may impact on the areas which constitute the Company's mineral projects. Mining licenses and their renewals may be affected by land and resource rights negotiated as part of any settlement agreements entered into by governments with First Nations.

The Company's planned exploration activities and any development activities, should the Company's properties be brought into production, may require the Company to consult with First Nations peoples. Consultations can vary depending on the nature of the aboriginal right affected and the degree of impact. The results of the consultations may conclude that the interests of the aboriginal group be accommodated wherever appropriate, however there is no assurance regarding the outcome of any consultations. Obligations can range from information sharing to provisions for the participation of the aboriginal group in the development and compensation for impacts. Consultation must be meaningful with the view to accommodating the interests of the aboriginal group affected. The Company is committed to effectively managing any impacts to such rights, title and claims and any resulting consultation requirements that may arise. However, there is no assurance that the Company will not face material adverse consequences because of the legal and factual uncertainties associated with these issues.

There can be no assurance that the Company will be successful in reaching any agreement with any First Nations groups who may assert aboriginal rights or may have a claim which affects the Company's properties or may be impacted by the Company's projects.

Iron Ore Prices

The development and success of the Mineral Projects will be dependent, in part, on the future price of iron ore. Iron ore prices are subject to fluctuation and are affected by a number of factors which are beyond the control of the Company. Such factors include, but are not limited to, global and regional supply and demand and the political and economic conditions of major steel producing countries throughout the world. Any future significant price declines could cause continued exploration and development of the Mineral Projects to be impracticable. The market price of iron ore affects the economics of any potential development project, the Mineral Projects, and the ability of the Company to raise capital. A decrease in the market price of iron ore could affect the Company's ability to finance the continued exploration and the development of the Mineral Projects. There can be no assurance that the market price of iron ore will remain at current levels or that such prices will improve or that market prices will not fall.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company has a planning and budgeting process to help determine the funds required to support its normal operating requirements on an ongoing basis as well as its expansion plans.

Capitalization, Additional Funding Requirements and Dilution

The operating and capital expenditures of the Company are expected to substantially increase in subsequent years with the advancing of exploration and development activities. Further exploration and development of the

Mineral Projects will require additional capital. In addition, a positive production decision at the Mineral Projects or any other development projects acquired in the future would require significant capital for project engineering and construction. The Company may not have sufficient funding to commence or complete the development of its mineral exploration projects. Accordingly, development of the Company's properties may depend upon the Company's ability to obtain financing through debt financing, equity financing, the joint venturing of projects, or other means. The Company's historical capital needs have been met by the issuance of common shares and shareholder loans. In order to finance the development of the Mineral Projects, the Company will have to pursue one or more financing alternatives including issuing additional equity, borrowing sufficient funds from third party lenders, or completing arrangements with one or more strategic partners. Failure to obtain such additional financing could result in a further delay or indefinite postponement of the development of the Mineral Projects. The terms of any additional financing obtained by the Company could result in substantial dilution to the shareholders of the Company. Adverse market conditions could have negative implications for the Company in terms of the ability to continue as a going concern and to continue the development of the Mineral Projects.

Regulatory Requirements

Mining operations, development and exploration activities are subject to extensive laws and regulations governing prospecting, development, production, exports, taxes, labour standards, occupational health, waste disposal, environmental protection and remediation, protection of endangered and protected species, mine safety, toxic substances and other matters. Changes in these regulations or in their application are beyond the control of the Company and could adversely affect its operations, business and results of operations.

Government approvals and permits are currently, and may in the future be, required in connection with the Mineral Projects. To the extent such approvals are required and not obtained, the Company may be restricted or prohibited from proceeding with planned exploration or development activities. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may be liable for civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Amendments to current laws, regulations and permitting requirements, or more stringent application of existing laws, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reductions in levels of production at producing properties or require abandonment or delays in development of properties.

Enforcement of Civil Liabilities

Certain of the directors of the Company are nationals and residents of countries other than Canada. As a result, it may be difficult or impossible for shareholders to bring an action against the Company or against these individuals in Canada in the event that shareholders believe that their rights have been infringed under the relevant Canadian securities laws or otherwise. In addition, it may not be possible to enforce against the Company and certain of its directors judgements obtained in Canadian courts predicated upon the civil liability provisions of applicable securities laws in Canada.

Environmental and Health Matters

All of the Company's operations will be subject to environmental regulations and health standards, which can make operations expensive or prohibit them altogether.

To the extent the Company is subject to environmental liabilities, the payment of such liabilities or the costs that it may incur to remedy environmental pollution would reduce funds otherwise available to it and could have a material adverse effect on the Company. If the Company is unable to fully remedy an environmental problem, it might be required to suspend operations or enter into interim compliance measures pending completion of the required remedy. The potential exposure may be significant and could have a material adverse effect on the Company.

All of the Company's exploration, development and production activities will be subject to regulation under one or more of the various provincial, federal and other environmental laws and regulations and health standards. Many of the regulations require the Company to obtain permits for its activities. The Company must update and review its permits from time to time, and is subject to environmental impact analyses and public review processes prior to approval of the additional activities. It is possible that future changes in applicable laws, regulations and permits or changes in their enforcement or regulatory interpretation could have a significant impact on some portion of the Company's business, causing those activities to be economically re-evaluated at that time.

There is no assurance that future changes in environmental regulation or health standards, if any, will not adversely affect the Company's operations.

Non-Availability of Insurance

Where considered practical to do so, the Company will maintain insurance against risks in the operation of its business and in amounts that it believes to be reasonable. Such insurance, however, will contain exclusions and limitations on coverage. There can be no assurance that such insurance will continue to be available, will be available at economically acceptable premiums or will be adequate to cover any resulting liability. The Company may become subject to liability for pollution or hazards against which it cannot insure. In some cases, such as with respect to environmental risks, coverage is not available or considered too expensive relative to the perceived risk. The payment of such liabilities could result in an increase in the Company's operating expenses which could, in turn, materially affect the Company's financial position and results of operations.

Competition

The Company's business is intensely competitive and the Company will compete with other mining companies, many of which have greater resources and experience. Competition in the metals mining industry is primarily for mineral rich properties which can be developed and can produce economically; the technical expertise to find, develop, and operate such properties; the labour to operate the properties; and the capital for the purpose of funding such properties. Many competitors not only explore for and mine metals, but also conduct refining and marketing operations on a world-wide basis. Such competition may result in the Company being unable to acquire desired properties, to recruit or retain qualified employees or to acquire the capital necessary to fund its operations and develop its properties. The Company's inability to compete with other mining companies for these resources would have a material adverse effect on the Company's results of operation and business.

Loss of Key Employees

The Company will depend on a number of key employees, the loss of any one of whom could have an adverse effect on the Company. The Company does not have and is not expected to purchase key person insurance on such individuals, which insurance would provide the Company with insurance proceeds in the event of their death. Without key person insurance, the Company may not have the financial resources to develop or maintain its business until it replaces the individual. The development of the business of the Company will be dependent on its ability to attract and retain highly qualified management and mining personnel. The Company will face competition for personnel from other employers. If the Company is unable to attract or retain qualified personnel as required, it may not be able to adequately manage and implement its business plan.

Conflicts of Interest

The Company's directors and officers may serve as directors or officers of other natural resource companies or companies providing services to the Company, or they may have significant shareholdings in other resource companies. Specifically, Sandy Chim, a director and the President and Chief Executive Officer of the Company, is a director and a control person of Century (Netherlands) Enterprises Coöperatie U.A., ("**Century Netherlands**") a substantial shareholder of the Company, and a director of Augyva. Michael Skutezky, the General Counsel and Corporate Secretary of the Company, is a director of Augyva.

Situations may arise where the directors and/or officers of the Company may be in competition with the Company. In the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. From time to time, several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment. In accordance with applicable laws, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Current Global Financial Conditions

Current global financial conditions have been characterized by increased volatility and several financial institutions have either gone into bankruptcy or have had to be rescued by governmental authorities. These factors may impact the ability of the Company to obtain equity or debt financing in the future on terms favourable to it. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. If such increased levels of volatility and market turmoil continue, the operations of the Company could be adversely impacted and the price of the common shares of the Company may be adversely affected.

Currency Exposure

The Company is not exposed to material currency fluctuations insofar as its funds are mainly maintained in Canadian dollars and its operations and costs incurred are mainly in Canadian dollars and all of its exploration properties are located in Canada. However, the Company does have some exposure to currency fluctuations to the extent that it has an administrative office in Hong Kong and has received a non-interest bearing refundable off-take deposit in the amount of US\$8 million that is repayable upon demand in U.S. dollars.

Share Price Fluctuations

In recent years, the securities markets have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered development stage companies (such as the Company), have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continued fluctuations in price will not occur.

Limited Operating History and Financial Resources

The Company has a limited operating history, no history of mining iron ore and is unlikely to generate any revenues from operations in the foreseeable future as the Mineral Projects are still in the exploration and development stage. If its exploration programs contemplated for the Duncan Lake Property, Attikamagen Property and Sunny Lake Property are successful, additional funds will be required for further exploration and development to determine if any deposits are economic and if economic, to bring such deposits to production. Additional funds will also be required for the Company to acquire and explore other mineral interests. The Company has limited financial resources and there is no assurance that sufficient additional funding will be available to enable it to fulfill its obligations or for further exploration and development on acceptable terms or at all. The future development of the Mineral Projects will require the construction and operation of mines and related infrastructure. The costs, timing and complexities of mine construction and development are increased by the remote northern location of the Mineral Projects. It is common in new mining operations to experience unexpected problems and delays during construction, development, and mine start-up. In addition, delays in the commencement of mineral production often occur. Accordingly, there are no assurances that the Company's activities will result in profitable mining operations, that the Company will successfully establish mining operations or profitably produce iron ore, or that the Company will meet any of its current timelines or schedules. Failure to obtain additional funding on a timely basis could result

in delay or indefinite postponement of further exploration and development and could cause the Company to forfeit its interests in some or all of its properties or to reduce or terminate its operations. Sources of funds now available to the Company are limited and may include the sale of equity capital, properties, royalty interests, the entering into of future joint ventures and the exercise of outstanding options. Additional financing may not be available when needed or, if available, the terms of such financing might not be favourable to the Company and might involve substantial dilution to existing shareholders. Failure to raise capital when needed would have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Remote Northern Location and Access to Transportation Infrastructure

The Mineral Properties, because of their remote northern location and limited accessibility, are subject to special climate and transportation risks. These risks include the inability to operate efficiently or at all during periods of extreme cold, the unavailability of materials and equipment, and unanticipated transportation costs. Adverse weather conditions may also prevent the operation of equipment on land, in the air or on water. Such factors can add to the cost of mine exploration, development, production and operation, thereby affecting the Company's financial condition. Access to transportation infrastructure to ship mineral products economically within Northern Québec and Labrador, and to export mineral products internationally is currently limited. Lack of access to transportation may hinder the expansion of production at the Mineral Projects and the Company may be required to use more expensive transportation alternatives.

DIVIDENDS AND DISTRIBUTIONS

The Company has not declared any cash dividends or distributions since its incorporation and currently has no plans to do so in the foreseeable future.

DESCRIPTION OF CAPITAL STRUCTURE

Century Iron's authorized share capital consists of an unlimited number of common shares without par value and an unlimited number of preferred shares without par value. As of March 31, 2012, there were 94,864,071 common shares issued and outstanding as fully paid and non-assessable and no preferred shares issued and outstanding. As of the date of the AIF, 94,864,071 common shares of the Company are issued and outstanding and no preferred shares are issued and outstanding.

Common Shares

Subject to the rights of the holders of the preferred shares of the Company, holders of common shares of the Company are entitled to dividends if, as and when declared by the board of directors. Holders of common shares of the Company are entitled to one vote per common share at meetings of shareholders except at meetings at which only holders of a specified class of shares are entitled to vote. Upon liquidation, dissolution or winding-up of the Company, subject to the rights of holders of preferred shares, holders of common shares of the Company are to share rateably in the remaining assets of the Company as are distributable to holders of common shares. The common shares are not subject to call or assessment rights, redemption rights, rights regarding purchase for cancellation or surrender, or any pre-emptive or conversion rights.

Preferred Shares

Preferred shares may be issued from time to time in one or more series, ranking equally on winding-up, to repayment of the amount paid up on such shares, and to carry and be subject to, as a class, the following special rights and restrictions pertaining to (but not limited to) dividends, redemption or purchase rights, rights of retraction, rights of conversion, terms and conditions of any share purchase plan or sinking fund, rights upon dissolution of the Company, and voting, as the directors of the Company may, from time to time, determine by resolution. Currently the preferred shares rank in priority over common shares as to dividends and return of paid up capital upon dissolution or winding up of the Company. Holders of preferred shares are not entitled to notice or to vote at meetings of shareholders (except where holders of a specified class or series are entitled to a separate vote in

accordance with the Act). The Company may at any time purchase for cancellation or redeem the preferred shares that may be issued and holders of preferred shares may require the Company to retract such shares in accordance with the terms upon which such have been issued.

Options and Warrants

As of the date of this AIF, the Company also has outstanding options to purchase an aggregate of 6,535,000 common shares at a price ranging from \$2.92 to \$4.00, expiring between May 17, 2016 and April 25, 2017, all of which are governed by the Company's stock option plan, which was approved by shareholders on September 28, 2011. As of the date of this AIF, the Company also has outstanding warrants to purchase an aggregate of 2,479,027 Common Shares at a price of \$2.92, expiring at November 17, 2012.

MARKET FOR SECURITIES

Common Shares

The Company's common shares are traded on the TSX under the symbol "FER". The following table shows the high and low trading prices and monthly trading volume of the common shares of Century Iron on the TSX (and the TSXV, as applicable) for the periods listed:

<u>Period</u>	<u>High</u>	<u>Low</u>	<u>Volume</u>
2011⁽¹⁾			
April	N/A ⁽²⁾	N/A ⁽²⁾	N/A ⁽²⁾
May ⁽³⁾	3.50	2.50	205,565
June	3.40	2.60	1,445,512
July	3.00	2.81	67,443
August	3.00	2.60	135,305
September	2.70	1.81	314,791
October	2.40	2.05	308,862
November	2.30	2.00	375,153
December	2.20	1.88	292,476
2012			
January	2.00	1.63	329,935
February	2.35	1.85	254,070
March	2.08	1.80	297,037

Notes:

- (1) Data for period from April 2011 to August 2011 reflect trading data for common shares of the Company on the TSXV. The Company's shares commenced trading on the TSX in September 2011.
- (2) Trading of the Company's shares was halted during the period from November 18, 2010 until completion of the Company's Qualifying Transaction in May 2011.
- (3) Trading of the Company's shares during May 2011 was between May 24 to 31, 2011.

Prior Sales

During the financial year ended March 31, 2012, Century Iron issued or granted the following common shares or securities exercisable into common shares:

<u>Date of Issuance</u>	<u>Number and Type of Securities Issued</u>	<u>Issue or Exercise Price Per Security (\$)</u>
May 18, 2011	11,488,660 common shares	N/A ⁽¹⁾
May 18, 2011	49,882,078 common shares	N/A ⁽¹⁾
May 18, 2011	5,500,000 stock options	2.92
May 18, 2011	2,479,027 agent's warrants	2.92
May 18, 2011	23,197,768 common shares	2.624
May 18, 2011	4,641,410 common shares	2.624
May 18, 2011	2,075,221 common shares	2.916
May 18, 2011	1,273,201 common shares	2.333
May 31, 2011	6,859 common shares ⁽²⁾	2.00 ⁽³⁾
August 17, 2011	13,718 common shares ⁽²⁾	2.00 ⁽³⁾
November 17, 2011	2,796 common shares ⁽²⁾	2.00 ⁽³⁾
November 24, 2011	8,000 common shares ⁽²⁾	2.00 ⁽³⁾
November 18, 2011	2,000,000 common shares	2.10
December 14, 2011	435,000 options	2.92-4.00

Notes:

- (1) Common shares issued to former shareholders of Century Holdings in exchange their securities of Century Holdings upon the completion of the Qualifying Transaction.
- (2) Common shares issued on the exercise of stock options and warrants.
- (3) Reflects the exercise price of stock options and warrants.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTIONS ON TRANSFER

Escrowed Securities

As of March 31, 2012, no securities of the Company were held in escrow.

Contractual Restrictions on Transfer

Pursuant to the WISCO Investment Agreement, subject to certain exceptions, including the right of WISCO at any time to transfer or sell its common shares of the Company pursuant to take-over bid or other transaction, WISCO may not sell its shares acquired pursuant to the terms of the WISCO Private Placement for a period of 18 months from the date of the WISCO Investment Agreement.

Pursuant to the WISCO Shareholders Agreement, Century NL and the Century Principals have agreed to restrictions on transfer with respect to their ownership of common shares of the Company and, with respect to the Century Principals, their ownership of Century NL. These restrictions apply for the three-year Initial Lock-Up Period. After expiry of the Initial Lock-Up Period, there will be a staggered release from the lock-up agreements based on achievement of certain milestones, including completion of a bankable feasibility study on any of the projects and commencement of construction on any of the projects, with all shares to be released from the lock-up agreements upon the completion of construction of a mine on any of the Properties. The lock-up agreements are

subject to certain limited exceptions, including transfers among Century NL and the Century Principals and certain of their respective affiliates.

Pursuant to the Minmetals Investment Agreement, Minmetals may not sell its shares acquired pursuant to the terms of the Minmetals Private Placement until November 18, 2012.

Under the Century Iron Holdings Employee Offering, subscribers to the Employee Offering had the option to purchase common shares of Century Iron Holdings either (i) at a price equal to 90% of the Offering Price, in which case the shares so subscribed for were subject to an 18-month contractual lock-up between Century Iron Holdings and the subscriber, or (ii) at a price equal to 80% of the Offering Price, in which case the shares so subscribed for were subject to a 36-month lock-up.

DIRECTORS AND OFFICERS

The following table is as at the date of the AIF and sets out the name, province/state of residence, positions and/or offices held with the Company, and principal occupations of each person who is a director and/or an executive officer of the Company, as well as the period during which each person, if applicable, has been a director of the Company. Mr. Zhong Xiang Kuang, the President and a director of WISCO International Resources Development & Investment Limited, and Mr. Wei Ke Peng, the Deputy General Manager in the Overseas Mineral Resources Division of Wuhan Iron & Steel (Group) Corporation, the parent company of WISCO, were nominated as directors by WISCO, pursuant to WISCO's rights under the WISCO Investment Agreement.

The term of office of each director of the Company ends immediately before the election of directors at the annual meeting of shareholders each year.

<u>Name and Residence</u>	<u>Position(s) with the Company</u>	<u>Principal Occupation</u>	<u>Director Since</u>
SANDY CHIM ⁽¹⁾ Hong Kong	Director and Chief Executive Officer	Chief Executive Officer of the Company; Chairman of Century Resources Capital since August 2007; Partner at Chim & Seto, LLP since 1988	May 18, 2011
M. MARCEL AUBUT Québec, Canada	Director and Chairman	Partner of Heenan Blaikie LLP	September 28, 2011
PAUL MURPHY ⁽¹⁾⁽²⁾⁽³⁾⁽⁵⁾ Ontario, Canada	Lead Director	Retired Partner of PricewaterhouseCoopers LLP	May 18, 2011
HUA BAI ⁽⁶⁾ British Columbia, Canada	Director	CEO and a Director of Deep Sea Energy Investment Ltd., and DSM Potash Corporation	May 18, 2011
MAURICE STRONG ⁽⁵⁾⁽⁷⁾ Ontario, Canada	Director and Vice-Chairman	Chairman of Strovest Holdings Inc.; Vice-Chairman of Chicago Climate Exchange	May 18, 2011
ZHONG XIANG KUANG Wuhan, China	Director	Director and General Manager of WISCO since 2010; Director and General Manager of Resources Development Department, WISCO Group (2008 – 2010), Chairman and General Manager of WISCO Group Minerals Co. Ltd. (2008 – 2010)	May 18, 2011

<u>Name and Residence</u>	<u>Position(s) with the Company</u>	<u>Principal Occupation</u>	<u>Director Since</u>
WEI KE PENG..... Wuhan, China	Director	Chief Executive Officer of WISCO Brazil Metallurgy Investment Ltd. (2010 – 2011); Deputy General Manager, Steelmaking General Plant of WISCO (2008 – 2010); General Manager of No. 4 Steelmaking Plant of WISCO (2005 – 2008)	May 18, 2011
JOHN REYNOLDS, P.C. ⁽²⁾⁽³⁾⁽⁴⁾⁽⁷⁾ British Columbia, Canada	Director	Consultant	May 18, 2011
HOWARD BERNIER ⁽²⁾⁽³⁾⁽⁴⁾⁽⁷⁾⁽⁵⁾ Québec, Canada	Director	Consultant	May 18, 2011
JIONGHUI WANG..... Beijing, PRC	Director	Assistant President, China Minmetals Corporation, General Manager, Minmetals Exploration & Development Co., Ltd.	September 28, 2011
BEN KOON (DAVID) WONG ⁽⁸⁾ Hong Kong	Director	Director of Prosperity Minerals Holdings Limited since May, 2004	May 18, 2011
CHUN WA (IVAN) WONG..... Hong Kong	Chief Financial Officer	Chief Financial Officer of the Company	N/A
CLAUDE BRITT..... Québec, Canada	Chief Geologist	Consultant	N/A
HUBERT VALLÉE..... Québec, Canada	Senior Vice President, Logistics, Mine Development and Operations	Senior Vice President, Logistics, Mine Development and Operations of the Company; Senior Vice President, Operations and Logistics at Consolidated Thompson Iron Mines since 2010; Vice President, Development at Consolidated Thompson since 2006	N/A
RICKY CHAN..... Ontario, Canada	Vice-President, Planning and Operations	Vice-President, Planning and Operations of the Company	N/A
MICHAEL SKUTEZKY..... Ontario, Canada	General Counsel and Corporate Secretary	General Counsel and Corporate Secretary of the Company	N/A

Notes:

- (1) Thriving Century Limited, a privately-held BVI company of which Mr. Chim is a controlling shareholder, indirectly owns approximately 30.6% of the shares of Century NL which owns 49,882,078 common shares of the Company representing approximately 53.72% of the issued and outstanding common shares of the Company.
- (2) Member of the Audit Committee. Mr. Murphy is the Chair of the Audit Committee.
- (3) Member of the Compensation Committee. Mr. Murphy is the Chair of the Compensation Committee.
- (4) Member of the Governance and Nominating Committee. Mr. Reynolds is the Chair of the Governance and Nominating Committee.
- (5) Member of the Health and Safety Committee. Mr. Bernier is the Chair of the Health and Safety Committee.
- (6) Earnlead Investments Ltd., a privately-held BVI company of which Mr. Bai is a controlling shareholder, indirectly owns approximately 10% of the shares of Century NL which owns 49,882,078 common shares of the Company representing approximately 53.72% of the issued and outstanding common shares of the Company.
- (7) Member of the Environment and Sustainable Development Committee. Mr. Strong is the Chair of the Environment and Sustainable Development Committee.
- (8) Purple Star Holdings Limited, a privately-held BVI company of which Mr. Wong is a controlling shareholder, indirectly owns approximately 49.5% of the shares of Century NL which owns 49,882,078 common shares of the Company representing approximately 53.72% of the issued and outstanding common shares of the Company.

As of the date of this AIF, the directors and executive officers of the Company, as a group, beneficially own, directly or indirectly, or exercise control or direction over 45,012,342 common shares, being 47.45% of the issued common shares on a non-diluted basis. The statement as to the number of common shares beneficially owned, directly or indirectly, or over which control or direction is exercised by the directors and executive officers of the Company, as a group, is based upon information furnished by the directors and executive officers.

Principal Occupations and Other Information about Century Iron's Directors and Executive Officers

The principal occupations of each of the Company's directors and executive officers within the past five years are disclosed in the biographies set forth below.

Sandy Chim, C.A. – Director, President and Chief Executive Officer

Sandy Chim is a director and the President and Chief Executive Officer of the Company. He is currently a director of Prosperity Minerals Holdings Limited, an iron ore trader, real estate developer, and cement investment holding company in China, and a director of Sage Gold Inc., which is listed on the TSXV. Mr. Chim is a member of the Supervisory Board of Anhui Chaodong Cement Co. Limited, a public company listed on the Shanghai Stock Exchange, and a founding partner at Chim & Seto LLP, a chartered accounting firm in Canada. Mr. Chim received a Bachelor of Commerce degree from the University of New South Wales and an M.B.A. from York University. Mr. Chim is a Member of the Institute of Chartered Accountants of Ontario and the Institute of Chartered Secretaries and Administrators in Canada, and a Fellow Member of the Hong Kong Institute of Certified Public Accountants.

M. Marcel Aubut – Director and Chairman of the Board

Marcel Aubut, O.C., O.Q., Q.C., Ad.E., is a partner with Heenan Blaikie LLP and has been a corporate lawyer for more than thirty years. He is the former President and Chief Executive Officer of Trans-Canada Productions Ltd. and founding President of Québec Metro High Tech Park. Mr. Aubut has been involved with numerous companies and boards including, among others, Atomic Energy of Canada, Olymel L.P. (Olybro), Aeterna Zentaris Inc., Boralex Power Income Fund, Triton Electronik, Whole Foods Market Canada, Hydro-Québec (Executive Committee), Purolator Courier Ltd., Tremblant Resort, Cinar Inc., Investors Group Inc., Transforce Inc., Intra Continental Insurers Ltd., Boréal Assurances Agricoles Inc., Entreprises Premier CDN Ltée, Les Industries Amisco Ltée, Donohue Matane Inc., Innovatech Québec, Textile Dionne. He has also presided over the establishment of numerous industrial projects in the greater region of Québec City. Mr. Aubut received the Medal of the National Assembly of Québec in 1981 and was appointed Queen's Counsel in 1986 and that same year he became Member of the Order of Canada. Mr. Aubut was elevated to the rank of Officer in 1993.

Paul Murphy – Lead Director

Paul Murphy has significant industry experience gained as a former Audit and Assurance Group Partner and former national leader for the Canadian mining industry group of PricewaterhouseCoopers LLP. After working for over thirty years with the firm, Mr. Murphy retired from PricewaterhouseCoopers LLP in May 2010. Mr. Murphy is the former Leader for the Western Hemisphere Mining Centre of Excellence and has worked almost exclusively in the resource industries for the past thirty years. His professional experience includes financial reporting controls, operational effectiveness, International Financial Reporting Standards and SEC reporting issues, financing, valuation and taxation as they pertain to the mining sector. For several years, Mr. Murphy oversaw a technical mining practice which certified financial completion tests and reviewed ore reserves for mines financed by Canadian and foreign banking syndicates. Mr. Murphy has been qualified as a Chartered Accountant since 1975 and has a Bachelor of Commerce degree from Queen's University.

Jionghui Wang – Director

Jionghui Wang is Assistant President of China Minmetals Corporation, a state-owned diversified metals and mining company based in Beijing, and General Manager of Minmetals Exploration & Development Co., Ltd. Mr. Wang is also an executive director of the China Association of Mining Economy, an executive director of the China Association of Mining Right Appraisers and a member of the China Land Legal Expert Advisory Committee.

Previously, Mr. Wang was the Deputy General Manager of the China National Geological Mining Corporation and worked for the Changchun Institute of Geology and a number of companies. Mr. Wang graduated from the Changchun Institute of Geology and holds a master's degree and title of Research Fellow.

Ben Koon (David) Wong – Director

Ben Koon (David) Wong is Chairman and Chief Executive Officer of Prosperity Minerals Holdings Limited ("Prosperity Minerals"), an iron ore operator, real estate developer, and cement investment holding company operating in China and listed on the AIM market of the London Stock Exchange. Mr. Wong is also Chairman of Prosperity International Holdings (H.K.) Limited, the parent company of Prosperity Minerals, which is listed on the Hong Kong Stock Exchange. He is also a legal representative of Anhui Chaodong Cement Co. Limited, listed on the Shanghai Stock Exchange, in which Prosperity Minerals is the single largest shareholder with a holding of 33.06% interest. Mr. Wong's professional career spans over thirty years and includes more than twenty years of experience in cement and iron ore trading specifically.

Hon. Maurice Strong, P.C. – Director

The Honourable Maurice Strong, P.C. has over thirty years of experience at higher levels in business, and with government and international organizations. Mr. Strong has held numerous positions with international organizations. His past appointments include Under Secretary General and Special Advisor to the Secretary General of the United Nations; Senior Advisor to the President, World Bank; President, Power Corporation of Canada; Chairman and Chief Executive Officer, Ontario Hydro and Member, International Advisory Board, Toyota Motor Corporation, and Vice-Chairman, Chicago Climate Exchange. Mr. Strong is a Member of the Queen's Privy Council of Canada, has received Honorary Doctorates from 53 universities in Canada, the United States, Europe and Asia, and has held numerous academic appointments, including visiting professorship at the University of Ottawa (2004) and honorary professorship at the University of Peking (Beijing) 2006.

Hon. John Reynolds, P.C. – Director

The Honourable John Reynolds, P.C. has served as both a Member of the Legislative Assembly in British Columbia and as a Member of Parliament in Ottawa. Prior to his retirement from Federal politics he was the Official Opposition House Leader for the Conservative Caucus. Previously he had been Leader of the Opposition in the House of Commons for the Canadian Alliance Caucus. Mr. Reynolds has served on the board of numerous public companies and is currently a director of Eacom Timber Corporation, Encanto Potash Corp. and Catalyst Copper Corp., among others. Mr. Reynolds is a Member of the Queen's Privy Council for Canada and a senior strategic advisor for McMillan LLP.

Howard Bernier – Director

Howard Bernier is a professional Metallurgical Engineer and a consultant to entities involved in the iron ore industry focused on developing iron ore properties in the Province of Québec and Brazil. He has served as a consultant and officer to various public companies, as the resident manager of Wabush Mines in Sept-Îles, Québec, and most recently as Chief Operating Officer of Consolidated Thompson Iron Mines Limited. Mr. Bernier's professional career, spanning some thirty-five years, has included all aspects of copper smelting and refining and iron pellet production, shipping and international metal sales. Mr. Bernier is a past member of the American Institute of Mining and Metallurgical and Petroleum Engineers and the Canadian Institute of Mining and Metallurgy. Mr. Bernier holds a B.Sc. (Engineering) from the École Polytechnique de Montréal, Québec. Mr. Bernier is a member of the Order of Engineers of Québec.

Hua Bai – Director

Hua Bai is a businessman in China who has over twenty years of investment and commercial experience covering various enterprises in China. Mr. Bai is currently a director of Sage Gold Inc. (TSXV: SGX), the CEO and director of Infinis Energy Hong Kong, the President and CEO of Deep Sea Energy Investment Ltd., and the Chairman of DSM Potash Corporation. Mr. Bai has a degree in architecture.

Zhong Xiang Kuang – Director

Zhong Xiang Kuang is the President and Director of WISCO. He has extensive experience in iron ore resources development and investment in both domestic and foreign markets. In the past five years, Professor Kuang also served as President and Director of Wuhan Iron & Steel Group Minerals Co. Ltd. and as President of WISCO Group Resource Development Department. Professor Kuang holds a Bachelor's and a Master's degree in Mining Engineering from Wuhan University of Science and Technology. He is a senior mining engineer at the professor level and has also been awarded a special government allowance for experts from the State Council of the People's Republic of China.

Wei Ke Peng – Director

Wei Ke Peng currently serves as Deputy General Manager in the Overseas Mineral Resources Division of Wuhan Iron & Steel (Group) Corporation, the parent company of WISCO. He is a senior engineer and has over 20 years of experience in the iron and steel industry. Prior to his current appointment, he was the Chief Executive Officer of WISCO Brazil Metallurgy Investment Ltd. From 1987 to 1990, Mr. Peng attended at the Chongqing University of Science and Technology majoring in steelmaking and from 2002 to 2006, he attended at the Huazhong University of Science and Technology majoring in computer and application. Mr. Peng also holds a Master of Business Administration degree from Wright State University.

Management

Chun Wa (Ivan) Wong – Chief Financial Officer

Mr. Wong is a Fellow Member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. His other current appointments are: Member of the Supervisory Board of Maanshan Iron & Steel Co. Ltd., a company listed in Hong Kong and Shanghai, the PRC; and Independent Non-executive Director and Chairman of the Audit Committee of China Zhongwang Holdings Ltd., a company listed in Hong Kong, the PRC.

Claude Britt – Chief Geologist

Mr. Britt has over 40 years of experience in exploration and mining. He has previously worked at Iron Ore Company of Canada as a Development Geologist where he held key positions of responsibility in various major iron ore mining projects for a number of years. His involvement in the practical operations of a company that was once one of largest iron ore companies in the world brings great value to Century Iron Ore Group. In addition to iron ore, Mr. Britt also has a wide range of experience in mining and exploration, property evaluation, and due diligence in relation to other natural resources. During his term as Vice President of Exploration for Pangea Goldfields Inc., prior to the company being acquired by Barrick Gold Corporation in 2000, he contributed to the discovery of the Silidor gold deposit in Noranda, which produced over 700,000 ounces of gold, and to the gold and copper discoveries in Tanzania and Peru. He is currently a Director of Dios Exploration Inc., Hana Mining Ltd. and X-Ore Resources Inc., mineral exploration companies listed on the TSX Venture Exchange. Mr. Britt is a professional geologist and holds a Bachelor's degree in Geology from the University of Western Ontario in Canada.

Hubert Vallée – Senior Vice President, Logistics, Mine Development and Operations

Mr. Vallée has been a leader in the mining industry for 28 years. He joined Quebec Cartier Mining as a Project Engineer and was promoted to Operations Manager at its pellet plant by 2001. He managed the Iron Ore Company of Canada's pellet plant in Sept-Îles before joining Domtar Inc. as General Manager of its Label-sur-Quévillon Pulp Mill. Mr. Vallée joined Consolidated Thompson Iron Mine Ltd. in 2006 as Vice President, Development, and became Senior Vice President in 2010. Mr. Vallée is a graduate of Laval University in Electrical Engineering.

Ricky Chan – Vice-President, Planning and Operations

Mr. Chan is a business consultant and former Vice President of Global Maxfin Capital Inc., an investment dealer. He held the position of Vice President of Maison Placements Canada Inc. (an investment dealer), from September 2005 to January 2009. He held the position of the Vice President of Northern Securities Inc. (an investment banking firm) from August 2001 to September 2005. As President of Pacific Power International Inc., a private company, from June 2004 and to December 2006, Mr. Chan was providing business development and advisory services for companies interested in accessing the Chinese market. From 1986 to 2001 Mr. Chan held various management and sales positions with a number of major brokerage firms in both Canada and Hong Kong. Mr. Chan obtained his Bachelor of Commerce degree from McGill University in 1984.

Michael Skutezky – General Counsel and Corporate Secretary

Mr. Skutezky is a lawyer practicing in Toronto. He is Chairman of Rhodes Capital Corporation, a private merchant bank providing services to the resource and technology industry. He is also General Counsel and Secretary of Sage Gold Inc. (SGX-TSXV) and a director of Augyva Mineral Resources Inc. (AUV-TSXV). He is a graduate of Bishop's University (B.A.) and Dalhousie Law School (LL.B.) and a member of the Nova Scotia Bar and Law Society of Upper Canada.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Cease Trade Order

Except as set out below, no director or executive officer of Century Iron is, as at the date of this AIF, or was, within the last ten years before the date of this AIF, a director, chief executive officer, or chief financial officer of any company (including Century Iron) that was:

- (a) subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

For the purpose of the above paragraph, "order" means (a) a cease trade order, (b) an order similar to a cease trade order, or (c) an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 days.

Maurice Strong was a director and owned 24% of the common shares of Strovest Holdings Inc., a private family investment holding company which held approximately 20% of the Class A common shares of Cordex Petroleum Inc. on the date it filed for bankruptcy in March 1999. Mr. Strong was a director of Environmental Capital Corporation when it filed for Chapter 11 protection in or around December 1999. Mr. Strong was a director of Kinetex Resources Corporation when it was subjected to a cease trade orders on July 22, 2010 and November 3, 2010 for failure to file continuous disclosure documents prescribed by securities laws.

On August 8, 2005, Prosperity International Holdings (H.K.) Limited, a company of which Ben Koon (David) Wong is a director and Chairman, was found by The Stock Exchange of Hong Kong Limited to have breached its rules by failing to despatch and publish its annual accounts for the year ended March 31, 2003 in time, for failing to announce and publish a circular on time and failing to obtain prior independent shareholder approval for certain transactions conducted during the period from September 12, 2002 to November 26, 2002.

John Reynolds was a director of CY Oriental Holdings Ltd. when it was subjected to cease trade orders on April 30, 2008 and July 3, 2008 for failure to file continuous disclosure documents prescribed by securities laws. Mr. Reynolds resigned as a director of CY Oriental Holdings Ltd. on March 30, 2009. Mr. Reynolds was also a

director of Kinetex Resources Corporation when it was subjected to cease trade orders on July 22, 2010 and November 3, 2010 for failure to file continuous disclosure documents prescribed by securities laws.

Bankruptcy

Except as set out below, no director or executive officer of Century Iron, or a shareholder holding a sufficient number of securities of Century Iron to affect materially the control of Century Iron is, as at the date of this AIF, or has been, within ten years before the date of this AIF, a director or executive officer of any company (including Century Iron) that:

- (a) while that person was acting in that capacity, or within a year of ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager, or trustee appointed to hold the assets of the director, executive officer or shareholder.

Sanctions

Except as set out below, no director or executive officer of Century Iron, or a shareholder holding a sufficient number of securities of Century Iron to affect materially the control of Century Iron has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Ricky Chan was subject to disciplinary penalties imposed by the Investment Dealers Association of Canada in June 1999 for conduct unbecoming a registered representative by misleading his compliance officer and firm, for failing to have sales literature approved by his firm before publication and for failing to have appropriate documentation in place when conducting an options trade on behalf of a client.

Maurice Strong was one of seven named defendants in a class action lawsuit filed in the United States District Court of Massachusetts in 1997 involving alleged violations of Sections 10(b), 20(b), and 20A of *the Securities Exchange Act of 1934* by the named officers and directors of Molten Metal Technology Inc. The action was ultimately settled pursuant to a settlement agreement among the parties which did not provide for any payment nor any admission of liability by Mr. Strong.

Conflicts of Interest

The directors and officers of Century Iron may serve as directors or officers of other natural resource companies or companies providing services to Century Iron, or they may have significant shareholdings in other resource companies. Specifically, Mr. Chim is a director and a control person of Century Netherlands, a director and shareholder of Augyva and of Prosperity Minerals. Mr. Chim is a partner of Chim & Seto LLP, Chartered Accountants. Century Iron may engage Chim & Seto to provide certain accounting services to the Company. In the event that Chim & Seto conducts any accounting work on behalf of Century Iron, the independent directors or the Chairman of the Audit Committee will, from time to time, approve any invoices issued by Chim & Seto in connection with such work.

Situations may arise where the directors and/or officers of Century Iron may be in competition with Century Iron. In the event that a conflict of interest arises at a meeting of Century Iron's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. From time to time, several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment. In accordance with applicable laws, the directors of Century Iron are required to act honestly, in good faith and in the best interests of Century Iron. In determining whether or not Century Iron will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which Century Iron may be exposed and its financial position at that time. See "Interest of Management and Others in Material Transactions".

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

As of the date hereof, Century Iron's management is not aware of any current or contemplated legal proceedings material to Century Iron to which Century Iron is a party or of which any of its property is the subject matter. As of the date hereof, no penalties or sanctions have been imposed against Century Iron by a court or regulatory body and Century Iron did not enter into any settlement agreements before a court relating to securities legislation or with a securities regulatory authority during its last financial year.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as set out below and elsewhere in this AIF, no director, executive officer or 10% shareholder of the Company or any associate or affiliate of any such person or company, has or had any material interest, direct or indirect, in any transaction that has materially affected or will materially affect the Company or any of its subsidiaries.

Director's Loan

Mr. Ben Koon (David) Wong, a controlling shareholder of Century NL and a director of the Company, advanced funds to Century NL which were in turn advanced by Century NL to Century Holdings as a loan. A portion of these loan funds were then advanced by Century Holdings to Augyva to enable Canadian Century to exercise its option to acquire a 51% interest in the Duncan Lake property and for general corporate purposes. Century NL subsequently assigned the promissory note evidencing the advance to Century Holdings to Mr. Wong as repayment by Century NL of its obligation to Mr. Wong. As a result, Century Holdings was obligated to pay Mr. Wong for funds originally advanced by Century NL to Century Holdings. On May 25, 2011, following completion of the Qualifying Transaction, the Company repaid the balance of the funds originally advanced by Mr. Wong to Century NL.

Century NL Shareholder Loan and Debt Conversion

For the three and nine months ended December 31, 2010, Century Holdings received shareholder advances in the form of non-interest-bearing demand notes from Century NL in the amounts of \$43,685 and \$1,760,280. During the periods ended March 31, 2010 and 2009, Century Holdings received advances from Century NL in the amounts of \$1,167,561 and \$4,212,261, respectively, in the form of non-interest bearing demand notes. The amount payable under loans outstanding was \$6.7 million as at October 21, 2010. On October 21, 2010, an aggregate of \$4.0 million of this debt was settled by the issuance of 29,144,279 common shares of Century Holdings (following completion of a stock split by Century Iron Holdings as disclosed above) pursuant to a note transfer agreement and a subsequent repayment of capital transaction. On May 25, 2011, following completion of the Qualifying Transaction, the Company repaid the outstanding balance of \$2.7 million.

Century Holdings Corporate Organization

On October 21, 2010, Century Holdings completed the acquisition all of the issued and outstanding shares of Grand Century, Labec Century, and Canadian Century and certain shareholders loans from Century NL pursuant to the Share Transfer Agreement and a note transfer agreement. Subsequently, pursuant to the Amalgamation Agreement, the Company acquired all of the shares of Grand Century, Labec Century and Canadian Century, as well as certain shareholders loans from Century NL. For further information, see "General Business of the Company – Corporate Organization of Century Iron Holdings".

Augyva Mining Resources Inc.

On May 20, 2008, the Century Holdings entered into Duncan Lake Joint Venture Agreement with Augyva. Sandy Chim, an officer of Century Holdings and a director and the Chief Executive Officer of the Company, is also a director and shareholder of Augyva. Michael Skutezky, General Counsel and Corporate Secretary of the Company is also a director of Augyva. For an overview of the Duncan Lake Joint Venture Agreement, see "Material Properties – Duncan Lake Property". During the years ended March 31, 2012, 2011 and 2010, the Company received a management fee of \$Nil, \$77,500 and \$150,000, respectively, from Augyva. As at March 31, 2012, 2011 and 2010, the Company had accounts receivable of \$16,950, \$16,950 and \$13,125, respectively, from Augyva. Considering the positions with and interest in Augyva that are hold by Mr. Chim and Mr. Skutezky, they will be deemed to have interest in any action taken or agreement entered into by Augyva with respect to the Company.

Champion Minerals Inc.

On May 12, 2008, Century Holdings entered into Attikamagen Joint Venture Agreement with Champion. Sandy Chim, a director and officer of each of Century Holdings and the Company and the President of Labec Century, holds 1,400,000 common shares of Champion through his private holding company, Max Lucky Holdings Limited. For an overview of the Attikamagen Joint Venture Agreement, see "Material Properties – Attikamagen Property".

PIHL Off-take Agreement

The PIHL Off-take Agreement is a related party transaction as each of Ben Koon (David) Wong, a director of the Company, and Sandy Chim, a director and the Chief Executive Officer of the Company, are also directors of Prosperity Minerals. A refundable off-take deposit US\$8,000,000 (\$7,973,048 as at March 31, 2012) has been provided under this agreement. The deposit is non-interest bearing and repayable on demand.

Chim and Seto Consulting Services Inc.

During the year ended March 31, 2012, the Company incurred accounting expenses in the amounts of \$45,457 from Chim and Seto Consulting Services Inc. ("Chim & Seto"), of which an immediate family member of the President and CEO of the Company is a shareholder. During the years ended March 31, 2011 and 2010, the Company incurred accounting expenses of \$31,680 and \$21,120, respectively, from Chim & Seto.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the common shares is Equity Financial Trust Company at its principal office in Toronto, Ontario.

MATERIAL CONTRACTS

The material contracts entered into by the Company within the financial year ended March 31, 2012 or before such time that is still in effect, other than in the ordinary course of business, are the following:

1. the Duncan Lake Joint Venture Agreement (see "Material Properties – Duncan Lake Property");
2. the Attikamagen Joint Venture Agreement, as amended (see "Material Properties – Attikamagen Property");
3. the Amalgamation Agreement (see "General Development of the Business – Corporate Organization of Century Iron Holdings");
4. the WISCO Framework Agreement (see "General Development of the Business – The WISCO Transaction");
5. the WISCO Subscription Agreement (see "General Development of the Business – The WISCO Transaction");
6. the WISCO Investment Agreement (see "General Development of the Business – The WISCO Transaction");
7. the WISCO JV Framework Agreement (see "General Development of the Business – The WISCO Transaction");
8. the Interim Joint Venture Agreement (see "General Development of the Business – WISCO Joint Venture Agreements");
9. the Altius Agreement (see "General Development of the Business – Acquisition of the Altius Properties" and "Other Properties – Altius Properties");
10. the Attikamagen Shareholders Agreement (see "Material Properties – Attikamagen Property");
11. the Sunny Lake JV Agreement (see "Material Properties – Sunny Lake Property"); and
12. the PIHL Off-take Agreement (see "General Development of the Business – PIHL Off-take Agreement").

INTERESTS OF EXPERTS

The following is a list of the persons or companies named as having prepared or certified a report, valuation, statement or opinion described or included in a filing, or referred to in a filing, made under National Instrument 51-102 *Continuous Disclosure Obligations* by Century Iron during, or relating to, Century Iron's most recently completed financial year, and whose profession or business gives authority to the report, valuation, statement or opinion made by the person or company:

- Raynald Jean, author of the Duncan Lake Report (as defined in Schedule B);
- Alain Vachon, Etienne Forbes and Dr. Jean-Francois Couture, authors of the Attikamagen Report (as defined in Schedule B); and
- Alain Vachon and Dr. Jean-Francois Couture, authors of the Sunny Lake Report (as defined in Schedule B).

To the Company's knowledge, each of the aforementioned firms or persons held less than 1% of the outstanding securities of the Company or of any associate or affiliate of the Company when they prepared the reports referred to above or following the preparation of such reports. None of the aforementioned firms or persons received any direct or indirect interest in any securities of the Company or of any associate or affiliate of the Company in connection with the preparation of such reports.

Based on information provided by the relevant persons, none of the aforementioned firms or persons, nor any directors, officers or employees of such firms, are currently expected to be elected, appointed or employed as a director, officer or employee of the Company or of any associate or affiliate of the Company.

The Company's auditors, PricewaterhouseCoopers LLP, are independent within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia.

ADDITIONAL INFORMATION

Additional Information

Additional information relating to the Company may be found on SEDAR at www.sedar.com.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities, and securities authorized for issuance under equity compensation plans is contained in the management information circular for Century Iron's annual and special meeting of shareholders held on September 28, 2011, which is available on SEDAR at www.sedar.com.

Additional financial information is also provided in Century Iron's audited consolidated financial statements and Management's Discussion and Analysis for the year ended March 31, 2012, which may be found on SEDAR at www.sedar.com.

Audit Committee

Audit Committee Charter

The Audit Committee is ultimately responsible for the policies and practices relating to integrity of financial and regulatory reporting, as well as internal controls to achieve the objectives of safeguarding of corporate assets; reliability of information; and compliance with policies and laws.

The Audit Committee's charter sets out its mandate and responsibilities. Attached to this AIF as Schedule A is a copy of the Audit Committee's charter as in effect on the date of this AIF.

Composition of Audit Committee

Paul Murphy (Chair), John Reynolds, P.C. and Howard Bernier are the members of Century Iron's Audit Committee. Each of Mr. Murphy, Mr. Reynolds and Mr. Bernier are independent and financially literate within the meaning of National Instrument 52-110 *Audit Committees*.

Relevant Education and Experience

For a description of the education and experience of each audit committee member that is relevant to the performance of his responsibilities as an audit committee member, see "Directors and Officers – Principal Occupations and Other Information about Century Iron's Directors and Executive Officers". Such education and experience provides each member with:

- an understanding of the accounting principles used by the Company to prepare its financial statements;

- the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves;
- experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, and
- an understanding of internal controls and procedures for financial reporting.

Pre-Approval Policies and Procedures

The Audit Committee's charter sets out responsibilities regarding the provision of non-audit services by the Company's external auditor. This policy encourages consideration of whether the provision of services other than audit services is compatible with maintaining the auditor's independence and requires Audit Committee pre-approval of permitted audit and audit-related services.

External Auditor Service Fees

For the financial years ended March 31, 2012 and 2011, the Company paid the external auditor, PricewaterhouseCoopers LLP, \$367,699 and \$269,977, respectively, as detailed below:

Nature of Services	Fees Incurred to Auditor in Year Ended March 31, 2012	Fees Incurred to Auditor in Year Ended March 31, 2011
Audit Fees ⁽¹⁾	\$175,088	\$126,000
Audit-Related Fees ⁽²⁾	\$63,718	\$Nil
Tax Fees ⁽³⁾	\$128,893	\$143,977
All Other Fees ⁽⁴⁾	\$Nil	\$Nil
Total	\$367,699	\$269,977

Notes:

- (1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Company's consolidated financial statements and include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) "Audit-Related Fees" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) "All Other Fees" include all other non-audit services.

**SCHEDULE A
AUDIT COMMITTEE CHARTER**

1. PURPOSE AND PRIMARY RESPONSIBILITY

1.1 This charter sets out the Audit Committee's purpose, composition, member qualification, member appointment and removal, responsibilities, operations, manner of reporting to the Board of Directors (the "**Board**") of Century Iron Mines Corporation (the "**Company**"), annual evaluation and compliance with this charter.

1.2 The primary responsibility of the Audit Committee is that of oversight of the financial reporting process on behalf of the Board. This includes oversight responsibility for financial reporting and continuous disclosure, oversight of external audit activities, oversight of financial risk and financial management control, and oversight responsibility for compliance with tax and securities laws and regulations as well as whistle blowing procedures. The Audit Committee is also responsible for other matters as set out in this charter and/or as may be directed by the Board from time to time. The Audit Committee should exercise continuous oversight of developments in these areas.

2. MEMBERSHIP

2.1 Each member of the Audit Committee must be an independent director of the Company as defined in sections 1.4 and 1.5 of National Instrument 52-110 – Audit Committees.

2.2 The Audit Committee will consist of at least three members, all of whom shall be financially literate. An Audit Committee member who is not financially literate may be appointed to the Audit Committee provided that the member becomes financially literate within a reasonable period of time following his or her appointment.

2.3 The members of the Audit Committee will be appointed annually (and from time to time thereafter to fill vacancies on the Audit Committee) by the Board. An Audit Committee member may be removed or replaced at any time at the discretion of the Board and will cease to be a member of the Audit Committee on ceasing to be an independent director.

3. AUTHORITY

3.1 In addition to all authority required to carry out the duties and responsibilities included in this charter, the Audit Committee has specific authority to:

- (a) engage, and set and pay the compensation for, independent counsel and other advisors as it determines necessary to carry out its duties and responsibilities and any such consultants or professional advisors retained by the Audit Committee will report directly to the Audit Committee;
- (b) communicate directly with management and any internal auditor, and with the external auditor without management involvement; and
- (c) incur ordinary administrative expenses that are necessary or appropriate in carrying out its duties, such expenses to be paid for by the Company.

4. DUTIES AND RESPONSIBILITIES

4.1 The duties and responsibilities of the Audit Committee include:

- (a) recommending to the Board the external auditor to be nominated by the Board;
- (b) recommending to the Board the compensation of the external auditor, to be paid by the Company, in connection with (i) preparing and issuing the audit report on the Company's financial statements, and (ii) performing other audit, review or attestation services;

- (c) reviewing the external auditor's annual audit plan, fee schedule and any related services proposals (including meeting with the external auditor to discuss any deviations from or changes to the original audit plan, as well as to ensure that no management restrictions have been placed on the scope and extent of the audit examinations by the external auditor or the reporting of their findings to the Audit Committee);
- (d) overseeing the work of the external auditor;
- (e) ensuring that the external auditor is independent by receiving a report annually from the external auditors with respect to their independence, such report to include a disclosure of all engagements (and fees related thereto) for non-audit services provided to Company;
- (f) ensuring that the external auditor is in good standing with the Canadian Public Accountability Board by receiving, at least annually, a report by the external auditor on the audit firm's internal quality control processes and procedures, such report to include any material issues raised by the most recent internal quality control review, or peer review, of the firm, or any governmental or professional authorities of the firm within the preceding five years, and any steps taken to deal with such issues;
- (g) ensuring that the external auditor meets the rotation requirements for partners and staff assigned to the Company's annual audit by receiving a report annually from the external auditors setting out the status of each professional with respect to the appropriate regulatory rotation requirements and plans to transition new partners and staff onto the audit engagement as various audit team members' rotation periods expire;
- (h) reviewing and discussing with management and the external auditor the annual audited and quarterly unaudited financial statements and related Management Discussion and Analysis ("MD&A"), including the appropriateness of the Company's accounting policies, disclosures (including material transactions with related parties), reserves, key estimates and judgements (including changes or variations thereto) and obtaining reasonable assurance that the financial statements are presented fairly in accordance with GAAP and the MD&A is in compliance with appropriate regulatory requirements;
- (i) reviewing and discussing with management and the external auditor major issues regarding accounting principles and financial statement presentation including any significant changes in the selection or application of accounting principles to be observed in the preparation of the financial statements of the Company and its subsidiaries;
- (j) reviewing and discussing with management and the external auditor the external auditor's written communications to the Audit Committee in accordance with generally accepted auditing standards and other applicable regulatory requirements arising from the annual audit and quarterly review engagements;
- (k) reviewing and discussing with management and the external auditor all earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies prior to such information being disclosed;
- (l) reviewing the external auditor's report to the shareholders on the Company's annual financial statements;
- (m) reporting on and recommending to the Board the approval of the annual financial statements and the external auditor's report on those financial statements, the quarterly unaudited financial statements, and the related MD&A and press releases for such financial statements, prior to the dissemination of these documents to shareholders, regulators, analysts and the public;
- (n) satisfying itself on a regular basis through reports from management and related reports, if any, from the external auditors, that adequate procedures are in place for the review of the Company's disclosure of financial information extracted or derived from the Company's financial statements that such information is fairly presented;

- (o) overseeing the adequacy of the Company's system of internal accounting controls and obtaining from management and the external auditor summaries and recommendations for improvement of such internal controls and processes, together with reviewing management's remediation of identified weaknesses;
- (p) reviewing with management and the external auditors the integrity of disclosure controls and internal controls over financial reporting;
- (q) reviewing and monitoring the processes in place to identify and manage the principal risks that could impact the financial reporting of the Company and assessing, as part of its internal controls responsibility, the effectiveness of the over-all process for identifying principal business risks and report thereon to the Board;
- (r) satisfying itself that management has developed and implemented a system to ensure that the Company meets its continuous disclosure obligations through the receipt of regular reports from management and the Company's legal advisors on the functioning of the disclosure compliance system, (including any significant instances of non-compliance with such system) in order to satisfy itself that such system may be reasonably relied upon.;
- (s) resolving disputes between management and the external auditor regarding financial reporting;
- (t) establishing procedures for:
 - (i) the receipt, retention and treatment of complaints received by the Company from employees and others regarding accounting, internal accounting controls or auditing matters and questionable practises relating thereto; and
 - (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
- (u) reviewing and approving the Company's hiring policies with respect to partners or employees (or former partners or employees) of either a former or the present external auditor;
- (v) pre-approving all non-audit services to be provided to the Company or any subsidiaries by the Company's external auditor (The Chair of the Audit Committee has the authority to pre-approve in between regularly scheduled Audit Committee meetings any non-audit service of less than \$25,000, however such approval will be presented to the Audit Committee at the next scheduled meeting for formal approval);
- (w) overseeing compliance with regulatory authority requirements for disclosure of external auditor services and Audit Committee activities; and
- (x) establishing procedures for:
 - (i) reviewing the expenses of the Chair of the Board, and the Chief Executive Officer (the "CEO") on a quarterly basis
 - (ii) reviewing the adequacy of the Company's insurance coverage, including the Directors' and Officers' insurance coverage
 - (iii) reviewing activities, organizational structure, and qualifications of the Chief Financial Officer ("CFO") and the staff in the financial reporting area and ensuring that matters related to succession planning within the Company are raised for consideration at the Board

(iv) obtaining reasonable assurance as to the integrity of the CEO and other senior management and that the CEO and other senior management strive to create a culture of integrity throughout the Company

(v) reviewing fraud prevention policies and programs, and monitoring their implementation

(vi) reviewing regular reports from management and others (e.g., external auditors, legal counsel) with respect to the Company's compliance with laws and regulations having a material impact on the financial statements including:

(A) Tax and financial reporting laws and regulations;

(B) Legal withholding requirements;

(C) Environmental protection laws and regulations;

(D) Other laws and regulations which expose directors to liability.

(y) A regular part of Audit Committee meetings involves the appropriate orientation of new members as well as the continuous education of all members. Items to be discussed include specific business issues as well as new accounting and securities legislation that may impact the organization. The Chair of the Audit Committee will regularly canvass the Audit Committee members for continuous education needs and in conjunction with the Board education program, arrange for such education to be provided to the Audit Committee on a timely basis.

(z) On an annual basis the Audit Committee shall review and assess the adequacy of this charter taking into account all applicable legislative and regulatory requirements as well as any best practice guidelines recommended by regulators or stock exchanges with whom the Company has a reporting relationship and, if appropriate, recommend changes to the Audit Committee charter to the Board for its approval.

5. MEETINGS

5.1 The quorum for a meeting of the Audit Committee is a majority of the members of the Audit Committee.

5.2 The Board of Directors will appoint the Chair of the Audit Committee. The Chair of the Audit Committee shall be responsible for leadership of the Audit Committee, including scheduling and presiding over meetings, preparing agendas, overseeing the preparation of briefing documents to circulate during the meetings as well as pre-meeting materials, and making regular reports to the Board. The Chair of the Audit Committee will also maintain regular liaison with the CEO, CFO, and the lead external audit partner.

(a) The Audit Committee's schedule of meetings and agendas are to be developed and agreed to by the Audit Committee from time to time. Dates and locations will be provided to the Board, the Audit Committee members, the external auditors and management in advance.

(b) The Audit Committee will meet in camera separately with each of the CEO and the CFO of the Company at least annually to review the financial affairs of the Company.

(c) The Audit Committee will meet with the external auditor of the Company in camera at least once each year, at such time(s) as it deems appropriate, to review the external auditor's examination and report.

(d) The external auditor must be given reasonable notice of, and has the right to appear before and to be heard at, each meeting of the Audit Committee.

(e) Each of the Chair of the Audit Committee, members of the Audit Committee, Chair of the Board, external auditor, CEO, CFO or secretary shall be entitled to request that the Chair of the Audit Committee call a meeting which shall be held within 48 hours of receipt of such request to consider any matter that such individual believes should be brought to the attention of the Board or the shareholders.

6. REPORTS

6.1 The Audit Committee will report, at least annually, to the Board regarding the Audit Committee's examinations and recommendations.

6.2 The Audit Committee will report its activities to the Board to be incorporated as a part of the minutes of the Board meeting at which those activities are reported.

7. MINUTES

7.1 The Audit Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board.

8. ANNUAL PERFORMANCE EVALUATION

8.1 The Board will conduct an annual performance evaluation of the Audit Committee, taking into account the Charter, to determine the effectiveness of the Committee.

SCHEDULE B MATERIAL PROPERTIES

DUNCAN LAKE PROPERTY

The following presentation of the Duncan Lake Property is based on (a) a technical report prepared in compliance with NI 43-101 entitled "Technical Report NI 43-101 on the Mineral Resources of the Duncan Lake Iron Project, James Bay Area, Quebec, Canada" dated May 5, 2011 (the "**Duncan Lake Report**") by Met-Chem Canada Inc. ("**Met-Chem**") and (b) the Company's disclosure of exploration results issued after the date of the Duncan Lake Report and presented in compliance with NI 43-101. The disclosure has been reviewed and approved by the Company's Exploration Manager, Allan Wenlong Gan, P.Geo., a "qualified person" as defined in NI 43-101 (a "**Qualified Person**"). Further details on the Duncan Lake Property can be found in the Duncan Lake Report and in the Company's press releases, copies of which have been filed on SEDAR.

Property Description and Location

The Duncan Lake Property is located approximately 570 km north of Matagami, Québec (the nearest mining community) and 50 km south of Radisson, Québec. It is accessible by paved road (Highway 109). It is also located 10 km south of the LG2 regional airport.

The property is subdivided into six (6) different blocks (Deposits 1 to 6), with Deposits 1, 2, and 5 being located southwest of Highway 109 and Deposits 3, 4 and 6 being located northeast of Highway 109 in the lateral extension of the other deposits.

As of the date of the Duncan Lake Report, the property consisted of 125 claims covering 5,489.19 hectares. The property has recently been expanded to include 528 exploration claims covering 25,448.8 hectares. All claims were registered as CDC ("map-designated claims") in Québec's electronic system, with boundaries automatically attributed by the system. The Duncan Lake Property is jointly owned by Canadian Century and Augyva and is subject to the Duncan Lake Joint Venture Agreement between Canadian Century and Augyva, the details of which are set out under "The Properties – Duncan Lake Property".

Generally, the exploration claims for the property confer the right to conduct typical mineral exploration activities. However, certain aspects of those activities can require that additional permits or authorizations be obtained, including for cutting trees, installing waste water disposal facilities, constructing facilities within waterways and in certain cases for withdrawing water from waterways. All necessary permits have been obtained for work that has been conducted, and permits required for future activities will be obtained as and when needed.

Accessibility, Climate, Local Resources, Infrastructure, and Physiography

Deposits 1 to 6 are elongated southwest to northeast on a 28 km strike. Highway 109 goes through the property and splits it in two. Deposits 1, 2, and 5 are located on the west side of the road and the other deposits on the eastern part. Access is relatively easy using "Quad" on bush trails.

The property is located in the northwest part of Québec. Generally, summers (from mid-May to the end of September) are hot and winters (from late October to mid-April) are cold. However, day-to-day climatic conditions may vary considerably. The climate is typical of middle Ungava plateau, with ice break-up starting in May and freeze-up starting at the end October.

Radisson, the closest municipality, has a population of between 500 and 700 permanent and temporary residents. Infrastructure and facilities are generally maintained in good condition because of the town's importance for the support of the La Grande hydro-electric complex.

The local topography of the Duncan Lake Property is characterized by low plain, rolling terrain, elongated in northeast direction, with several small hills and low lying swampy areas. In general, the terrain is quite swampy and flat, except for a few low rocky hills and unconsolidated glacial eskers and moraines composed of silt, sand,

gravel and boulders. Presence of iron formation bands do not greatly influence the topography. Deposits 1, 3, 4, and 5 are characterized by low hills and elongated topographic features of less than 10 meters high.

History

The discovery of iron formation around Duncan Lake is attributed to a prospecting party composed of J.C. Hornsberger, Lloyd B. Almond and René Maloney in 1949. At that time, there was no interest in low grade magnetic taconites, so no claims were staked and the exact location of the deposits was not disclosed. In 1953, as interest increased in beneficiation of magnetic iron ores, Hornsberger returned with Maloney and three other men to stake the property.

Between 1957 and 1974, most of the work on the property was done on the behalf of Duncan Range Iron Mines Limited. Duncan Range Iron Mines conducted several exploration works and studies with Ingham and Ross in 1958 and Grondin in 1962. In 1973, a drilling campaign of 22 boreholes was completed on Deposits 3, 4, and 6 located on the eastern part of the Duncan Lake Property. From 1976 to 2004, sporadic exploration activities were only applied on gold and base metal and nothing is reported on exploration for iron mineralization.

In 2005, Augyva acquired the Duncan Lake Property and initiated field reconnaissance, magnetic field surveys, and grab samples of the iron occurrences in 2006, mainly on Deposit 1. Magnetic field surveying was conducted systematically on all deposits, followed by a major drilling campaign initiated in 2008 and terminated in 2009.

Geological Setting

This territory lies in the central portion of the Superior Geological Province, which included four sub-provinces, which are, from north to south: La Grande, Opinaca, Némiscau and Opatica. Duncan Lake Property is located in La Grande sub-province. La Grande sub-province is bounded to the north by the Bienville sub-province close to Radisson city, and by the Opinaca sub-province to the east and southeast.

The main characteristic of the La Grande area is the presence of multiphase Meso to Neoproterozoic tonalitic basement associated to Langelier Complex, overlain by autochthonous to para-autochthonous volcano-sedimentary sequences of Yasinski Group and Ekomiak Formation. These sub-units of La Grande sub-provinces are constituted of volcano-pluton and metasedimentary groups which are crosscut by EW to WNW and ENE shears.

The volcano-sedimentary bands, called greenstone belt, trend generally southwest to northeast as elongated bands. The area is underlain Archean rocks, such as granites, gneisses and schists with some elongated bands of metamorphosed volcanic and sedimentary rocks at the amphibolite facies, associated with Yasinski Group. In the property vicinities, volcanic and metasedimentary greenstone belts extend some 50 km ENE from Duncan and Esprit Lakes. Rock formations include some iron formation lenses, mainly associated with magnetic oxide banded iron formations, or BIFs.

The Yasinski Group, in tectonic contact with the Langelier Complex consists of tholeiitic basalts and andesites, which were settled in a deep marine environment. The BIFs, mainly composed of oxide magnetite facies, and the sandstone beds are intercalated with volcanic tuffs and flows. Ekomiak Formation consists of fluvial polygenic sandstones, iron formation and polygenic conglomerates, in tectonic contact with the Yasinski. Proterozoic gabbro dykes and local quartz arenite basins of Sakami Formation are also present. These rocks are intruded by several plutons. Sakami Formation is characterized by abundant and extensive (several kilometers) and relatively thick oxide-facies iron formation units.

The Duncan Lake iron deposits are important in volume and suggest a setting in a relatively stable environment such as a continental platform. However, iron formations in Sakami area show characteristics halfway between Algoma type deposits (associated with volcanic rocks) and Superior type deposits (associated with platform environment).

In the Duncan Lake Property area, mafic volcanic and sedimentary rocks are strongly sheared, foliated, mylonitized and amphibolitized. Pillow lavas are flattened and stretched. Iron formations are banded with

alternating bands of dark magnetite rich units and light silica bands of 1 to 10 mm. Rock color is greenish-grey with a brown altered surface, recrystallized, fine to medium grains, and granoblastic texture.

The BIFs on the Duncan Lake Property are part of the sediment rock assemblage and consist of alternate silica-rich and magnetite rich layers, compressed into a relatively fine-grained black rock with a strong thinly-bedded and banded structure. Alternating beds vary generally from 1 to 10 millimetres and more. Grain size is variable from bed to bed and inside it and from one deposit to the other, related to post metamorphism events associated to post orogeny and multiple intrusions. Drag-folding or crenulations are observed as well as disseminated pyrite crystals through the iron formation bands. Generally, the BIFs are considered as a consecutive depositional sediment band and duplication is interpreted as resulting from a folding effect.

The BIFs are observed at various locations within the volcanic sequence in the Duncan Lake area, hosted within sheared and altered mafic volcanic and volcano clastic rocks. Quartz, recrystallized chert and magnetite are the main constituents of the BIF and represent a proportion of 70 to 80% in weight.

Three (3) sub-units of BIF are observed:

- typical BIF composed of alternative of black rich-magnetite band with rich quartz silica white to pale layer band;
- silicate BIF composed of black to greenish rich magnetite band with white to green silicate band associated to iron silicate mineral assemblage as chlorite, actinolite, diopside, and hornblende as well as free silica and biotite; and
- lean BIF or very low grade iron ore lenses, considered as waste rock and associated to sediment and greywacke facies; very often, the lean BIF contains more silicate mineral and exhibits disseminated magnetic grains or in fine mm bands.

Deposit Types

Iron formations take form in a broad spectrum of depositional environments. Sediments, local source of constituents, tectonic and stratigraphic settings, and geological environments are controlled by interrelated and complex physical, chemical and biogenic factors (Gross G.A., 1960). Iron formation can be generalized and classified in two types as Lake Superior and Algoma. Lake Superior type of iron formation has been the major source of iron throughout the world with two (2) sub-types: the Taconite and the Meta-Taconite. They formed in near-shore continental-shelf and platform basins along the margins of Early to Middle proterozoic cratons and are preserved on all the continents. They are associated with normal shelf-type sedimentary rocks, including dolomite, quartzite, arkose, black shale, conglomerate, tuff and other volcanic rocks. They appear to be the product of hydrothermal effusive activity and volcanism located along deep-seated fault and fracture zones in subduction settings (Gross, 1968; Alex-Androv, 1973; Bayley and Barnes, 1973; Zajac, 1974; Beukes, 1983; Gross and Zajac, 1983).

Algoma type iron formation found in all ages of rock is consistently associated with greywacke sedimentary units and volcanic rocks. They are formed close to volcanic centres and produced by fumarolic, effusive and exhalative hydrothermal processes related to volcanic centres (Gross, 1965). Oxide, silicate and carbonate lithological facies are common to both of these groups, and polymetallic sulphide facies, bearing copper, zinc, lead, silver, gold and manganese, are commonly associated with the Algoma type facies near centres of volcanism (Gross, 1965; James, 1954; Stanton, 1960; Moorhouse, 1965; Goodwin, 1961 and 1965).

Duncan Lake iron deposits are composed of banded iron or BIF, and exhibit similarity with both iron formation types in consideration to rock type association. Black shale and quartzite and schist are closely associated to Lake Superior type and greywacke and volcanic as basalts, andesites and felsic intrusions to Algoma type. A volcanic cycle was present at Duncan Lake, as indicated by many felsic intrusions (mainly sill types), and the close association with volcanic and basalt flows.

In the 1950's, the iron mineralization mined was mainly referred to as "direct shipping ore" (DSO) from Lake Superior type formations. However, iron concentration is becoming more and more important as DSO deposits are depleted and the need for resource replacement grows. Concentration or beneficiation methods include magnetic separation for magnetic mineralized material and gravity separation mainly for hematite mineralized material. Generally, a silica value of less than 5% is required in iron concentrates. Other deleterious elements include phosphorus, manganese, and titanium, which must be rejected during the concentration process.

To quantify an iron resource for a deposit that requires concentration, it is not only important to have a good knowledge of mineral constituents (like iron, silica and other elements), but also to have some idea of the amount of iron recovered as the weight recovery along its chemical correspondence and quality. The standard test used to predict magnetic ores response is the Davis Magnetic Tube Test (DTT). Even though an iron deposit may contain substantial tonnages, if the concentrate is unacceptable for steelmaking, the deposit has no value.

Exploration

Since 2008, Augyva has completed significant exploration activities, including a new GPS positioned ground magnetic survey on all deposits, a drilling campaign on five of the six deposits, core sampling, a preliminary petrography study and metallurgical testing.

Historically?, no systematic mapping was done over all deposits. Field prospecting was limited to identifying historical mapping and reported outcrops, to sporadically collecting chip samples, and to collecting magnetic susceptibility data with a portable instrument MPPEM2S made by Instrumentation GDD Inc.

Since 2008, four (4) geophysical ground magnetic surveys totaling 203.3 km have been conducted by Abitibi Géophysique and Augyva. The last survey was executed directly under Augyva's personnel, to cover the extension of anomalies previously identified. Grid line orientations were mainly perpendicular to the iron formation elongations. Lines spacing varied (mainly 100 m on Deposits 1, 3, 4, and 6, and from 100 to 300 m on Deposits 2 and 5).

Magnetic ground surveys were completed with a proton magnetometer (Overhauser model GSM-19W, distributed by GEM System). Total magnetic field measurements were taken in continuous mode fixed at interval from 0.5 to 2.0 seconds. Data point location was determined in real time with GPS system Novatel model OEMV-1 integrated to the magnetometer instrument. Diurnal variations were corrected using a stationary magnetometer with measurement every 10 seconds. Final data points were georeferenced in UTM coordinate system, zone 18N (datum NAD83). In general high magnetic susceptibility value is indicative of magnetic iron oxide lenses. Magnetic anomalies have been identified on all deposits, and data was used to plan and locate the drilling campaign 2008-2009.

Magnetic susceptibility (MS) measurements were realized on thirteen (13) diamond drill holes ("**DDHs**") core in order to estimate the MS of the iron formation and make comparison with assaying intervals. MPP-EM2S instrument probe connected to a Dell Axim 51 reading unit was used to perform the MS measurements on core. The readings were completed every 0.5 to 1.0 meter along the core on representative boreholes encountered over Deposits 1 to 5. High MS values definitively represent iron formation, and other lithologies show weaker values.

Mineralization

Mineralization consists of iron formation of BIF type. BIF consists of millemetric to centimetric beds alternating high grade magnetite and recrystallized chert beds with local chlorite-rich and silicate green mudrocks. Waste rocks and associate minerals are mainly quartz, actinolite, tremolite, diopside, grunerite, hornblende, biotite, chlorite, epidote and pyrite in decreasing order. Average head grade varies from 15 to 35% total Fe. Hematite content is very low, and not continuous if any.

BIF are of typical dark blue colour and becomes dark-green with increased of silicate amphibole minerals. Generally, fine grained, but can be coarser near granite basement contact. However, magnetite grain size can vary from one band to another from fine to medium coarse grains. BIF are mainly metamorphosed and ironoxide grains are recrystallized similarly to secondary and accessories minerals.

Each deposit shows variation in terms of grade and thickness, greatly related or with occurrences of interbedded mafic and felsic intrusions. Deposits 1, 2, and 5 located to the west show less intrusion dykes compared to the other. Deposits 3, 4, and 6 located in the eastern part, and closely associated with granitic basement; contain much more intrusive sills and dykes, which translates in a decrease of iron head grade, but also in a major thickness increase of the iron lenses.

At least three (3) sub-iron units have been identified as low grade greywacke iron unit, BIF unit and Lean BIF green silicate unit. However, depositional sequence is not clearly defined and appears complex, related to multi structural deformation and folding.

Well developed disseminated pyrite crystals are present in BIF sequence of Duncan Lake Property. However, based on completed DTT tests, pyrite minerals could be eliminated during the beneficiation process. Manganese, titanium and chromium were not observed and, based on chemical analysis, appears to be minor elements not present in DTT test concentrate. Phosphorous in the range of 0.1 to 0.4% P₂O₅ in the head grade from core samples is considered high. However, phosphorous mineral is mostly eliminated during DTT test (concentrate grade range is 0.01 to 0.03% P₂O₅).

Deleterious or contaminant minerals contents of iron formation have been verified as well as how they react to the beneficiation process with no problem detected. Consequently, the iron formation of Duncan Lake Property is considered as potential for iron deposit.

Drilling (Reported in the Duncan Lake Report)

A drilling program was initiated in the summer 2008 (July 14), stopped for Christmas in mid-December, started again in January 2009 and stopped in May 2009. Boreholes DUN08- 01 to 22 were drilled in 2008 and DUN09-23 to 52 in 2009.

The drilling program, core description and sampling were supervised by Alain Vachon, Eng. Geo., up to the end December. He was replaced by Allan Wenlong Gan, Geo. in January 2009, assisted by Benjamin Blaise (Geo. junior) and by Ken Lam for compilation and database management. In addition, Daniel Gaudreau, P. Eng., from Geologica, and Joël Simard, P. Geo., consultant, have provided assistance to drilling campaign and magnetic field survey programs.

Diamond drill cores were transported, logged and sampled at the core building facility of Augyva, located 5 km south of Radisson along Highway 109. Core cutting and sampling process were done by Augyva's personnel. Augyva's personnel was housed at Radisson, travelling by truck and snowmobiles to drill sites.

A total of fifty-two (52) boreholes for 10,460.4 m of diamond drilling sized NQ were drilled on five deposits of the Duncan Lake Property. Deposit 1, drilled for the first time, was a priority drilling target and was drilled more than the others with thirty-one (31) DDHs totaling 5,979.2 m. Deposit 2, also drilled for the first time, received second priority with seven (7) boreholes for 1,566 m. Deposit 5, also drilled for the first time, was drilled by six (6) boreholes for 874 m. Deposit 4 was drilled with four (4) boreholes totalling 1,036.2 m, two of them planned for twin holes located close to 1973 past boreholes and two in the northeast extension to test a ground magnetic anomaly. Deposit 3 was tested with four (4) boreholes totalling 1,005 m, two of them on the south iron lenses, one on the northeast extension of the north iron lenses, and one on the west extremity closer to the plunging syncline structure.

From 10,460.4 m drilled, a total of 6,483.73 m of core were cut in half and sampled for 1,489 samples collected and analysed for major elements by Chemex Laboratory. Total assayed number does not include duplicates, standards and blanks inserted for the quality assurance/quality control ("QA/QC") process, and chip samples from outcrops. Core splitting was realized with two (2) different splitters, first part with a diamond saw but the main portion using hydraulic hammer splitter. In addition, 218 samples were also sent to COREM for metallurgical testing.

Many assay intersections are very long. Some of them are essentially related to the drilling direction concerning the geometry of the iron deposits. The true thickness of the mineralized lenses varies from 5 m to more than 80 m. The grade of the mineralization varies from 15 to 30.5% FeT, but are generally in the range of 25%. In general, total Fe is mainly related to magnetite iron. Iron mineralization grades obtained are considered to be representative of a low grade Taconite.

On Deposit 1, the longest interval comes from borehole DUN08-01 with a length interval of 118.75 m at 26.66% Fe, interpreted as 66 m true thickness. In addition, borehole DUN09-29 indicates a long interval of 79.78 m at 23.57% Fe for a true thickness of 70 m. From thirty (31) boreholes drilled on Deposit 1, a total of (forty-nine) 49 intervals of iron mineralization were intersected for a thickness average of 32.47 m at 24.50% Fe, equivalent to 26 m true thickness of the lenses of iron mineralization.

On Deposit 2, the longest interval comes from borehole DUN09-52 with a length interval of 130.91 m at 26.80% Fe, interpreted as 57 m true thickness. From seven (7) boreholes drilled on Deposit 2, a total of thirteen (13) intervals of iron mineralization were intersected for a thickness average of 47.87 m at 26.52% Fe, equivalent to 31.9 m true thickness of the lenses of iron mineralization.

On Deposit 3, the longest interval comes from borehole DUN09-33 with a length interval of 226.46 m at 24.64% Fe, interpreted as 150 m true thickness. From four (4) boreholes drilled on Deposit 3, a total of five (5) intervals of iron mineralization were intersected for a thickness average of 89.25 m at 24.13% Fe, equivalent to 60.4 m true thickness of the lenses of iron mineralization.

On Deposit 4, the longest interval comes from borehole DUN09-43 with a length interval of 174.07 m at 22.54% Fe, interpreted as 110 m true thickness. From four (4) boreholes drilled on Deposit 4, a total of five (5) iron intervals were intersected for a thickness average of 80.40 m at 21.91% Fe, equivalent to 47.4 m true thickness of the lenses of iron mineralization.

On Deposit 5, the longest interval comes from borehole DUN09-36 with a length interval of 26.64 m at 24.54% Fe, interpreted as 24 m true thickness. From six (6) boreholes drilled on Deposit 5, a total of 6 iron intervals were intersected for a thickness average of 16.32 m at 25.07% Fe, equivalent to 15.2 m true thickness of the lenses of iron mineralization.

Sampling Method and Approach (Reported in the Duncan Lake Report)

A combination of surface chip samples and drill hole samples were collected by the different companies since 1958. The rock is hard and competent and the core recovery is excellent. Samples in provenance of drilling campaign 2008-2009 are of good quality and representative of the intersected interval of iron mineralization.

The 2008-2009 drilling program consisted of fifty-two (52) NQ size diamond drill holes. Drilling was completed on five deposits. Drilling pattern varies on each deposit. Deposit 1 was mostly drilled with thirty (31) boreholes. Reconnaissance drilling was performed on Deposits 2, 3, and 5. Deposit 4 was tested to confirm previous drilling completed in 1973.

Drilling crews recovered the core and placed them into wooden boxes, each containing approximately 4.5 m of core. Next, they placed a wooden cube depth marker at the end of every three-meter run. Each core box was labelled and secured with a cover and packaging tape before transportation to the logging facility. Thereafter, the core boxes were opened, verified, validated length, measured, tagged and logged beginning by the geotechnical description first.

Drilling core were logged for geotechnical and geological features and sampled at the logging core facility. Samples length was about 3 m for the first twenty-two (22) boreholes and 5 m for the rest. Core samples were identified on analytical tags and intervals length marked directly on the core by geologist. Core cutting in half was realized by diamond saw and hydraulic splitters, and sampled into strong plastic bags.

A total of 1,440 samples have been realized from core drilling. Analytical tags, subdivided in three parts, were inserted in the plastic bag, inserted and stapled to the bottom of the core interval in the core boxes, and the

remaining tag conserved as record in the assay booklets and entered into the computer by logging geologist or technician.

Augyva's staff carried out all aspects of core sample preparation. Geologist marked the sample interval on the core, and the line to be use for splitting. The remaining half was returned back in the core box, respecting the original orientation and position. The other half was placed in a plastic bag with sample tag identification. Sample bags were tied using single use plastic fasteners before being placed in large sturdy polypropylene bags for shipping and transportation to laboratory. Once a sufficient number of samples (150- 170) were accumulated, the samples were delivered by Augyva's personnel to ALSChemex Laboratory, located in Val-d'Or for sample preparation process, and sent to Vancouver for analysis.

The core boxes were labelled with aluminum labels stapled at the front side of the core box, typewritten with the drill hole number, and the starting and ending length of the core in the box. Once examined, logged and sampled, the core boxes were cross-stacked in core rack for permanent storage at the core shack facility.

Augyva followed a systematic QA/QC program in its sampling method and approach.

Sample Preparation, Analysis and Security (Reported in the Duncan Lake Report)

The methodology used for samples assayed prior to 2008 (1958 and 1973) was not mentioned in any available report, same as for the laboratory name itself. The only assay term employed was percentage total soluble iron. Samples were coming from two sources: surface grab sampling (1958) and diamond coring samples (1973).

Sample preparation for the 2008-2009 program was completed under Augyva's personnel, and transported directly to Laboratory. Augyva has conducted a systematic QA/QC program, consisting of inserted blank, certified standard and duplicate samples. The QA/QC program was planned by Mr. Alain Vachon, senior geologist considered a Qualified Person, at the beginning of the drilling campaign. In addition, ALS-Chemex laboratory ran internal check assays to ensure lab quality control. All analytical result including internal verification made by ALS-Chemex was shipped to Augyva for cross-examination and validation. ALSChemex Laboratory Group provides highest level of service and quality and achieves this through its dedicated client services staff, quality control department, and commitment to having ISO 9001:2000 certification at all locations. Val-d'Or site is registered under Certificate No: CERT-0025774, re-issued on September 12, 2008, and expiry date on February 12, 2011.

The QA-QC protocol was designed by Augyva to monitor precision and accuracy consisted of blanks, standards and duplicates inserted into the sample stream. The results made available to Met-Chem indicate that the control samples added to the samples batches analysed by ALX-Chemex laboratory represents 7.7% of the total. In addition, an equivalent of 9.7% (144 samples) of the total number of samples (1489) was sent to COREM for metallurgy tests and consequently re-sampled and analysed.

There is no reason to believe that the assays or samples were tampered to up-grade the iron content. In Met-Chem's opinion, the work has been completed in a professional manner by experienced geologists and support personnel in all phases. The QA-QC control process does not permit to detect any major bias during compilation and statistical data analysis.

Data Verification and Corroboration (Reported in the Duncan Lake Report)

Prior and subsequently to the site visit, Mr. Raynald Jean (Met-Chem Senior Geologist) reviewed publicly available technical data covering exploration work on all Deposits and available information. Met-Chem has relied on internal reports gathered from Augyva, which are limited to a new major drilling campaign, named "Report on the Duncan Lake Property 2008-2009 Diamond Drilling", on a limited number of historical reports recovered from MRNF of Québec, and the NI 43-101 Technical Report prepared by Geologica.

There is no reason to doubt the origin and reliability of the information supplied. Met-Chem is of opinion that the historical data regarding mapping, sampling and drilling and surveying are of good quality, and the new exploration works were performed by with by experienced professionals.

The site visit for the Duncan Lake Report was made from September 14 to 16, 2009 by Mr. Raynald Jean. The core shack facility, core storage area, drill cores boxes, and collar diamond drill holes of the old drilling campaign and new drilling campaign were examined at the Duncan Lake Property. During the visit and the verification of the core drilling description, independent samples were collected, by splitting again the residual half core on the same interval length previously sampled, one sample by deposit for a total of 5 independent recheck samples.

Met-Chem has verified and compared the 1973 boreholes location with previous data and compilation map, and old air photo taken in 1987. Based on Met-Chem's opinion, the drilling evidences and the quality of data concerning Deposits 3, 4 and 6, already verified by Augyva, are sufficient to be used in the mineral resource estimation process for the present study level in the category Inferred.

Two (2) boreholes were drilled in 2009 to verify and validate previous drilling information data. Borehole DUN09-43 was the twinned borehole verification of 73-01 and DUN09-44 for twinned borehole 73-09. Geology described indicates similar features and rock types and in general, the geology interpretation makes sense. The average grade indicates some variation but was considered acceptable and in relation with numerous dyke and sill intrusions.

During the site visit for the Duncan Lake Report, all drilled Deposits 1 to 5 have been visited to validate some items like coordinates, azimuth direction, and wood stick used for identification. Many collar locations were visited all along the trail using Quad. All boreholes verified are located as described, and identified by a large wooden stick inserted in the borehole, with metal tag identification. Coordinates verification show only differences related to surveying instrument precision. Residual drill cutting have been observed at all drilled location. A total of sixteen (16) boreholes have been visited in the field from five (5) deposits. Surveying verification made by Met-Chem is very close to Augyva's DDHs survey.

During the site visit on September 16, 2009, drilling core of five (5) boreholes, one by deposit, have been verified at the core shack facility, in relation with lithological description and contact locations, and interval sampled. In addition, independent samples have been sorted by Augyva's technician under Met-Chem's supervision.

In general, the core description is adequate. Sample intervals were also verified and are adequately reported. New independent samples, taken at the same interval consisted to recut in half previous sampled interval. The sample was cut in half using a hydraulic core splitter. If residual core pieces were too small to be re-cut, pieces were taken at regular intervals. Met-Chem is of opinion that assay results are representative of the Deposits.

Adjacent Properties

There is no mining activity in the area according to the MRNF Gestim claim management system. There is no mining property or adjacent claims close to the Duncan Lake Property. However, an exclusion block controlled by Hydro-Québec partially limits exploration extensions of Deposits 1, 2, and 6.

Mineral Processing and Metallurgical Testing

To characterize an iron resource for a deposit that needs concentration, not only head assays are required (like iron content, silica and others elements), but it is important to have some idea of the percentage of material which will be concentrated (named as weight recovery) along with its chemical correspondence and quality. COREM has performed metallurgical tests as DTT and Satmagan analysis of 144 samples on Deposits 1 to 4. All sample tests have been ground at 85% passing -75 microns.

Differences between each deposit can be observed. Deposits 3 and 4 obtain better quality concentrate concerning lower % silica as well as the other chemical elements with respectively 68.93% FeT and 2.58% SiO₂, and 68.38% FeT and 4.61% SiO₂. Deposit 4 compared with Deposit 1 obtains better WR and quality product with identical head grade. Deposits 1 and 2 probably need finer grain size to reach better liberation of the silica with 65.83% FeT and 7.60% SiO₂, and 66.11% FeT and 7.11% SiO₂ respectively. All other chemical elements like phosphorous, manganese, titanium does not indicate contaminant or deleterious chemical elements in the concentrate.

However, the average of the selected samples is slightly higher than the average grade of the Deposits, based on the mineral resources estimation.

Mineral Resource Estimate (Reported in the Duncan Lake Report)

A mineral resource estimate has been performed on the Duncan Lake Property on Deposits 1 to 6. Following the recent drilling campaign 2008-2009, drilling information with metallurgical tests performed provide sufficient data to realize a new mineral resource estimate. Drilling data from 1973 was verified in the field verification as well as log descriptions and assays. This data was considered relevant and included in the final drilling database for geological block model preparation.

Met-Chem's resource model estimation was performed using mainly MineSight mining software (Version 4.0) and Surpac (Version 6.0) for specific requests. Mineral resource was done using block modelling method, using polygonal lense of mineralization interpretation by sections, linked together to produced solid 3D lenses of mineralization. Met-Chem is of opinion that this methodology is adequate in relation with the data density and deposit type.

3D-solids of the mineralized lenses were used to assign and constrain block parameters in the model. Grade estimation was performed using inverse squared methods. Variography studies permitted definition of mineralized lenses continuity parameters used to assign grade and mineral resource category[ies?]. Parameters found are considered a normal range for this deposit type.

Completion of the entire database was done jointly by Augyva and Met-Chem, followed by verification and validation by Met-Chem. A master database was constructed from the amalgamation of excel files produced by borehole, compiled together, and was regrouped into four (4) main categories, namely collar, assay, survey and geological data. The complete database contained seventy-four (74) diamond drill holes, of which fifty two (52) boreholes were from the latest 2008-2009 drilling campaign. In addition, twenty-two (22) boreholes were from the 1973 drilling campaign. Numerical topographic was developed using public data sources.

Grade cut-off selected by Met-Chem for lenses polygonal interpretation was fixed at 16% FeT. This figure is considered a minimum value, and applied with a minimum apparent thickness of 6 m. In the Duncan Lake Report, it is stated that a cut-off grade of 16% FeT is considered low, but that certain mines in operation in Canada that mine iron in the low grade range use this value. However, the cut-off selected was not based on any economic study specifically applied to the Duncan Lake Property. The cut-off grade fixed in the Duncan Lake Report was considered realistic because of its use in other low grade mine operations and in light of the early exploration stage of the Duncan Lake Property. Cut-off grade factors and selection will require clarification in the next development phases of Duncan Lake Property.

Based on minimum thickness values of 6 m, the following block model dimension has been generated for the modelisation: 10 m high (elevation), 20 m on X (lateral continuity) and 5 m on Y (better control on the contacts of the mineralization). This block model dimension is considered as very small in relation to drilling grid spacing.

The mineralized lenses were modelled based on drilling sections at different spacing. For each hole, a cut-off grade was selected for the beginning and the end mineralization interval from original assays, prior to compositing. Internal and small waste bands or lower grade present in the mineralized lenses are included in the mineralized band and create internal dilution if thickness is too small to discriminate. Lateral continuities of the mineralized lenses outside the drilled grid area were also modeled using magnetic profile signatures. Finally, mineralized lenses as defined on sections were linked and meshed together, with end boundary expanded 100 meters, to form a close 3D solid mineralized lenses. The 3D solid lenses were then used to assign specific codes into the block model for the mineralization.

Original assay length varied from 0.86 m to 12.59 m, with an average around 5 m. Compositing process uses down-the-hole method with 3 m composites. Final intervals less than 1 m were also added to the 3 m and constrained to 4 m maximum interval. This compositing length takes into consideration the actual quantity, drilling

density and block size. Weighted values for percentage FeT composite samples are quite close to original assay value and consequently validate the process.

The variogram analysis was done on a 3 m composite and restrained specifically on Deposit 1, of which the continuity is relatively well known and the density data is relevant. In the present case, the variogram analysis shows normal anisotropy and good continuity for this type of deposit, in relation to a bedded sedimentary and continuous along strata. Continuity along the major axis corresponding to the horizontal direction of the Deposit 1, is in range of 300 m. Continuity along the minor axis, corresponding to stratification plane, perpendicular to the major axis, is in range of 25 m. Results obtained were used to define parameters and ellipsoid direction during the grade assignment process.

The simple search ellipsoid method was considered appropriate at this stage, using inverse square distance with oriented ellipsoid along major, semi-major and minor axis, representing the sediment strata continuity. Three (3) different estimation passes were done to estimate the mineral resources in relation to drilling density and accuracy of the information to define different categories of mineral resources. These multi passes simulate Measured, Indicated and Inferred Resource categories, with specific tag indicator category assigned in the block model to constrain it. Resource classifications used in the Duncan Lake Report and in this Schedule B (including "Measured", "Indicated" and "Inferred" mineral resource categories), conform to the Canadian Institute of Metallurgy definitions, in accordance with NI 43-101.

In the three (3) different passes, the continuity aspects are simulated by number of boreholes imposed for the classification category. Measured, Indicated and Inferred mineral resource categories need respectively four (4) boreholes, three (3) boreholes and one (1) borehole for the assignment process. In addition, the length of the ellipsoid axes vary in function of the continuity observed in the variography study. Major axis continuity is selected as 300 m length, in conformity with the variography study for the mineral resource of Measured and Indicated categories. For the minor axis corresponding to the thickness of the mineralized zones, 30 m was selected as defined by the variography study. Mineral Resource categories of the Measured and Indicated use the same continuity ellipsoid length, and the categories are differentiated directly in relation to the presence or not of minimum borehole and composite quantity around the block estimated. For the Inferred mineral resource category, the search ellipsoid parameters are longer (500 m, 400 m, and 50 m) and only one borehole justified the grade calculation and assignment.

At the selected cut-off grade of 16% FeT, Mineral Resources in categories Measured and Indicated are illustrated in Table 1.1, all by Deposit number. Tonnage of the Measured and Indicated is low in those categories related to low drilling density and wide drilling spacing.

Table 1.1 – Measured and Indicated Mineral Resources by Deposit

	Cut-off: 16% FeTotal	
Measured Mineral Resources	Tonnes*	FeTotal (%)
Deposit 1	4,090,000	21.89
Deposit 2	902,000	27.41
Deposit 3	0	
Deposit 4	708,000	26.19
Deposit 5	0	
Deposit 6	0	
Total	5,700,000	23.29

Indicated Mineral Resources	Tonnes*	FeTotal (%)
Deposit 1	13,443,000	21.80
Deposit 2	4,931,000	27.44
Deposit 3	0	
Deposit 4	7,241,000	25.20
Deposit 5	0	
Deposit 6	0	
Total	25,615,000	23.84

Total (Measured + Indicated)	Tonnes*	FeTotal (%)
Deposit 1	17,533,000	21.82
Deposit 2	5,833,000	27.44
Deposit 3	0	
Deposit 4	7,949,000	25.29
Deposit 5	0	
Deposit 6	0	
Total	31,315,000	23.74

The Inferred mineral resources category cannot be added to the previous mineral resources in regards to NI 43-101 rules. Inferred category contains mostly all tonnage, mainly associated to Deposits 1 and 4 (mostly drilled), and Deposit 3. Deposits 2 and 5 are very limited for tonnage extension. However, Deposit 2 has better grade than other Deposits. Deposit 3 has relatively low drilling density. However, the thickness of the mineralized zones appears important, also confirmed by the magnetic survey. Deposit 3 has good potential to increase tonnage related to favourable syncline structure anticipated.

Table 1.2 – Inferred Mineral Resources by Deposit

Inferred Mineral Resources	Tonnes*	FeTotal (%)
Deposit 1	283,857,000	23.71
Deposit 2	78,795,000	26.90
Deposit 3	154,724,000	24.83
Deposit 4	192,336,000	24.33
Deposit 5	32,658,000	24.48
Deposit 6	78,765,000	25.35
Total	821,135,000	24.56

Other Relevant Data and Information (Reported in the Duncan Lake Report)

Augyva has mandated Met-Chem to carry out an evaluation of additional tonnage potentially present in any deposit within the property limit. In addition to the mineral resource already defined, a simulation of potential tonnage has been realized in lateral or in-depth extensions of the drilled areas.

The potential tonnage and grade is conceptual in nature, there has been insufficient exploration to define the potential tonnage as a mineral resource, and it is uncertain that further exploration will result in a target being delineated as a mineral resource.

Methodology used to simulate potential tonnage was based on the current interpretation of polygonal mineralized lenses by section, but also taking in consideration magnetic response and shapes profiled of drilled sections, and applying same polygonal dimension to the new area without drilling using exclusively the new magnetic field survey profiled. Magnetic susceptibility intensity was also taken into account in comparison to drill results. Simulation of the mineralized lens geometry was applied only if the general characteristic related to the mineralized lenses is maintained as thickness and high susceptibility value.

Block modelling process is the same one already used in the mineral resource estimation process. The difference is related to the non-mineral resource assignment already codified in the block model, based on the parameters used in the calculation. All block not assigned in the model during the mineral resource assignment with category was reassigned as only potential tonnage category. Potential tonnages were outlined on geological sections mainly in lateral continuities and at depth, but outside of the maximum range of ellipsoid used in estimation process.

Table 1.3 presents result of the simulated technique to define additional potential tonnage. Deposits 1 and 3 have better chance to increase substantially potential tonnage. Major reasons to this are related to the very long undrilled extension of Deposit 1 and on the very partial and limited drilling information data on Deposit 3, both associated with high magnetic susceptibility anomalies. Additional potential tonnage is in range of 400 to 500 millions of tonnes. Grade range varies from 23 to 27 % iron, considered and estimated in same range grade of the Inferred category.

Table 1.3 – Simulation of Potential Added Tonnage by Deposit

Simulation by Deposit	Range of Potential Tonnage* (M of Tonnes)	
	MIN	MAX
Deposit 1	100	120
Deposit 2	20	30
Deposit 3	160	180
Deposit 4	30	50
Deposit 5	40	60
Deposit 6	50	60
Total	400	500
<i>*Tonnes are rounded by millions</i>		
<i>Density = 3.2</i>		

Interpretation and Conclusions (Reported in the Duncan Lake Report)

The 2008-2009 drilling program confirms the presence of important iron deposits and allows sufficient data information to produce a new mineral resource estimate under the NI 43-101 rules.

Metallurgical tests by Davis tube method and chemical analysis of the products indicate that beneficiation process can be achieved to reach steelmaking standards. However, the head grade of the iron mineralization is considered low and the grain size liberation very fine in comparison with actual mining operations in North America (U.S. and Canada).

Based on previous reports and current data review and new mineral resources modeling, the following elements characterize the Duncan Lake Property:

- distributed on 6 Deposits named 1 to 6;
- close to the main highway and Radisson City in north of Quebec;
- elongated and continuous iron-bearing lenses with local thickening relative to interpreted isoclinal folding;
- duplication of the iron-bearing lenses associated to macro and micro folding;
- long and continuous deposits at relatively steep bedding angle;
- low knowledge of the vertical continuity of the mineralized lenses at depth, but looking important with preliminary results;
- mainly magnetite iron mineralization type, associated to sediment and metavolcanic environment;
- low grade iron mineralization or taconite type that requires beneficiation to reach concentrate grade; and
- fine grained liberation process may need pelletizing processing.

The new mineral resource estimation in conformity with NI 43-101 rules, following a major drilling campaign initiated in 2008 and completed in 2009, indicates the following tonnage in Measured, Indicated and Inferred mineral resource categories. Tonnage in the Measured and Indicated categories respectively at 5.7 and 25.6 million of tonnes are very low and attributed to drill spacing pattern and very low drilling density at depth on the same section, in relation to parameters used in the grade estimation process. For the total Measured and Indicated categories, mineral resources are estimated to 31.3 million tonnes at 23.74% FeT. Low tonnages in Measured and Indicated mineral resource categories are related to low density drilling data.

In the Inferred mineral category, mineral resources are estimated at 821 million tonnes at 24.6% FeT. In the Inferred category, Deposits 1, 3, and 4 have more tonnage in comparison with Deposits 2 and 5.

In addition to the accepted mineral resource category and considered as a relevant information for Augyva, a simulation of the additional potential tonnage has also been investigated in the lateral and in-depth continuity of the deposits using magnetic susceptibility. Simulation of the potential added tonnage is conceptual in nature.

It has been completed using geological interpretation on sections, based on drilling results, linked with new ground magnetic survey profiled interpreted on sections. The results of this survey were adjusted using intensity profile and shape of the magnetic susceptibility compared with the previous drilled and known drilled sections. This type of data and information are insufficient to classify any tonnage as Mineral Resource under NI 43-101 rules and should not be considered as such. The term used as "potential tonnage" is also not part of official Mineral Resource category under NI 43-101 rules and concerning CIM Mineral Resource definition.

However, the main objective of the tonnage simulation is to outline potential, lengths, widths, depth and dips of the iron formation lenses contained in the property. This approach could add value to the exploration process by producing higher quality drill targets to convert potential tonnage to mineral resource in near term. The potential tonnage is conceptual in nature, and it is uncertain that further exploration will result in a target being delineated as a mineral resource. However, the fact that potential tonnage outlined is in continuity of known and drilled areas, and linked to geophysical magnetic field response increase the chance to identify new potential resources.

Simulation of the potential added tonnage in all deposits is estimated to be in range of 400 to 500 million tonnes, and estimated in the same grade range of total iron as the iron formation drilled so far on the property.

The 2008-2009 drilling campaign permits to convert historical mineral resources into mineral resources estimation under NI 43-101 rules. However, the tonnage is mainly outlined in the Inferred category due to insufficient drilling. The mineralized lenses geometries within six deposits have been relatively well outlined and defined by drilling linked to magnetic susceptibility data, and only systematic drilling will permit to convert mineral resources in Indicated and Measured categories.

Exploration and Development in 2011 and Beyond

Since the completion of the Duncan Lake Technical Report, as mentioned the size of the property has increased to encompass 528 exploration claims covering 25,448.8 hectares. The Company completed a Phase II drilling program of 19,700 m in 54 drill holes located in Deposits 3, 4 and 6. This drilling program is expected to continue after freeze-up in 2012, to provide information for an NI 43-101 updated mineral resource estimate and to perform a Preliminary Economic Assessment (PEA), the contract for which has been awarded to Met-Chem. The 19,700 m Phase II drill program has improved confidence in the continuity of magnetite dominant zones and has demonstrated approximate strike extends 2.5 km in zone 3, 1.0 km in zone 4 and 1.0 km in zone 6.

The Company has also commenced a Phase III drilling program, having already completed 29,651 meters of drilling in 82 NQ sized drill holes. Phase III is an extension to the Phase II drilling program.

All current drilling is now conducted under the Company's management.

The results obtained to date from the Phase II and Phase III drilling programs are disclosed in the Company's press releases of December 19, 2011 and February 10, 2012 (available on SEDAR). Please refer to those press releases for details as to the review by a Qualified Person. The QA/QC measures applied to these programs are described in the press release of December 19, 2011.

ATTIKAMAGEN PROPERTY

The Attikamagen Property is located in the Labrador Trough and contains two areas on which the Company has recently focused its exploration activities, one near Joyce Lake (this project includes areas near Jennie Lake and Lac Sans Chef) and another at Hayot Lake.

The following disclosure on the Attikamagen Property is based on (a) a technical report prepared in compliance with NI 43-101 entitled the "Independent Technical Report, Attikamagen Iron Project, Schefferville Area, Quebec" dated January 21, 2011 (the "**Attikamagen Report**") by SRK Consulting, Engineers and Scientists ("**SRK**") and (b) the Company's disclosure of exploration results issued after the date of the Attikamagen Report and presented in compliance with NI 43-101. This disclosure has been reviewed and approved by Duncan Lake Report and presented in compliance with NI 43-101. The disclosure has been reviewed and approved by the Company's Exploration Manager, Allan Wenlong Gan, P.Geo., a Qualified Person. Further details on the Attikamagen Property can be found in the Attikamagen Report and in the Company's press releases, copies of which have been filed on SEDAR.

Property Description, Location, Access and Physiography

The Attikamagen Property includes one group of claims straddling the boundary between the Provinces of Quebec and Newfoundland and Labrador. The property includes 405 designated cells located in Québec and 617 claims located in Labrador, covering an aggregated area of approximately 345 square kilometres. The boundaries of the claims have not been legally surveyed. The Attikamagen Property is jointly owned by Labec Century and Champion and is subject to the Attikamagen Joint Venture Agreement between Labec Century and Champion, the details of which are set out under "The Mineral Properties – Attikamagen Property".

The property is located approximately twenty kilometres northeast of Schefferville, Québec and is accessible by air. It is also accessible by road from Schefferville up to the Iron Arm Lake which straddles the east side of the property. From the end of the road, only a limited part of the property in the Labrador and Québec provinces is accessible overland by boat or snowmobile.

The town of Schefferville is the nearest town with established infrastructure. It is serviced with regular commercial flights from a number of cities, as well as rail links connecting to the Sept-Îles port.

The economy of Schefferville is based on mining, hunting and fishing, tourism and public service administration. Several fishing and hunting camp operators are based in Schefferville and thousands of hunters and fishermen visit the area annually, chiefly for trout fishing and caribou and black bear hunting.

The iron ore resources in the vicinity of Schefferville are being re-evaluated by several exploration and mining companies. In the last six years a number of new buildings, including medical clinics, a recreation centre, churches, and houses have been constructed, both in the town and on the contiguous Matimekosh Indian Reserve, largely to serve an expanding First Nations presence.

While there is a potential labour force in the vicinity, a training program will be required before it can be effectively utilized. It is assumed that government resources would be available for these programs.

Prior to the involvement of Century and Champion, the Attikamagen Property received limited exploration including surface sampling, shallow surface drilling and trenching. There is no infrastructure within the Attikamagen Property.

The Schefferville area is characterized by a sub-arctic continental climate with mild summers and very cold winters. In January and February, daily mean temperatures average negative twenty-three degrees Celsius with an average of fifty centimetres of snow fall. Mean daily average temperature in July and August is twelve degrees Celsius and the wettest summer month is July with an average rainfall of 106.8 millimetres. Because of its relatively high latitude, extended day-light enhances the summer work-day period. Early and late winter conditions are acceptable for ground geophysical surveys and drilling operations.

This area is in the boreal forest with low rolling hills rising 600 to 700 metres above mean sea level, with a base elevation standing at approximately 400 metres above mean sea level.

Vegetation is classified as boreal forest. The upper ridges areas have excellent bedrock exposure while the flanks and the flat lying areas are typically covered by sparse to thick boreal forest, stunted trees, brushes and reindeer/caribou moss. Glacial deposits are present throughout the Attikamagen Property except along the ridge lines and, are typically thickest in depressions.

Generally, the exploration claims for the property confer the right to conduct typical mineral exploration activities. However, certain aspects of those activities can require that additional permits or authorizations be obtained, including for cutting trees, installing waste water disposal facilities, constructing facilities within waterways and in certain cases for withdrawing water from waterways. In addition, for exploration activities within Newfoundland and Labrador, an exploration program must be approved and filed prior to the commencement of the program. All necessary permits have been obtained for work that has been conducted, and permits required for future activities will be obtained as and when needed.

History

The Attikamagen Property has received limited exploration work, primarily during between the 1940s, 1950s and 1970s. Since about 2005, the Schefferville area has seen a resurgence of exploration and development activities related to the development of iron ore projects.

In 2007, Champion staked the Labrador side of the property and conducted airborne geophysical surveys followed by ground reconnaissance mapping. In 2008, the airborne survey was extended on the Québec side followed by ground mapping and trenching. Four core boreholes (433 metres) were drilled in the Lac Sans Chef area to investigate taconite iron mineralization targets. In May 2008, the property was optioned to Labec Century when the parties entered into the Attikamagen Joint Venture Agreement.

Regional Geology, Deposit Types and Mineralization

The Attikamagen Property is located on the western margin of the Labrador Trough, a Proterozoic volcano-sedimentary sequence wedged between Archean basement gneisses. The Labrador Trough, otherwise known as the Labrador-Québec Fold Belt, extends for more than 1,000 kilometres along the eastern margin of the Superior craton from the Ungava Bay to Lake Pletipi, Québec. The belt is about 100 kilometres wide in its central part and narrows considerably to the north and south.

The Labrador Trough is a sequence of Proterozoic sedimentary rocks including iron formation, volcanic rocks and mafic intrusions forming the Kaniapiskau Supergroup. The Kaniapiskau Supergroup is comprised of the Knob Lake Group in the western part and the Doublet Group which is primarily volcanic in the eastern part. The Knob Lake Group rocks underlie the Lac Le Fer and Rainy Lake properties. To the west of Schefferville, rocks of the Knob Lake Group lie unconformably on Archean gneisses and, to the east, they pass into the eugeosynclinal facies of the Labrador Trough. The Kaniapiskau Supergroup has been intruded by numerous diabase dikes known as the Montagnais Intrusive Suite. These dikes along with the Nimish volcanic rocks are the only rock types representing.

The Knob Lake Group includes the Sokoman Formation which is the main exploration target of the Attikamagen Property. The Sokoman Formation forms a continuous stratigraphic unit varying in thickness as a result of folding and fault repetition. Metamorphic grade increases from sub-greenschists assemblages in the west to upper amphibolite to granulite assemblages in the eastern part of the Labrador Trough. Thrusting and metamorphism occurred between 1,840 and 1,829 million years.

In the vicinity of the Attikamagen Property, the Knob Lake Group is subdivided into eight formal geological units. The lowermost unit rests unconformably over Archean gneisses of the Ashuanipi Complex. From oldest to youngest the rock units are the Seward, Lac Le Fer, Denault, Fleming, Dolly, Wishart, Sokoman and Menihek Formations. The Knob Lake Group records two sedimentary cycles: Cycle 1 (the Attikamagen Subgroup) is a shallow marine shelf comprising the Lac Le Fer, Denault, Dolly, and Fleming Formations; Cycle 2 (the

Ferriman Subgroup) is a deeper water slope-rise environment beginning with a transgressive quartz arenite (Wishart Formation) followed by shale and iron-formation of the Sokoman Formation and conformably overlain by clastic shale, slate and siltsone of the Menihék Formation.

The iron formations of the Sokoman Formation mapped on both properties are classified as Lake Superior type. They consist of a banded sedimentary unit composed principally of bands of magnetite and hematite within chert-rich rock and variable amounts of silicate-carbonate-sulphide. Such iron formations have been the principal sources of iron throughout the world.

Superior-type iron formations with low iron tenor can be locally brought to "oregrade" through the process of enrichment ("enriched ore") by leaching and deep weathering processes (direct shipping ore (DSO) type) via circulation of meteoric and syn-orogenic fluids. Hydrothermal and meteoritic fluids circulating through the banded iron formation during the Hudsonian orogenesis recrystallized iron minerals to hematite, and leached silica and carbonate gangue. The result is a residually enriched iron formation that may be further enriched, whereby iron oxides (goethite, limonite), hematite and manganese are redistributed into the openings left by the primary leaching phase, and/or deposited along fracture/cleavage surfaces and in veinlets. Almost all the iron deposits near surface in the Labrador Trough are enriched to some degree by these processes.

The minimum iron content required to be considered as economic at a given market price is generally greater than thirty percent iron. Iron oxides must also be amenable to concentration (beneficiation) and the concentrates produced must be low in manganese, aluminum, phosphorus, sulphur and alkalis. Beneficiation involves segregating the silicate and carbonate gangue and other rock types interbedded within the iron formation from the iron-rich oxides.

The iron formation occurring on the Attikamagen Property consists mostly of subunits of the Sokoman Formation characterized by recrystallized chert and jasper with bands and disseminations of magnetite, hematite and martite; a type of hematite pseudomorph after magnetite and specularite. Other gangue minerals are a series of iron silicates comprised of minnesotaite, pyrolusite and stilpnomelane and, iron carbonate, mainly siderite.

Exploration (Reported in the Attikamagen Report)

During the third quarter of 2009, Century Holdings completed reconnaissance field work to evaluate the broad magnetic anomalies occurring to the northwest of the Lac Sans Chef Area and possibly related to the Sokoman Formation. Three areas were investigated: Hayot Lake, Hayot East, and Lac Sans Chef. During this program, 175 outcrop samples were collected on outcrop. In addition archived Champion core was also re-examined and re-sampled.

During 2009, thirty samples were submitted to the COREM laboratory ("**COREM**") in Quebec City for characterization studies including Davis tube and Satmagan testing. In 2010 Century Holdings completed a ground gravity survey in an attempt to discriminate between hematite and magnetite bearing mineralization based on their density contrast in five areas. Results show that hematite beds located in the fold hinges are characterized by gravity lows as compared to the gravity signature of the fold limbs. That signature could be lithological and the structural complexities of those targets hinder interpretation. More data is required to ascertain the potential of some gravity anomalies to highlight DSO targets.

Drilling (Reported in the Attikamagen Report)

In the fall of 2010, Century Holdings drilled fourteen core boreholes (1,182 metres) on four targets. Three potential DSO targets were tested at the Jennie Lake, Joyce Lake and Lac Sans Chef Areas and one taconite target at the Hayot Lake Area. All targets were selected based on geological and geophysical data. The taconite target is a shallow dipping magnetite-rich iron formation with an expected minimum thickness of sixty to 100 metres. 349 samples collected during this program were submitted to the ALS Chemex laboratory ("**ALS Chemex**") and COREM for assaying and testing (Davis tube and Satmagan).

Sampling Approach and Methodology; Sample Preparation, Analyses and Security and Data Verifications (Reported in the Attikamagen Report)

Rock and core samples collected in 2009 were submitted to the ISO accredited ALS Chemex in Val-d'Or, Quebec for preparation and the ALS Chemex in North Vancouver for assaying for a suite of thirty-one elements including iron using an aqua regia digestion and inductively coupled plasma optical emission spectroscopy ("ICPAES"; method code ME-ICP61). The management system of the ALS Chemex group of laboratories is accredited ISO 9001 by QMI and the North Vancouver ALS Chemex is accredited ISO 17025 by the Standards Council of Canada for a number of specific test procedures, including the method used to assay samples submitted by Century Holdings. Century Holdings has relied on the analytical quality control measures implemented by the accredited ALS Chemex laboratories. Considering that the 2009 sampling program was an initial reconnaissance of the properties, SRK considers that this is appropriate.

Selected samples were also submitted to COREM in Québec City, an ISO 9001 accredited laboratory for certain testing procedures including mineralogical, chemical and metallurgical testing of iron mineralization.

Core samples collected in 2010 were collected by appropriately qualified personnel from half core split lengthwise with a mechanical splitter. Samples were submitted to the accredited COREM laboratory for assaying and testing. At COREM, core samples are subjected to chemical assaying, Davis tube and Satmagan testing. Results are pending. The analytical quality control measures introduced by Century Holdings for the drilling program includes the use of control samples (blank, replicate, certified reference materials) inserted in all batches of samples submitted to COREM.

The historical information presented in the Attikamagen Report, and summarized herein, was obtained from public assessment records maintained by the Minsitère des ressources naturelles du Québec. By nature such historical information cannot be verified. Century Holdings has no reason to believe that the historical information presented in the Attikamagen Report is not accurate. The information about the exploration work completed by Champion is extracted from a technical report prepared by MRB and Associates and dated April 8, 2009. The reader is cautioned that the historical analytical results presented in the Attikamagen Report may not be reliable. Century Holdings and their consultants have taken reasonable efforts to ensure that the factual historical information presented in the Attikamagen Report reflect correctly historical sources. Century Holdings has also taken reasonable efforts to ensure that the results of its reconnaissance exploration work are accurate.

SRK independently verified the tenure status of the mineral claims forming the Attikamagen Property. SRK consulted the GESTIM and the MIRIAD claim registries.

SRK has relied on the verifications conducted by Century Holdings and its consultants with regard to the compilation and interpretation of public historical data. SRK independently reviewed the results of the reconnaissance exploration work completed by Century Holdings and its consultants. In the opinion of SRK, the reconnaissance field work carried out by Century Holdings was conducted using procedures consistent with industry best practices. SRK has no reason to doubt the reliability of the reconnaissance exploration data collected by Century Holdings and its consultants on the Attikamagen Property.

Mineral Processing and Metallurgical Testing (Reported in the Attikamagen Report)

Two metallurgical tests were commissioned by Century Holdings to characterize the iron mineralization of the Attikamagen Property.

The first tests were completed at COREM (project #1061) on four composite core samples from Champion 2008 boreholes and representative of four main geological units of the Sokoman Formation: the JUIF, URC, PGC and LRC. The objective of the testing was to characterize the nature of the iron mineralization and establish if acceptable iron grade can be achieved by beneficiation. The Satmagan tests revealed a very low quantity of magnetite in all the samples tested.

Mineral Resources and Mineral Reserves Estimates (Reported in the Attikamagen Report)

Mineral resources and mineral reserves have not been delineated on the Attikamagen Property.

Conclusion and Recommendation of the Attikamagen Report

The 2009 surface exploration program completed by Century Holdings confirms the presence of significant iron mineralization associated with different members of the Sokoman Formation. However, preliminary mineralogical testwork completed by COREM shows that the iron mineralization is complex with intimate association of magnetic and non magnetic minerals, suggesting challenging beneficiation processes.

The 2009 field program also confirms that the property is attractive for a large taconite type deposit with local DSO targets. Work completed by Century Holdings highlights three areas of the Sokoman Formation characterized by kilometric, weakly plunging, open to locally tight, whale-back-shaped anticlinal and synclinal structures, with thickened hinge zones.

The 2009 exploration program met its objectives. Surface geological mapping and sampling were successfully completed on the selected target areas. The main iron mineralization targets on the Attikamagen Property include three units of the Sokoman Formation (LRGC, PGC and URC). Assay results from selective samples collected from the Hayot Lake, Hayot East and Sans Chef North Areas yielded iron grade varying between twenty-eight to thirty percent, consistent with average grades of the taconite iron mineralization known throughout the Schefferville district. Reconnaissance field sampling and ground gravity data also suggest that segments of the Sokoman Formation, particularly those located in hinge zones in recessive topographic lows are attractive for DSO targets.

The taconite unit offers an excellent potential at the Attikamagen Property to host a large open pit deposit based on its dimension, assay results and combined magnetic interpretation.

In the opinion of SRK, the character of the early stage Attikamagen Property is of sufficient merit to recommend an exploration program designed to identify, prioritize and test taconite and DSO targets on the Attikamagen Property.

The proposed exploration work program from the Attikamagen Report includes approximately eighty core boreholes (12,000 metres) and approximately seventy reverse circulation boreholes (10,500 metres) to investigate and delineate taconite and DSO targets identified to date in the Lac Sand Chef, Joyce Lake, Hayot and Jenny Lake areas as well as parametric drilling at other targets. The proposed program also includes provisions for geological modelling and mineral resource evaluation and for additional metallurgical testing. The total costs for the proposed exploration program are estimated at CN\$5,500,000.

Exploration and Development in 2011 and Beyond

Since January 21, 2011 (the date of the Attikamagen Report), the Company completed a drilling program that focused on several potential taconite and direct shipping ore (DSO)¹ targets near Hayot Lake and Joyce Lake. Over 10,884 metres of combined diamond and reverse circulation drilling was completed. The Company is preparing the next phase of drilling, which is expected to focus on the Joyce Lake area. Iron values were determined by X-ray fluorescence (XRF) major element analysis at an ISO 17025 accredited laboratory.

The results obtained to date from the drilling program are disclosed in the Company's press releases of July 6, 2011 and December 8, 2011 (available on SEDAR), and can be summarized as follows:

- 2011 reverse circulation (RC) drilling at Joyce Lake encountered a potential DSO target. Drill hole JOY-11-23 intersected 127 m grading 50.65% Total Iron (FeT), including 33 metres grading 61.15%

¹ The DSO term was used by previous operators in the Schefferville mining district to designate "oxidized iron ore" with iron grades in excess of 55%, and is only used here for historical reference and is not intended to imply that a positive economic study has been completed on the Attikamagen Property.

FeT. Drill hole JOY-11-06 intersected 139 m grading 52.8% FeT. Drill hole JOY-11-07 intersected 91.0 m grading 52.5% FeT, including 42.0 m grading 65.3% FeT.

- 2011 diamond-drilling at Hayot Lake corroborates results of 2010 drilling, with drill holes spaced 500 metres to 1,000 metres by 200 metres having tested approximately an 8 kilometre strike length of favourable magnetic anomalies. Drill hole HAY-11-18 intersected 149.3 metres grading 33.15% FeT. Drill hole HAY-11-10 intersected 108.2 m grading 33.2% FeT. Drill hole HAY-10-06 had intersected 92.6 m grading 31.6% FeT.

Please refer to those press releases for the full results of the drilling program, as well as for the review by a Qualified Person. The QA/QC measures followed for this drilling program consisted of adding at least 10 control to samples, including 4 standards, 4 blanks and 2 duplicates as the quality control and quality assurance samples to every batch of 100 samples submitted for analysis. The results from these QA/QC samples were then verified when the test results for the batch were returned. In addition, the testing laboratory added their own control samples (standards and duplicates) to the sample batches analysed.

A mineralogical and metallurgical study is in progress for the iron ore samples obtained for both the Joyce Lake area and the Hayot Lake area. The data compilation is under way, and will be followed by an infill reverse circulation drilling program at Joyce Lake using two reverse circulation drills. The objective of the drilling program is to determine cross sectional shape and a preliminary indication of the lateral continuity of the iron mineralization, to evaluate general size and grade potential, as well as to support a resources calculation and preliminary economic assessment to be completed by SRK Consulting (Canada) Inc. in 2012.

SUNNY LAKE PROPERTY

The following disclosure on the Sunny Lake Property is based on (a) a technical report prepared in compliance with NI 43-101 entitled the "Independent Technical Report, Sunny Lake Iron Project, Schefferville Area, Quebec" dated November 1, 2010 (the "**Sunny Lake Report**") by SRK and (b) the Company's disclosure of exploration results issued after the date of the Sunny Lake Report and presented in compliance with NI 43-101. This disclosure was reviewed and approved by the Company's Exploration Manager, Allan Wenlong Gan, P.Geo., a Qualified Person.. Further details on the Sunny Lake Property can be found in the Sunny Lake Report and in the Company's press releases, copies of which have been filed on SEDAR.

Property Description, Location, Access and Physiography

The Sunny Lake Property includes two separate group of claims (Lac Le Fer and Rainy Lake) comprising 335 and 195 designated cells registered to 0849873, an indirect wholly owned subsidiary of Century Holdings, and covering an aggregate area of approximately 25,850 hectares. It was acquired in 2009 by staking for its potential to host iron mineralization. On December 19, 2011, the Company and WISCO entered into the Sunny Lake JV Agreement. The Sunny Lake JV Agreement will govern the joint venture to be formed between Century Iron and WISCO for the exploration and development of the Sunny Lake Property. Pursuant to the terms of the Sunny Lake JV Agreement, WISCO will invest \$40 million in the Sunny Lake Property in exchange for a 40% interest in the project.

The Lac Le Fer and Rainy Lake properties are located respectively sixty-five and eighty-five kilometres northwest of the town of Schefferville, Quebec and are accessible by air only. Seasonally maintained gravel road ends about twenty kilometres south of Lac Le Fer property, south of Lac Leroy and at Lac du Drum. These roads can be used as drop point for a helicopter or base camp for a summer field programs.

The town of Schefferville is the nearest town with established infrastructure. It is serviced with regular commercial flights from a number of cities, as well as rail links connecting to the Sept-Îles port.

The economy of Schefferville is based on mining, hunting and fishing, tourism and public service administration. Several fishing and hunting camp operators are based in Schefferville and thousands of hunters and fishermen visit the area annually, chiefly for trout fishing and caribou and black bear hunting.

The iron ore resources in the vicinity of Schefferville are being re-evaluated by several exploration and mining companies. In the last six years a number of new buildings, including medical clinics, a recreation centre, churches, and houses have been constructed, both in the town and on the contiguous Matimekossh Indian Reserve, largely to serve an expanding First Nations presence.

While there is a potential labour force in the vicinity, a training program will be required before it can be effectively utilized. It is assumed that government resources would be available for these programs.

Prior to Century's involvement, the Sunny Lake Property received limited exploration including surface sampling, shallow surface drilling and trenching. There is no infrastructure within the Sunny Lake Property. In 2010, a temporary field camp was established on the shores of Lac le Fer.

The Schefferville area is characterized by a sub-arctic continental climate with mild summers and very cold winters. In January and February, daily mean temperatures average negative twenty-three degrees Celsius with an average of fifty centimetres of snow fall. Mean daily average temperature in July and August is twelve degrees Celsius and the wettest summer month is July with an average rainfall of 106.8 millimetres. Because of its relatively high latitude, extended day-light enhances the summer work-day period. Early and late winter conditions are acceptable for ground geophysical surveys and drilling operations.

The Schefferville area is characterized by a sub-arctic continental climate with mild summers and very cold winters. This area is in the boreal forest with low rolling hills rising 600 to 700 metres above mean sea level.

The Lac Le Fer and Rainy Lake properties have a base elevation standing respectively at 436 and 525 metres above mean sea level with peaks up to 602 and 702 metres, respectively. At Rainy Lake, there is a general decrease in elevation of close to 200 metres from the northwest corner to the southeast one, the northwest corner being closer to the higher elevation generally characterizing the surrounding Archean basement.

Vegetation is classified as a boreal forest. The upper ridges areas have excellent bedrock exposure while the flanks and the flat lying areas are typically covered by sparse to thick boreal forest, stunted trees, brushes and reindeer/caribou moss. Glacial deposits are present throughout the Sunny Lake Property except along the ridge lines and, are typically thickest in depressions.

Generally, the exploration claims for the property confer the right to conduct typical mineral exploration activities. However, certain aspects of those activities can require that additional permits or authorizations be obtained, including for cutting trees, installing waste water disposal facilities, constructing facilities within waterways and in certain cases for withdrawing water from waterways. All necessary permits have been obtained for work that has been conducted, and permits required for future activities will be obtained as and when needed.

History

The Lac Le Fer and Rainy Lake properties have received limited exploration work, primarily during between the 1940s and 1970s. Since about 2005, the Schefferville area has seen a resurgence of exploration and development activities related to the development of iron ore projects.

Hollinger North Shore Exploration Company completed reconnaissance work on both properties during the late 1940s and early 1950s. Iron Ore of Canada revisited the area during the early 1960s and 1970s, completing airborne magnetic surveys followed by reconnaissance field investigations comprising mapping, sampling, and ground geophysical surveys. In 1960, Iron Ore of Canada drilled fifteen short vertical core holes on the Lac Le Fer property. No drilling was apparently completed on the Rainy Lake property.

As far as it can be documented from public assessment files, no additional exploration work was completed on the Lac Le Fer and Rainy Lake properties.

Regional Geology, Deposit Types and Mineralization

The Sunny Lake Property is located on the extreme western margin of the Labrador Trough, a Proterozoic volcano-sedimentary sequence wedged between Archean basement gneisses. The Labrador Trough, otherwise known as the Labrador-Quebec Fold Belt, extends for more than 1,000 kilometres along the eastern margin of the Superior craton from the Ungava Bay to Lake Pletipi, Quebec. The belt is about 100 kilometres wide in its central part and narrows considerably to the north and south.

The Labrador Trough is a sequence of Proterozoic sedimentary rocks including iron formation, volcanic rocks and mafic intrusions forming the Kaniapiskau Supergroup. The Kaniapiskau Supergroup is comprised of the Knob Lake Group in the western part and the Doublet Group which is primarily volcanic in the eastern part.

The Knob Lake Group rocks underlie the Lac Le Fer and Rainy Lake properties. To the west of Schefferville, rocks of the Knob Lake Group lie unconformably on Archean gneisses and, to the east, they pass into the eugeosynclinal facies of the Labrador Trough. The Kaniapiskau Supergroup has been intruded by numerous diabase dikes known as the Montagnais Intrusive Suite. These dikes along with the Nimish volcanic rocks are the only rock types representing. The Knob Lake Group includes the Sokoman Iron Formation which is the main exploration target of the Sunny Lake Property. The Sokoman Formation forms a continuous stratigraphic unit varying in thickness as a result of folding and fault repetition. Metamorphic grade increases from sub-greenschists assemblages in the west to upper amphibolite to granulite assemblages in the eastern part of the Labrador Trough. Thrusting and metamorphism occurred between 1,840 and 1,829 million years.

In the vicinity of the Sunny Lake Property area the Knob Lake Group is subdivided into eight formal geological units. The lowermost unit rests unconformably over Archean gneisses of the Ashuanipi Complex. From oldest to youngest the rock units are the Seward, Lac Le Fer, Denault, Fleming, Dolly, Wishart, Sokoman and Menihek Formations. The Knob Lake Group records two sedimentary cycles: Cycle 1 (the Attikamagen Subgroup) is a shallow marine shelf comprising the Lac Le Fer, Denault, Dolly, and Fleming Formations; Cycle 2 (the Ferriman Subgroup) is a deeper water slope-rise environment beginning with a transgressive quartz arenite (Wishart Formation) followed by shale and iron-formation of the Sokoman Formation and conformably overlain by clastic shale, slate and siltstone of the Menihek Formation.

The iron formations of the Sokoman Formation mapped on both properties are classified as Lake Superior type. They consist of a banded sedimentary unit composed principally of bands of magnetite and hematite within chert-rich rock and variable amounts of silicate-carbonate-sulphide. Such iron formations have been the principal sources of iron throughout the world.

Superior-type iron formations with low iron tenor can be locally brought to "ore grade" through the process of enrichment ("enriched ore") by leaching and deep weathering processes (DSO type) via circulation of meteoric and syn-orogenic fluids. Hydrothermal and meteoritic fluids circulating through the banded iron formation during the Hudsonian orogenesis recrystallized iron minerals to hematite, and leached silica and carbonate gangue. The result is a residually enriched iron formation that may be further enriched, whereby iron oxides (goethite, limonite), hematite and manganese are redistributed into the openings left by the primary leaching phase, and/or deposited along fracture/cleavage surfaces and in veinlets. Almost all the iron deposits near surface in the Labrador Trough are enriched to some degree by these processes.

The minimum iron content required to be considered as economic at a given market price is generally greater than 30 percent iron. Iron oxides must also be amenable to concentration (beneficiation) and the concentrates produced must be low in manganese, aluminum, phosphorus, sulphur and alkalis. Beneficiation involves segregating the silicate and carbonate gangue and other rock types interbedded within the iron formation from the iron-rich oxides.

The iron formation occurring on the Sunny Lake Property consists mostly of subunits of the Sokoman Formation characterized by recrystallized chert and jasper with bands and disseminations of magnetite, hematite and

martite; a type of hematite pseudomorph after magnetite and specularite. Other gangue minerals are a series of iron silicates comprised of minnesotaite, pyrolusite and stilpnomelane and, iron carbonate, mainly siderite.

Exploration (Reported in the Sunny Lake Report)

In early September 2009, Century Holdings completed reconnaissance field work on both properties. Forty-nine field outcrop samples, (twenty-eight from Lac Le Fer and twenty-one from Rainy Lake) were collected during this program. Twelve samples were submitted for mineralogical studies and preliminary metallurgical testing. All samples were shipped from Schefferville to ALS Chemex laboratory in Val-d'Or, Quebec for preparation and to their North Vancouver laboratory for assaying. A suite of samples was also submitted to the COREM Laboratory in Quebec City for mineralogical characterization.

The reconnaissance work and sampling program was successful in confirming that the Sokoman Formation is the source of the main magnetic anomalies underlying both properties. Indeed, most of the samples collected during the program were collected on relatively high topographic features associated with the Pink Grey Chert member of the Sokoman Formation. The mineralogical studies of twelve samples (six from each project) shows that the sum of all valuable iron minerals (hematite + magnetite + iron oxide) varies from 29 to 75 percent for all samples from Sokoman unit identified on the properties (Pink Grey Chert, Upper Red Chert and Lower Red Grey Chert).

Because of the limited duration of the 2009 reconnaissance program, the structural setting of the properties was not specifically evaluated. The Sokoman Formation was mapped at Lac Le Fer over twenty kilometres of strike and twelve kilometres of width. At Rainy Lake it is exposed over an area measuring fifteen by ten kilometres and is approximately 115 metres thick. Exposures of the Sokoman Formation over such large surface areas imply repetition by faulting and folding. It strikes fairly consistently towards the northwest with dips varying from flat to steep to the northeast of southwest.

The COREM Laboratory in Quebec City completed mineralogical characterization work on samples from both properties focussing on identifying and quantifying ironbearing and gangue minerals and evaluating their relative size distribution.

In January 2010, Century Holdings commissioned Novatem Airborne Geophysics to conduct an airborne magnetic survey over the northwest part of the Lac Le Fer and most of the Rainy Lake properties. Survey data were reviewed by an independent geophysicist and integrated with historical data to provide a complete coverage of both properties for modelling and structural geology interpretation. Mira Geoscience of Vancouver, British Columbia completed a magnetic inversion study of the airborne magnetic data.

Drilling (Reported in the Sunny Lake Report)

As at the date of the Sunny Lake Report, Century Holdings had not completed any drilling on the Lac Le Fer and Rainy Lake properties.

Sampling Approach and Methodology; Sample Preparation, Analyses and Security and Data Verifications (Reported in the Sunny Lake Report)

In September 2009, Century Holdings completed a few days of prospecting and a total of forty-nine composite samples were collected from outcrops using a rock hammer and chisel. Samples averaging two to three kilograms in weight consisted of scattered chips collected over an area measuring approximately five by five metres. The purpose of the sampling was to collect representative samples for mineralogical and analytical characterization. Hence, the samples collected during 2009 by Century Holdings are not necessarily indicative of the true grade of the respective rock units sampled. Samples averaging two to three kilograms of broken rock were collected into a numbered plastic bag containing a distinct laboratory sample tag.

Samples were submitted to the ISO accredited ALS Chemex Laboratory in Val-d'Or, Quebec for preparation and the North Vancouver Laboratory for assaying for a suite of 31 elements including iron using an aqua regia digestion and inductively coupled plasma optical emission spectroscopy ("ICP-AES"; method code ME-

ICP61). The management system of the ALS Chemex Group of laboratories is accredited ISO 9001 by QMI and the North Vancouver Laboratory is accredited ISO 17025 by the Standards Council of Canada for a number of specific test procedures, including the method used to assay samples submitted by Century Holdings. Century Holdings has relied on the analytical quality control measures implemented by the accredited ALS Chemex laboratories. Considering that the 2009 sampling program was an initial reconnaissance of the properties, SRK considers that this is appropriate.

The historical information presented in the Sunny Lake Report, and summarized herein, was obtained from public assessment records maintained by the Ministère des ressources naturelles du Québec. By nature such historical information cannot be verified. Century Holdings has no reason to believe that the historical information presented in the Sunny Lake Report is not accurate. The reader is cautioned that the historical analytical results presented in the Sunny Lake Report may not be reliable. Century Holdings and their consultants have taken reasonable efforts to ensure that the factual historical information presented in the Sunny Lake Report reflect correctly historical sources. Century Holdings has also taken reasonable efforts to ensure that the results of its reconnaissance exploration work are accurate.

SRK independently verified the tenure status of the mineral claims forming the Sunny Lake Property. SRK consulted the GESTIM claim registry system to verify that as of the effective date of the Sunny Lake Report all mineral claims were registered to 0849873 (a subsidiary of Century Holdings) and were in good standing.

SRK has relied on the verifications conducted by Century Holdings and its consultants with regard to the compilation and interpretation of public historical data. SRK independently reviewed the results of the reconnaissance exploration work completed by Century Holdings and its consultants. In the opinion of SRK, the reconnaissance field work carried out by Century Holdings was conducted using procedures consistent with industry best practices. SRK has no reason to doubt the reliability of the reconnaissance exploration data collected by Century Holdings and its consultants on the Sunny Lake Property.

Mineral Resources and Mineral Reserves Estimates

There are no mineral resources and mineral reserves on the Lac Le Fer and Rainy Lake properties.

Conclusion and Recommendation from the Sunny Lake Report

The Sunny Lake Property is an early stage iron exploration project comprising two separate groups of claims known as the Lac Le Fer and Rainy Lake Properties. The properties are located near the town of Schefferville, Quebec and are underlain by Proterozoic sedimentary rocks of the Labrador Trough known to host world class iron deposits of sedimentary origin. The properties are accessible by air.

Compilation of previous exploration work completed at the Lac Le Fer and Rainy Lake properties indicates that the properties are underlain by geology favourable for both low-grade high volume taconite and high-grade low volume DSO iron deposit types. Historical drilling data and reconnaissance field work completed by Century in 2009 indicate that both properties are predominantly underlain by a complete section of the Sokoman Iron Formation. Review of available information and new airborne geophysical data suggests that the prospective geological units cover approximately ninety square kilometres at Lac Le Fer and fifty-four square kilometres at Rainy Lake. Reconnaissance mapping suggests kilometric exposures of the Sokoman Formation outcrops on both properties associated with folded stratigraphy. As of the date of the Sunny Lake Report, the properties have not received recent exploration work and therefore their exploration potential for iron deposits has not been properly evaluated. (Recent exploration is discussed below under Exploration and Development).

SRK concludes that the Lac Le Fer and Rainy Lake properties have merit and offer good exploration potential for taconite and DSO iron mineralization similar to the iron mineralization of the world class iron ore district of the Schefferville area.

In the opinion of SRK, the character of the early stage Sunny Lake Iron Project is of sufficient merit to recommend an exploration program designed to identify, prioritize and test exploration targets on the Lac Le Fer and Rainy Lake properties.

The objectives of the recommended exploration programs are:

- Define taconite and DSO iron mineralization targets by conducting field geological investigations on areas covered by the Sokoman Formation and sub-outcropping high-low magnetic zones and test a certain number of targets by drilling; and
- Delineation drilling of best targets to support initial mineral resource evaluation.

The recommended exploration program comprises field geological mapping followed by trenching, sampling and parametric core drilling on the more promising targets. The proposed work program also includes a provision for approximately 5,000 metres of core drilling to test the lateral continuity of the iron mineralization at selected targets, delineate its potential size for supporting and initial mineral resource evaluation. The total costs for the proposed exploration program are estimated at CN\$3,300,000.

Exploration and Development in 2011 and Beyond (After publication of the Sunny Lake Report)

Since the date of the Sunny Lake Report, the Company completed its 2011 drilling program, which led to a large taconite iron discovery on the Rainy Lake property that is part of the Sunny Lake Property. The 2011 drilling program comprised 6,300 metres of diamond drilling at the Rainy Lake Property. The iron values were determined by X-ray fluorescence (XRF) major element analysis at an ISO 17025 accredited laboratory.

Drill hole RL-11-0401 intersected 318.2 metres of taconite iron mineralization from 5.4 m depth grading 29.5% Total Iron (FeT), drill hole RL-11-0004 intersected 272.4 metres of taconite iron mineralization from 13.0 m depth grading 30.4% FeT, and drill hole RL-11-0402 intersected 264.8 metres of taconite iron mineralization from 10.4 m depth grading 31.0% FeT.

The new discovery zone, now named the Full Moon Prospect, has been tested by 31 diamond drill holes over a strike length of 6.5km, and a horizontal width of up to 2.8km. The iron formation dips to the east at a shallow 5° to 10° angle. The vertical thickness of the new zone increases to the east from 50 metres to 340 meters remains open along strike. Magnetite and hematite are the main iron minerals present. All iron formation stratigraphic units moderately to strongly magnetic. Preliminary metallurgical tests are in progress, and drilling at the Sunny Lake Property will resume this spring.

The results of the 2011 drilling program at the Full Moon Prospect are summarized in the Company's press releases of December 6, 2011 and January 17, 2012, copies of which are available on SEDAR. Please also refer to those press releases for details of the applicable review by a Qualified Person. The QA/QC measures followed for this drilling program consisted of adding at least 10 control to samples, including 4 standards, 4 blanks and 2 duplicates as the quality control and quality assurance samples to every batch of 100 samples submitted for analysis. The results from these QA/QC samples were then verified when the test results for the batch were returned. In addition, the testing laboratory added their own control samples (standards and duplicates) to the sample batches analysed.

The Company has been following up the large tonnage potential discovery of the Full Moon Prospect by commencing a definition diamond drilling program, based upon which the Company will pursue a resources calculation.