



CENTURY GLOBAL COMMODITIES CORPORATION

Management's Discussion and Analysis
of Financial Conditions and Results of Operations
for the Year Ended
March 31, 2021

This Management's Discussion and Analysis ("MD&A") of Century Global Commodities Corporation (TSX: CNT) (the "Company" or "Century"), formerly Century Iron Mines Corporation, was prepared as of June 28, 2021. The MD&A provides a review of the financial conditions and results of operations of the Company to assist readers in understanding and evaluating the significant changes in the Company as at and for the year ended March 31, 2021. This MD&A should be read in conjunction with the consolidated financial statements and notes thereto of the Company as at and for the year ended March 31, 2021.

Additional information about the Company is available under the Company's profile on SEDAR at www.sedar.com, including the Company's most recent Annual Information Form. Additional information can also be found on the Company's website at www.centuryglobal.ca.

Management is responsible for the preparation of the consolidated financial statements and MD&A. The Company's consolidated financial statements for the year ended March 31, 2021 have been prepared in accordance with International Financial Reporting Standards ("IFRS"). Notes 2 to 6 of the Company's consolidated financial statements as at and for the year ended March 31, 2021 discuss the IFRS accounting principles applied in preparing the consolidated financial statements.

The Company's reporting currency is Canadian Dollars. Unless stated otherwise, all dollar figures in this MD&A are expressed in Canadian Dollars.

This MD&A contains forward-looking statements and should be read in conjunction with the discussions in the "Risks and Uncertainties" and "Cautionary Statement Regarding Forward-Looking Statements" sections at the end of this MD&A. This MD&A also contains technical information, which should be read in conjunction with the "Cautionary Statement Regarding Technical Information" section at the end of this MD&A.

COMPANY INFORMATION

In this Management's Discussion and Analysis, the terms "Company" or "Century" refer to Century Global Commodities Corporation, formerly Century Iron Mines Corporation, together with all its subsidiaries unless clearly stated otherwise.

The Company completed the change of the Company's name from "Century Iron Mines Corporation" to "Century Global Commodities Corporation" ("Name Change") on November 16, 2015 and the continuation of the Company's jurisdiction of incorporation from British Columbia to the Cayman Islands took effect on February 1, 2016.

Century owns certain mineral properties through the following direct and indirect wholly-owned subsidiaries:

- Century Iron Ore Holdings Inc. ("Century Holdings") fully owns Labec Century Iron Ore Inc. ("Labec Century") and WISCO Century Sunny Lake Iron Mines Limited, which has subsequently changed its name to Century Sunny Lake Iron Mines Limited on May 27, 2021 ("Century Sunny Lake") after the acquisition of the remaining 40% joint venture interests in Labec Century and Century Sunny Lake from WISCO Canada ADI Resources Development & Investment Limited ("WISCO ADI") on November 19, 2020. Century Holdings also owns Century Duncan Mining Inc. ("Century Duncan"). Each of these three wholly-owned subsidiaries of Century Holdings holds interest in the Group's major mineral properties;
- Labec Century, the immediate holding company of Joyce Direct Iron Inc. ("JDI"), owns a 100% interest in the Joyce Lake property through JDI;
- Century Sunny Lake owns 100% interests in the Black Bird property, the Full Moon property and the Hayot Lake property;
- Century Duncan owns a 68% registered interest in the Duncan Lake property.

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

BUSINESS UPDATE

Operation Highlights

After a very busy and eventful 12 months, we are pleased to report the Company operational highlights for the year ended March 31, 2021 as follows.

- During the year and moving proactively on early signs of an iron ore seaborne market recovery, the Company started to advance the Joyce Lake DSO Project (“Joyce Lake” or the “Joyce Lake Project”) by internally evaluating several post feasibility optimization opportunities, updating the environmental impact statement (“EIS”), consolidating project ownership and exploring additional funding sources for project development, including a potential Australian Securities Exchange (“ASX”) spinout listing.
- As of November 2020, the Company completed the acquisition of our joint venture partner’s interest, through an open market process, to consolidate 100% of our iron ore projects in the Labrador Trough under the Company name.
- Before the end of calendar year 2020, the Company also completed an internal reorganization of its iron ore segment to hold iron ore projects in separate vehicles, so as to make future individual project advancement more effective. Specifically, Joyce Lake was re-structured into a special purpose vehicle, called Joyce Direct Iron Inc. (“JDI”), preparing the project for both spinout and for project specific financing and in turn maximizing future value creation for shareholders.
- Several spinout options for the Joyce Lake Project were studied leading to a decision to seek an ASX listing and to engage an Australian investment bank in April 2021 to facilitate the process. During May 2021 an A\$2 million private placement was completed, with subscriptions from strategic Australian iron ore investors, who add credibility, market acceptance and importantly underpin a successful ASX listing.
- By the end of May 2021, the Company updated and submitted the Joyce Lake Project EIS to both the provincial and federal government permitting agencies in Canada, so as to re-register the permitting process provincially and to continue the process federally.

- Despite the prolonged global COVID-19 pandemic, Century Food continued to grow its top line by 8.7% year over year and additionally delivered a gross margin of 22.6% in the fiscal year.
- Century Metals Inc. (“Century Metals”) completed a reverse-take-over (“RTO”) with Reyna Silver Corp. which owned a group of Mexican silver assets acquired from MAG Silver in June 2020 and has been trading with good liquidity, well above its RTO price.

As a result of the above accretive corporate transactions, the Company generated sufficient cash during the fiscal year to essentially cover its administrative and iron ore project development expenses including the Joyce Lake Project and additionally improved its cash and working capital positions of \$11.6 million and \$14.5 million respectively compared to the previous fiscal year of \$3.7 million and \$6.9 million.

Business Overview

Calendar 2021 to date has been an exceptional year for the commodities market in general and an outstanding year for the iron ore sector in particular. Iron ore price continued its strong upward trend from late 2020. In 2021, after four progressively strong months, May saw further strength with an average price above US\$200/t and a peak of over US\$230/t, exceeding the highest price from the previous Super Cycle of about US\$200/t, by a substantial margin. These price trends are a clear indication of the start of a new and substantial iron ore up-cycle.

The exceptional iron ore price performance has come before any impact from the massive US\$3.0 trillion Biden administration post COVID-19 infrastructure stimulus plan. This stimulus spending opens the door for further iron ore price improvement together with an extension of the up-cycle period.

Current iron ore prices are in the order of double the US\$95/t long term price assumed in our 2015 Joyce Lake Project feasibility study. Higher prices will give the Joyce Lake Project a substantial tailwind, enhancing our plans already being executed, to update the feasibility study, complete environment permitting and to put development financing in place by way of a spinout on the ASX which is trading with favourable valuations and liquidity compared to other markets.

Prior to the spectacular price performance of the iron ore market since late 2020, in November 2020 the Company consolidated ownership of its iron ore projects by the acquisition of our joint venture partner's interests in the Joyce Lake Project and other Labrador iron ore projects, through an open market process to attain 100% ownership.

In December 2020, Century also completed an internal reorganization in particular placing the Joyce Lake Project in a corporate structure suitable for spinning out on the ASX, with a view to future project development financing. The Joyce Lake Project spinout is structured in a similar way to the accretive and successful way Century Metals Inc. was previously spun-out.

Over the last financial year, COVID-19 continued to significantly impact our Hong Kong food distribution business causing a reduction in food segment sales in fiscal Q2 and Q3. After considerable effort and hard work by our food team, we resumed sales growth in fiscal Q4 and subsequently achieved annual sales in fiscal 2021 of approximately \$8.8 million, an 8.7% improvement year over year, together with a net profit of \$6,445, compared to \$280,059 the previous year, before the significant COVID-19 impacts.

Overall, the Company reduced its total comprehensive loss for the 2021 fiscal year to \$1.18 million from \$5.05 million, a year earlier or an approximate 77% improvement. Most of the 2021 loss is attributed to non-cash expenditure including a share-based charge of \$0.5 million from option grants to directors and management, an exchange loss on a foreign subsidiary's dissolution of \$0.2 million and an exchange loss on translation of foreign operations of \$0.4 million. The new options grant is the first since 2017 and will incentivize execution of Company plans at this important time of market opportunity. Achievements in fiscal 2021 created an unusually favourable performance, as management was able to deliver two accretive transactions generating cash adequate to essentially fund its administrative expenses, as a public company, as well as its iron ore project development expenses.

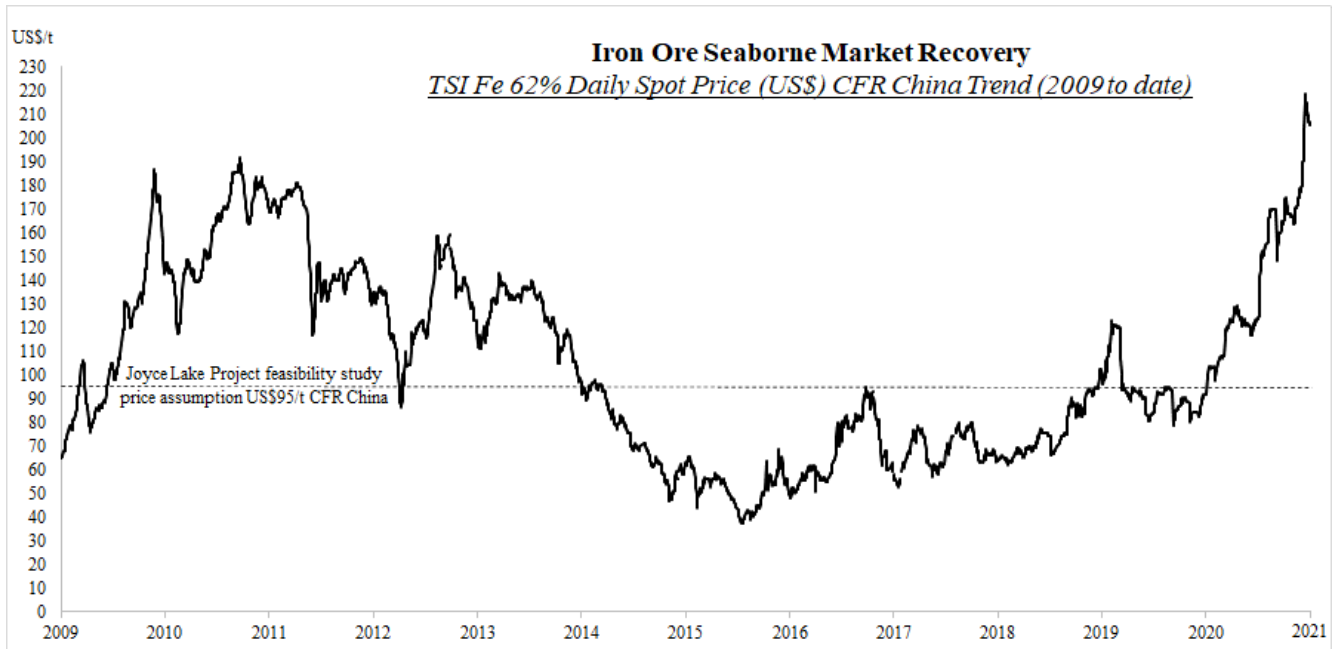
At year end, the two accretive transactions also significantly improved Company liquidity with cash and marketable securities to over \$13 million and working capital to over \$14 million from \$4 million and \$7 million respectively at the beginning of the fiscal year.

Mining

Iron Ore Seaborne Market

The recent strong iron ore price performance convincingly signals that an iron ore sector structural recovery is underway and is also demonstrating the start of a new price up-cycle, particularly with the change occurring during the global COVID-19 pandemic. More surprising, is the peak iron ore price of over US\$230/t, achieved in May 2021 that significantly outstrips the highest price achieved during the last Super Cycle. The underlying indicators driving the strong price in 2021 also dispels the pessimism

that the price up-trend in the 2019-20 period was only the result of the Brazilian tailings dam failure in early 2019. The chart below shows the spot seaborne market price trajectory, since its inception in 2009, and clearly illustrates the iron ore price cycles.



An ongoing internally developed analysis of market supply and demand, as well as price response, has provided the Company with extraordinary insight into the structural evolution of global iron ore supply and demand, particularly since the market price cycle bottomed at less than US\$40/t in 2015-16.

The 2015-16 iron ore market price low was directly related to a supply surge generated by new mine production from the Big 4 producer's oligopoly. Demand did not collapse, in fact Chinese demand for crude steel has been steadily growing, except briefly between 2013 and 2016 at around 800M tpa of crude steel production when China de-levered, de-stocked and reduced surplus capacity. Since 2017, China has been growing its total crude steel output to over 1B tpa, adding 200M tpa capacity in just a few years. The upward crude steel output trend, and the directly related China demand for iron ore continues, despite high-profile trade wars, tech wars and the impact of COVID-19.

China's continuous steel demand growth has been underpinned by decades' long population urbanization driven by an interim target to eradicate poverty in the 2020's. At about 60% urbanization today, China is forecast, by several international institutions, to reach about 75% urbanization by 2030, thereby providing an ongoing environment for growth in crude steel demand. Compared to some four decades

ago, when economic reform occurred, China is now an industrial powerhouse with both technical capabilities and the wherewithal to effectively execute on further urbanization.

In addition to China's ongoing crude steel demand growth, the once-in-a-century COVID-19 pandemic has pushed governments everywhere to create unprecedented monetary emergency rescue plans, providing liquidity at all levels of their economies. After new vaccines take effect expected additional worldwide fiscal stimulus will likely benefit infrastructure construction, further driving global steel demand.

Iron ore supply dynamics today have changed significantly compared to the last price Super Cycle. A larger oligopoly has emerged with the Big 3 producers becoming the Big 4 following the addition of Fortescue Metals Group. During the last price Super Cycle the Big 4 mine expansion investments totalled in the order of US\$100 billion, which within a few years doubled their production to over 1B tpa. Big 4 production now appears to be stable and according to their financial statements no major capital expenditures are committed. Also, special dividends have been paid from windfall earnings rather than retained for future expansions. Therefore, it is expected production will remain at current levels, and even if expansions were announced, they would take 5 to 10 years to reach production.

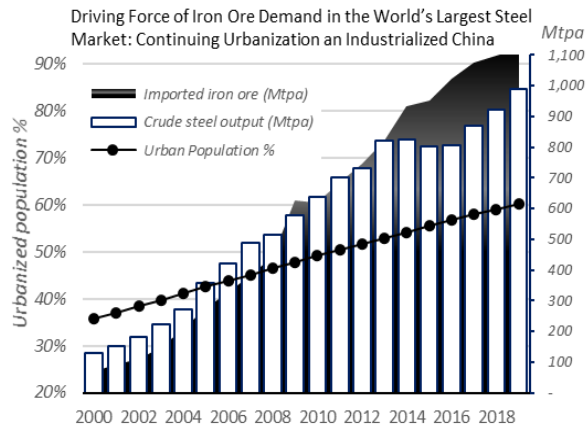
Following the last Big 4 expansions their C1, FOB cash costs were driven down to an average of in the order of US\$15/t, which is well below the fourth quartile of the global cost curve. The low cost and massive new mine production volumes that came to market was also the reason forecasters maintained a protracted and pessimistic price outlook which was further reinforced by the sub-US\$40/t price low point reached in 2015-16.

In oligopolistic economics, low-cost production does not necessarily mean low market price as opposed to a perfect competition economic model. The arrival of the iron ore spot market in 2009, when the market broke away from the regime of contracted annual benchmark pricing, created the efficiency of pricing in favour of a sellers' market. The current high market price and low cost of production from the Big 4 producers appears to be sustainable until their next round of expansions or a significant new producer emerges. One potential major new producer is Simandou in Guinea, Africa, projected to supply in the order of 100M tpa of ore, possibly as early as 2025. In the meantime, the current market regime will dictate market prices.

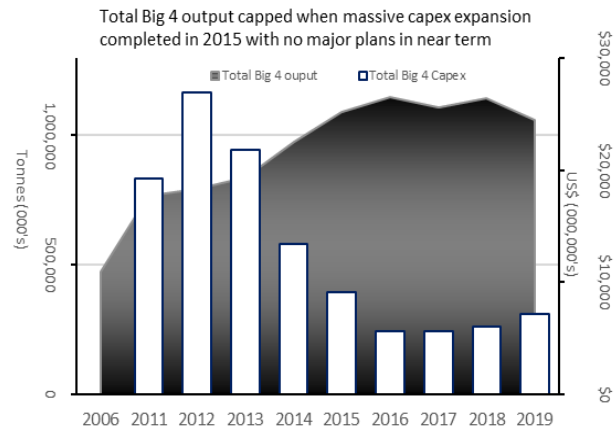
The charts following show demand and supply and capture the key dynamics of the above supply/demand analysis in the context of the current price up-cycle.

Promising iron ore outlook of growing demand enhanced by post-covid-19 stimulus with limited supply

Strong Incremental Chinese steel demand growth



Supply limited after Big 4 completed major expansions



Joyce Lake Project Development

As a new price up-cycle dawns, the Joyce Lake Project is very promising. A 2015 feasibility study is in place and used a base case iron ore selling price of US\$95/t CFR China, which generated an NPV at 8% discount of \$61 million after tax. The feasibility study also estimated an NPV at 8% discount of \$524 million after tax at an iron ore selling price of US\$142.50/t. The May 2021 monthly average iron ore selling price was over US\$200/t, peaking at US\$230/t, and for the first five months of 2021 it averaged approximately US\$176/t.

The Joyce Lake Project's simple quarrying style of operation allows it to reach full production approximately 18 months after a construction decision with a five-to-seven-year production life, opening the possibility of all production being within the duration of the current price up-cycle and avoiding the inevitable down-cycle.

Over recent years, opportunities to reduce iron ore transportation costs from Joyce Lake through ports at Sept-Îles, Quebec have improved, related mostly to new port infrastructure and potentially lower rail and port costs. The Company has been working to improve project returns by identifying post-feasibility optimization opportunities and capital and operating cost reductions, prior to committing these opportunities.

Submission of Environmental Impact Statement

On May 27, 2021, the Company announced submission of the EIS for Joyce Lake to the Impact Assessment Agency of the Government of Canada (the "IAAC") and additionally as part of the registration process to the Environmental Assessment Division of the Department of Environment and Climate Change of the Government of Newfoundland and Labrador (the "NLDOECC").

The EIS has been produced to meet the requirements of the March 5, 2013 federal EIS guidelines that apply to the Project. The EIS states the fundamental elements of the Project design and analyzes its environmental, economic and social impacts with the corresponding mitigation, controls and benefits that will be present over the operation of the Project from construction to closure. The Newfoundland and Labrador registration documents can be found on the NLDOECC website: <https://www.gov.nl.ca/ecc/projects/project-2143/>.

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

Submission of the EIS to IAAC and as a registration document to NLDOECC is a significant milestone in the development of the Joyce Lake Project, placing the Company in a position to advance the Project quickly, after release from the environmental assessment process, potentially during the window of opportunity provided by the current iron ore price up-cycle.

Acquisition of Joint Venture Interests and Internal Reorganization

On November 19, 2020, the Company completed an acquisition from WISCO ADI, of their joint venture interests in the Attikamagen iron ore projects (comprising the Joyce Lake DSO Project and the Hayot Lake Taconite Project) and the Sunny Lake iron ore projects (comprising the Black Bird DSO Project and the Full Moon Taconite Project) in exchange for net cash consideration of \$1.17 million (the "Acquisition"). The Acquisition was completed through the facilities of the Shanghai United Assets and Equity Exchanges.

As a result of the Acquisition, Century's joint venture agreements with WISCO ADI, for Century's Attikamagen and Sunny Lake iron ore projects, have been terminated and Century is now the 100% owner of each of these projects through its wholly owned subsidiaries. In addition, Century and WISCO ADI have agreed not to pursue any joint venture for the Duncan Lake iron ore project. WISCO ADI remains a 23.5% shareholder of Century.

Following the Acquisition, the Company has completed an internal reorganization of its iron ore segment. In particular, Century's flagship Joyce Lake Project, previously within the Attikamagen project, is now owned 100% by a special purpose vehicle, JDI, to facilitate a spin-out and for raising funds for project development.

Spinout of the Joyce Lake Project for Listing on the ASX

To finance the next study updates and for other purposes, Century is advancing spinning out the Joyce Lake Project as a stand-alone newly listed public company, with the Company retaining majority ownership as controlling shareholder. The Company plans to pursue financing on a stand-alone basis for both the ongoing study phase, other pre-development financing requirements and eventually for major project development funding.

On May 14, 2021, the Company announced that its subsidiary and special purpose vehicle, JDI had raised A\$2.0 million through completion of a private placement. JDI is 100% owner of the Joyce Lake Project and under the private placement, JDI issued an aggregate of 20,000,010 common shares at a price of A\$0.10 per share, to a group of private investors, for gross proceeds of A\$2.0 million, reflecting a pre-money valuation of A\$20 million.

On May 21, 2021, one of the milestones was satisfied through the publication of the Joyce Lake Project EIS and 30,000,000 performance preferred shares were converted into common shares on a "one-for-one" basis.

JDI now has outstanding an aggregate 250,000,010 common shares and 10,000,000 performance preferred shares. The Private Placement shares represent 8.0% of the outstanding common shares of JDI. Century has retained ownership of 230,000,000 common shares and the 10,000,000 performance preferred shares of JDI. Each performance preferred share is convertible into one common share upon completion of certain Project milestones.

After the private placement and the conversion of performance preferred shares, the Company retains a 92.0% controlling ownership in JDI.

The Company is rapidly advancing the Joyce Lake Project through an ASX listing, raising funding for technical, permitting and other pre-production requirements, and leading to project development funding together with a production decision, at the earliest opportunity.

Century Metals Listed on TSX-Venture Exchange and the Reyna Silver RTO Transaction

Century Metals common shares were listed and traded on the TSX-Venture Exchange ("TSXV") starting June 17, 2019 under the stock symbol CMET, creating an independent public company focused initially on gold exploration at its 100%-owned Fabie, Trudeau and Eastchester mineral properties in Quebec, Canada.

In June 2020, Century Metals completed the acquisition of all the issued and outstanding securities of Reyna Silver Corp. upon TSX-Venture Exchange's approval as a reverse-take-over (RTO) under Policy 5.2 of the Exchange with an implied price of 38.4 cents per share after consolidation to the pre-RTO shareholders of Century Metals. Together with other properties, Reyna owns the Mexican Guigui and Batopilas silver exploration properties which were previously acquired from MAG Silver Corp. Concurrent with the RTO, approximately \$6.6 million was raised by way of private placements to support the transaction.

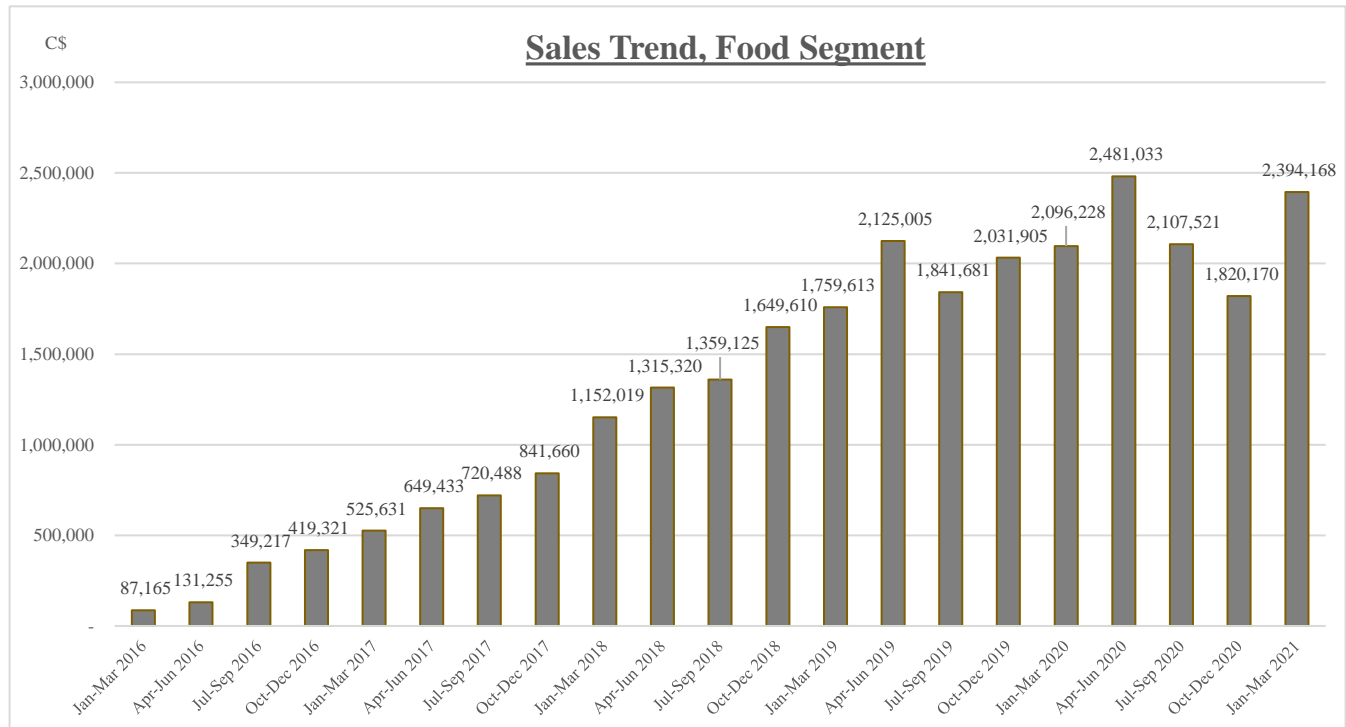
The share price of the merged company, now named Reyna Silver Corp. (TSXV Ticker: RSLV), has performed well. On over 115 million shares traded since the transaction completion and trading resumption in June 2020, the share price achieved a high of \$1.74 and stood at \$0.91 on June 11, 2021.

Food

For the 2021 fiscal year, our Hong Kong food distribution business reported sales by importing major food brands from Europe and Australia, broadening the product range, increasing retail shelf space and also accessing additional and different market segments. Despite challenges from several waves of the COVID-19 pandemic in Hong Kong, our food segment delivered fiscal 2021 annual sales of \$8.8 million, compared to \$8.1 million last year. The 2021 sales represented an 8.7% year over year increase, while delivering a gross margin of 22.6% or \$1.99 million, compared to 24.3% or \$1.96 million in fiscal 2020.

After a sales surge to a record \$2.48 million in fiscal Q1, the COVID-19 pandemic adversely impacted the Hong Kong economy including our sales in fiscal Q2 and Q3, resulting in a sales drop to \$2.11 million and \$1.82 million respectively. For fiscal Q4, after adjusting our sales strategy to focus on expanding supermarket shelf-space, penetrating the gourmet shop, meat shop and wet market sectors as well as testing direct sales channels, our Hong Kong food business increased sales to \$2.39 million, approaching the record set in Q1 of \$2.48 million.

The chart below illustrates the Company's food segment rapid sales growth since start-up in calendar year 2016, the record sales in Fiscal 2021 Q1, the COVID-19 impact on fiscal 2021 Q2 and Q3, and the sales improvement achieved in Q4.



Business Focus

Following a dividend payment in Century Metals shares, completion of the Century Metals spin-out as a TSXV listed public company and a subsequent RTO transaction with Reyna Silver Corp., our Company is again re-focusing on its iron ore project development strategy.

Following acquisition of our iron ore project joint venture interests, the Company attained 100% interest in its major iron ore projects which are now held in individual subsidiaries. The Company also now has the flexibility to attract new investors and funding to develop its flagship Joyce Lake Project.

Following a protracted bottom of the iron ore price cycle and after several years of hard work to diversify our business, Century management has created demonstrable value in our food segment with rapidly growing annual sales and a profitable fiscal 2021. The food segment offers a counter-cyclical complement to our iron ore business as well as the possibility of a future non-core spinout to crystalize shareholder value.

The successful accretive transactions delivered by management over the last two years has rebuilt the Company's cash and working capital and allows it to advance its iron ore assets during the new iron ore price up-cycle. The Joyce Lake Project ASX planned spinout listing together with the completed A\$2 million pre-IPO financing adds valuable financial resources and also reflects on the substantial long-term investment by our supporting shareholders.

MINERAL EXPLORATION AND DEVELOPMENT OVERVIEW

The Company has multiple advanced iron ore projects and deposits in north-eastern Quebec and western Labrador, an area known as the "Labrador Trough", and also in the James Bay Area in western Quebec.

The Company has established NI43-101 compliant resources at its five properties totaling 8.4 billion tonnes of measured and indicated resources and 11 billion tonnes of inferred resources. Included in these resources is 17.72 million tonnes of proven and probable reserves of high grade Direct Shipping Ore ("DSO") containing 59.71% Fe, located at its Joyce Lake DSO Project.

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

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

Iron Ore Projects

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

	Joyce Lake	Black Bird	Hayot Lake	Full Moon	Duncan Lake	Total
Deposit Type	DSO	DSO	Taconite	Taconite	Magnetite	
Location	Labrador Trough	Labrador Trough	Labrador Trough	Labrador Trough	James Bay	
Ownership %	100% ⁽³⁾	100%	100%	100%	68%	
Joint Venture Partner	N/A	N/A	N/A	N/A	Augyva	
Stage of Development	Feasibility Study	Resource Estimate	Resource Estimate	PEA	PEA	
Issue Date – Most Recent NI 43-101 Report	April 2015	April 2015	November 2012	April 2015	May 2013	
NI 43-101 Resources						
Proven and Probable	17.7Mt	-	-	-	-	
Measured & Indicated	24.3Mt ⁽²⁾	1.6Mt	-	7.3Bt	1.1Bt	8.4Bt
Inferred	0.8Mt	8.6Mt	1.7Bt	8.7Bt	0.6Bt	11.0Bt
NPV (pre-tax) @ 8% ⁽¹⁾	C\$130.8M	-	-	C\$5.8B	C\$4.1B	
IRR (pre-tax) ⁽¹⁾	18.7%	-	-	15.2%	20.1%	

(1) Represents 100% basis at the project level

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

(3) The Company's ownership in the Joyce Lake property was 100% as of March 31, 2021. Upon the completion of a private placement and a conversion of certain performance preferred shares in May 2021, the Company's ownership in the property is reduced to 92.0% as of the date of this MD&A.

Joyce Lake DSO Project

The low capital intensity Joyce Lake DSO Project is the Company's most advanced project and the highest development priority. It is located in Newfoundland and Labrador, approximately 20 kilometres from the town of Schefferville, Quebec. The mineral resource estimate, dated April 17, 2014, identified 24.3 million tonnes of measured and indicated iron ore at a grade of 58.55% Fe. The feasibility study ("FS") released in April 2015 was prepared by BBA Inc. based in Montreal, Quebec and included

contribution by Stantec Consulting Ltd. SGS Canada Inc., BluMetric Environmental Inc. and LVM Inc., a division of EnGlobe Corp. The FS included an annual production rate of 2.5 million tonnes of iron ore products over a life of mine of approximately 7 years from an open pit with a strip ratio of 4.09:1. Mined ore would be dry crushed and screened to generate 65% product as sinter fines and 35% product as lump, with the first 5.6 years of ore production at an average grade of 61.4% Fe fed directly from the pit and the remaining life of mine production, fed from stockpiles averaging 53.3% Fe. The project will include a new 43-kilometre dedicated haul road from the mine site to a new rail loop connected to the existing railroad for transport of both products to the IOC Port Terminal in Sept-Îles, Quebec, for shipment to China. The project economics indicate a pre-tax NPV (8%) of \$130.8 million; pre-tax IRR of 18.71%; and pre-tax Payback of 4.4 years. Joyce Lake initial capital cost was estimated at \$259.6 million and the average operating cost at \$58.25/dmt, loaded on board a ship at the Port of Sept-Îles.

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

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

As of March 31, 2021, the Company had 100% interest in the Joyce Lake Project. In May 2021, after the completion of the A\$2 million private placement and the conversion of 30,000,000 performance preferred shares (refer to the "Business Update" section for details), the Company's interest in JDI and the Joyce Lake Project is reduced to 92.0% as of the date of this MD&A.

Black Bird DSO Project

The Black Bird DSO deposit is located 65 kilometres northwest of Schefferville, Québec and approximately 50 kilometres from the Joyce Lake DSO Project in Labrador. The most recent NI 43-101 Technical Report, completed by SRK Consulting (Canada) Inc., Toronto, Ontario, reported 1.55 million

tonnes of indicated resources at an average grade of 59.93% total iron (“TFe”) and 8.60 million tonnes of inferred resources at an average grade of 57.01% TFe. Both indicated and inferred resources are at a cut-off grade of 50% TFe. The report, “*Mineral Resource Evaluation, Black Bird DSO Deposit, Sunny Lake Property, Schefferville, Québec*”, was filed on SEDAR at www.sedar.com under Century’s profile on April 14, 2015.

As of March 31, 2021 and the date of this MD&A, the Company has a 100% interest in the Black Bird Project.

Hayot Lake Taconite Project

The Hayot Lake Project is a taconite deposit located approximately 23 kilometres northwest of the Joyce Lake DSO Project and 22 kilometres north of the town of Schefferville, Quebec. An NI43-101 mineral resource was prepared in 2012 and estimated 1.7 billion tonnes of inferred resource. For further details, please refer to the NI43-101 Technical Report “*Mineral Resource Evaluation, Hayot Lake Taconite Iron Project, Schefferville, Québec*” filed under Century’s profile on www.sedar.com on November 9, 2012. This world-class taconite project is one that will be developed by the Company as a long-term growth opportunity.

As of March 31, 2021 and the date of this MD&A, the Company has a 100% interest in the Hayot Lake Project.

Full Moon Taconite Project

Full Moon is a taconite project located approximately 80 kilometres northwest of the town of Schefferville, Québec. An NI43-101 mineral resource technical report on the Full Moon Project, dated December 6, 2012, estimated 7.3 billion tonnes of indicated iron ore resources and 8.7 billion tonnes of inferred iron ore resources. The Preliminary Economic Assessment (“PEA”) released in April 2015 was completed by CIMA+ located in Montreal, Québec with contributions by Met-Chem Canada Inc., Soutex Inc., SRK Consulting (Canada) Inc. and WSP Canada Inc. The PEA indicated a preferred option of an annual production of 20 million tonnes over a 30 year period from an open pit with a strip ratio of 0.1:1. The process plant would recover both Magnetite and Hematite to concentrate. Mined ore will be processed to generate High Silica Content concentrate at a grade of approximately 66% Fe. A new rail line will transport the product from the mine concentrator to Schefferville then over existing rail lines to the Sept-Îles new multi-user port for subsequent shipment to China. The PEA preferred option indicated

a pre-tax NPV (8%) of \$5.8 billion; pre-tax IRR of 15.2%; and pre-tax Payback of 5.7 years. The initial capital cost was estimated at \$7.2 billion and the average operating cost at \$49.85/dmt, loaded on board a ship at the Port of Sept-Îles.

Additional information can be found in the NI43-101 Technical Report, "*The Preliminary Economic Assessment for the Full Moon Project*", with an effective date of March 2, 2015 and filed on SEDAR at www.sedar.com on April 14, 2015.

As of March 31, 2021 and the date of this MD&A, the Company has a 100% interest in the Full Moon Project.

Duncan Lake Project

The Duncan Lake Project is a magnetite deposit located in the James Bay area approximately 50 kilometres south of Radisson, Quebec. A technical report containing the mineral resource estimate for the project, dated October 11, 2012, identified 1.1 billion tonnes of measured and indicated and 0.6 billion tonnes of inferred mineral resources. A preliminary economic assessment was also completed for the project in May, 2013.

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

As of March 31, 2021 and the date of this MD&A, the Company has a 68% registered interest in the Duncan Lake property.

Other Non-Ferrous Projects

Trudeau Gold Property, Century Metals and Reyna Silver

The Fabie-Trudeau-Eastchester Polymetallic Property, an exploration project, located approximately 35 kilometres northwest of the city of Rouyn-Noranda, Quebec consisting of three non-contiguous claim

groups in the surroundings of Duparquet Lake, namely Fabie, Trudeau and Eastchester, was wholly owned by Century Metals Inc., formerly a 50.2% owned subsidiary of the Company listed on the TSXV under the stock symbol CMET. On June 3, 2020, Century Metals amalgamated with Reyna Silver Corp., a company holding Mexican silver properties acquired from MAG Silver, by way of an RTO transaction, and changed its name to Reyna Silver Corp. (TSXV Ticker: RSLV). Immediately upon the completion of the RTO transaction, Reyna Silver Corp. became a 3.67% equity investment of the Company. Further financial details are discussed in note 30 of the Company's consolidated financial statements as at and for the year ended March 31, 2021.

Important Caution regarding the Joyce Lake project Feasibility Study

The results of the feasibility study completed on the Joyce Lake Project are forward-looking information that are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those presented in the Feasibility Study and in the underlying technical reporting. Please refer to the discussions in this Feasibility Study under "Risks and Uncertainties" and "Cautionary Statement regarding Forward-Looking Statements" as well as under "Cautionary Statement regarding Technical Information" at the end of this MD&A.

The results of the economic analysis on the Joyce Lake Project are forward-looking information that are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those presented here and in the underlying technical reporting.

Important Caution regarding Preliminary Economic Assessments

The financial analysis contained in the Preliminary Economic Assessments completed on the Company's projects is preliminary in nature. The studies incorporate inferred mineral resources that are considered too geologically speculative to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. These Preliminary Economic Assessments should not be considered to be prefeasibility or feasibility studies. There can be no certainty that the estimates contained in these Preliminary Economic Assessments will be realized. In addition, mineral resources that are not mineral reserves do not have demonstrated economic viability.

The results of the financial analysis in these Preliminary Economic Assessments are forward-looking information that are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those presented here and in those studies.

Important Caution regarding Mineral Resources

Mineral resources are not mineral reserves and do not have a demonstrated economic viability. The mineral resource estimates discussed herein may be affected by subsequent assessments of mining, environmental, processing, permitting,

taxation, socio-economic, legal, political and other factors. There is insufficient information available to assess the extent to which the potential development of the mineral resources described herein may be affected by these risks and the other risk factors discussed in the Company's most recent Annual Information Form.

SELECTED EXPLORATION AND EVALUATION EXPENDITURES

Iron Ore Projects

In light of challenging iron ore market conditions and a lower price environment, management performed an impairment review and recognized an impairment loss of \$20,654,725 on the Company's iron ore exploration and evaluation assets ("E&E Assets") in the year ended March 31, 2016, which resulted in a full impairment of the E&E Assets at that time.

As at March 31, 2021, the Company's iron ore E&E Assets balance was \$6,927,177 and was mainly pertaining to the Joyce Lake Project. Expenditure of \$395,106 was capitalized as iron ore E&E Assets during the year ended March 31, 2021. The Company has also recorded exploration and evaluation related expenditures of other iron ore projects that are put on care and maintenance in the profit and loss statement as "Project maintenance cost". Project maintenance cost for the Company's iron ore projects was \$31,346 during the year ended March 31, 2021, it arose primarily from claims renewal and maintenance, field property insurance and maintenance.

Other Non-Ferrous Projects

The total amount of E&E Assets capitalized for non-ferrous properties during the year ended March 31, 2021 was \$112,544.

An analysis of exploration and evaluation costs is as follows:

	2021	2020
	\$	\$
<u>Joyce Lake and Other Iron Ore Projects</u>		
Balance – April 1	-	-
Land claims renewal and staking	50,900	-
Data compilation, targeting, field data and geological report	25,000	-
Professional geological and engineering consultancy	86,176	-
Field supports, property and projects management	233,030	-
Additions from asset acquisition	6,532,071	-
Balance – March 31	6,927,177	-
<u>Fabie-Trudeau-Eastchester Polymetallic Project</u>		
Balance – April 1	-	451,239
Land claims renewal and staking	-	1,960
Data compilation, targeting, field data and geological report	-	40,695
Professional geological and engineering consultancy	-	21,375
Field supports, property and projects management	-	60,000
Adjustments for investment tax credits	-	52,503
Classified as assets held for sale	-	(627,772)
Balance – March 31	-	-
<u>Other Non-Ferrous Projects</u>		
Balance – April 1	8,082	4,458
Geophysical survey & geological mapping, prospecting & samplings	36,453	-
Land claims renewal and staking	754	3,624
Professional geological and engineering consultancy	563	-
Field supports, property and projects management	66,692	-
Balance – March 31	112,544	8,082
Total Balance – March 31	7,039,721	8,082

On June 3, 2020, the Fabie-Trudeau-Eastchester Polymetallic property was derecognized upon the completion of Century Metals' RTO transaction. For details, please refer to note 30 of the Company's consolidated financial statements for the year ended March 31, 2021.

SUMMARY OF FINANCIAL RESULTS

The Company's consolidated financial statements are presented in Canadian Dollars and are prepared in accordance with IFRS.

Selected Annual Information

Years ended	March 31, 2021	March 31, 2020	March 31, 2019
	(\$)	(\$)	(\$)
Total revenue	8,802,892	8,094,819	6,083,668
Net loss for the year attributable to owners of the Company	(2,028,989)	(5,378,608)	(5,373,518)
Basic and diluted net loss per share attributable to owners of the Company	(0.02)	(0.05)	(0.05)
Total assets	25,362,941	27,830,147	30,373,318
Total liabilities	2,561,086	3,812,287	1,756,316
Equity attributable to owners of the Company	22,591,205	23,410,822	28,712,830
Dividends for ordinary shares	-	599,964	-
Dividends per share for ordinary shares	-	0.006	-

Summary of Quarterly Results

Quarters ended	March 31, 2021 (\$)	December 31, 2020 (\$)	September 30, 2020 (\$)	June 30, 2020 (\$)
Total revenue	2,394,168	1,820,170	2,107,521	2,481,033
Net profit/(loss) for the period attributable to owners of the Company	(2,234,888)	(73,177)	(297,990)	577,066
Basic and diluted net profit/(loss) per share attributable to owners of the Company	(0.02)	(0.00)	(0.00)	0.01
Total assets	25,362,941	26,745,869	26,201,472	26,231,335
Total liabilities	2,561,086	2,197,832	1,530,613	1,662,657
Equity attributable to owners of the Company	22,591,205	24,548,037	24,670,859	24,568,678
Dividends for ordinary shares	-	-	-	-
Dividends per share for ordinary shares	-	-	-	-
Quarters ended	March 31, 2020 (\$)	December 31, 2019 (\$)	September 30, 2019 (\$)	June 30, 2019 (\$)
Total revenue	2,096,228	2,031,905	1,841,681	2,125,005
Net loss for the period attributable to owners of the Company	(1,966,453)	(973,159)	(1,000,123)	(1,438,873)
Basic and diluted net loss per share attributable to owners of the Company	(0.02)	(0.01)	(0.01)	(0.01)
Total assets	27,830,147	28,059,603	28,623,915	30,061,707
Total liabilities	3,812,287	2,599,790	2,215,615	2,597,026
Equity attributable to owners of the Company	23,410,822	24,847,553	25,960,740	26,894,147
Dividends for ordinary shares	-	-	-	599,964
Dividends per share for ordinary shares	-	-	-	0.006

RESULTS OF OPERATIONS

	Three months ended		Years ended	
	March 31,		March 31,	
	2021	2020	2021	2020
	(\$)	(\$)	(\$)	(\$)
Revenue	2,394,168	2,096,228	8,802,892	8,094,819
Cost of sales	(1,899,202)	(1,538,629)	(6,810,668)	(6,131,520)
Gross profit	494,966	557,599	1,992,224	1,963,299
Other income	62,974	38,225	481,259	279,058
Selling expenses	(162,526)	(91,038)	(517,644)	(502,347)
Administrative expenses	(1,432,235)	(1,154,977)	(4,726,518)	(5,565,557)
Project maintenance costs	(12,297)	(15,945)	(31,346)	(41,688)
Share-based compensation expenses	(467,460)	(48,506)	(468,531)	(76,138)
Gain/(loss) on foreign exchange	9,763	(103,781)	161,161	(142,169)
Gain on disposal of a subsidiary	-	-	1,554,576	46,525
Exchange loss on dissolution of a subsidiary in other currencies	-	-	(174,509)	(380,072)
Reversal of gain on equity interest arising from the acquisition of a subsidiary	(706,337)	-	-	-
Other losses	-	(905,697)	-	(905,697)
Impairment of investment in a joint venture	-	(360,000)	-	(360,000)
Interest expense	(2,378)	(5,383)	(13,916)	(21,976)
Share of profit/(loss) of a joint venture	-	13,896	(792)	31,376
Loss before tax	(2,215,530)	(2,075,607)	(1,744,036)	(5,675,386)
Income tax recovery/(charge)	(18,675)	80,333	(18,675)	80,333
Net loss for the period	(2,234,205)	(1,995,274)	(1,762,711)	(5,595,053)
Attributable to:				
Owners of the Company	(2,234,888)	(1,966,453)	(2,028,989)	(5,378,608)
Non-controlling interests	683	(28,821)	266,278	(216,445)
	(2,234,205)	(1,995,274)	(1,762,711)	(5,595,053)

	Three months ended		Years ended	
	March 31, 2021	2020	March 31, 2021	2020
	\$	\$	\$	\$
Net loss for the period	(2,234,205)	(1,995,274)	(1,762,711)	(5,595,053)
Other comprehensive income/(loss)				
Exchange gain/(loss) on translation of operations in other currencies	(40,955)	495,595	(442,486)	381,809
Changes in fair value of investment in equity instruments at FVTOCI	(841,007)	9,220	1,024,367	161,185
Other comprehensive income/(loss) for the period	(881,962)	504,815	581,881	542,994
Total comprehensive loss for the period	(3,116,167)	(1,490,459)	(1,180,830)	(5,052,059)
Attributable to:				
Owners of the Company	(3,116,850)	(1,461,638)	(1,447,108)	(4,835,614)
Non-controlling interests	683	(28,821)	266,278	(216,445)
	(3,116,167)	(1,490,459)	(1,180,830)	(5,052,059)

Analysis of Results of Operations

For the year ended March 31, 2021 and 2020

For the year ended March 31, 2021 ("2021"), the Company reported a total comprehensive loss of \$1,180,830, an approximately 77% improvement from the loss of \$5,052,059 in the comparable year ended March 31, 2020 ("2020").

During the year, the Company achieved an approximately 9% increase in revenue to \$8,802,892 and a substantial reduction of net loss by 68% to \$1,762,711, compared to revenue of \$8,094,819 and a net loss of \$5,595,053 for 2020. The changes are further discussed below.

Accretive Corporate Transactions

The Company completed two major transactions during the year: the RTO of Century Metals and the acquisition of the joint venture interests in the Attikamagen and the Sunny Lake iron ore projects from WISCO ADI. These transactions have contributed to one-off gain of approximately \$1.5 million during

2021, and significantly improved the cash and working capital positions of the Company to \$11.6 million and \$14.5 million respectively. Refer to “Business Update” for details of these transactions.

Revenue, cost of sales and gross profit

The Company's revenue of \$8,802,892 for 2021 was wholly derived from its food segment. In 2021, the Company mainly sold eggs, egg products and meats to customers including major retail chains, caterers, gourmet shops, hotels and restaurants in Hong Kong and Macau.

In 2021, the Company's food business continued its growth momentum and reported increasing revenue despite COVID-19. The COVID-19 has adversely impacted the Company's sales to the sectors of caterers, hotels and restaurants. The Company adjusted its sales strategy to focus on expanding supermarket shelf-space, penetrating into the gourmet shop, meat shop and wet market sectors as well as piloting in the direct sales channels. These measures have helped the Company to grow its sales in the retail sector which is less affected by the pandemic.

The Company's gross profit margin of 2021 was 22.6%.

Expenses and net loss

Factors contributing to the decrease in net loss of 2021 by \$3,832,342 or 68% over 2020 were as follows:

- Gross profit increased by \$28,925 as the food business continued to grow in 2021;
- Administrative expenses reduced by \$839,039 compared to 2020. The higher administrative expenses in 2020 was mostly attributable to higher consulting and professional fees incurred mainly for the study and evaluation of a target acquisition of a mining company in a formal bidding process, and loss on disposal of fixed assets recorded in that period;
- Exchange loss on the dissolution of a subsidiary in other currencies decreased by \$205,563. The 2021 loss of \$174,509 arose from the dissolution of the Group's subsidiary in the Cayman Islands and denoted in Hong Kong Dollars, whereas the 2020 loss on the dissolution of the Group's subsidiary in China was higher at \$380,072;
- Gain on disposal of a subsidiary amounting to \$1,554,576 was recorded in 2021. During 2021, the Group's subsidiary, Century Metals, completed the RTO transaction with Reyna Silver. Upon

closing of the RTO transaction, the Group was deemed to have disposed of Century Metals, and recorded a gain of \$1.55 million on the disposal;

- Share-based compensation expenses increased by \$392,393 due to a share option grant by the Company in 2021;
- Impairment of investment in a joint venture, Labec Century, of \$360,000 arising from an impairment of its receivable balance was made in 2020; and
- Other losses of \$905,697 were incurred in 2020. During 2020, the Group permanently closed its food service operations in mainland China to allow management to allocate resources and to focus on the Hong Kong food distribution business and its continued success in generating revenue and profit. As a result, the Group had written off the prepayments and inventories relating to its mainland China operations amounting to \$905,697.

Other comprehensive income

The increase in other comprehensive income by \$38,887 in 2021 was mainly due to an increase in the fair value of the Company's marketable securities, net of an increase in exchange loss on translation of operations in other currencies as a result of the appreciation of Canadian Dollars during 2021.

For the three months ended March 31, 2021 and 2020

For the quarter ended March 31, 2021 ("2021 Q4"), the Company reported a total comprehensive loss of \$3,116,167, a 109% increase compared to a loss of \$1,490,459 for the comparable quarter ended March 31, 2020 ("2020 Q4").

During the quarter, the Company's revenue increased by 14% to \$2,394,168, with net loss increased by 12% to \$2,234,205, compared to revenue of \$2,096,228 and a net loss of \$1,995,274 for 2020 Q4. The changes are further discussed below.

Revenue, cost of sales and gross profit

The Company's revenue of \$2,394,168 for 2021 Q4 was wholly derived from its food segment. In 2021 Q4, the Company mainly sold eggs, egg products and meats to customers including major retail chains, caterers, gourmet shops, hotels and restaurants in Hong Kong and Macau.

In 2021 Q4, after sales drop in Q2 and Q3 due to several waves of COVID-19 pandemic in Hong Kong, the Company's food business resumed its growth and even exceeded the revenue in 2020 Q4 when the pandemic was less severe. These remarkable achievements are the results of the successful adjustments of the Company's sales strategy to focus on expanding supermarket shelf-space, penetrating into the gourmet shop, meat shop and wet market sectors as well as piloting in the direct sales channels.

The Company's gross profit margin of 2021 Q4 was 20.7%.

Expenses and net loss

Factors contributing to the increase in net loss for 2021 Q4 by \$238,931 or 12% over 2020 Q4 were as follows:

- Administrative expenses increased by \$277,258 compared to 2020 Q4. The increase is mainly attributable to higher salaries as a result of an increase in headcount and a proposal of back-pay salaries and bonuses to the Company's employees;
- Share-based compensation expenses increased by \$418,954 due to a share option grant by the Company in 2021 Q4;
- Reversal of gain on equity interest arising from the acquisition of a subsidiary of \$706,337 was charged to statement of profit or loss in 2021 Q4. The reversal was due to a change in the accounting for the acquisition from WISCO ADI of its joint venture interests in the Attikamagen and Sunny Lake properties completed in November 2020. In the Company's unaudited condensed consolidated interim financial statements for the three and nine months ended December 31, 2020 (the "2021 Q3 Financial Statements"), the transaction was originally accounted for as a business combination, under which the Company recognized a gain on equity interest arising from the acquisition of a subsidiary of \$706,337 in the 2021 Q3 Financial Statements, as well as a reduction of \$657,814 in the Company's contributed surplus, leading to a net increase in the Company's equity by \$48,523 in the 2021 Q3 Financial Statements, representing a 0.2% impact on the Company's equity. During the

year-end audit of the Company's financial statements for the full year ended March 31, 2021, it was determined that the proper IFRS compliant treatment of the transaction is asset acquisition. As a result of the accounting change, the Company reversed the gain on equity interest of \$706,337 in 2021 Q4. Since the impact of the accounting change on the Company's total assets or equity is \$48,523 or 0.2%, and the change has not affected the Company's cash or working capital positions, management considered such change is not material to the Company, accordingly no restatement of the 2021 Q3 Financial Statements is considered necessary.

- Impairment of investment in a joint venture, Labec Century, of \$360,000 arising from an impairment of its receivable balance was made in 2020 Q4; and
- Other losses of \$905,697 were incurred in 2020 Q4. During 2020, the Group permanently closed its food service operations in mainland China to allow management to allocate resources and to focus on the Hong Kong food distribution business and its continued success in generating revenue and profit. As a result, the Group had written off the prepayments and inventories relating to its mainland China operations amounting to \$905,697 in 2020 Q4.

Other comprehensive loss

The increase in other comprehensive loss by \$1,386,777 in 2021 Q4 was mainly due to a decrease in the fair value of the Company's marketable securities and the exchange loss on translation of operations in other currencies as a result of the appreciation of Canadian Dollars during 2021 Q4, while Canadian Dollars depreciated during 2020 Q4 leading to an exchange gain.

CONSOLIDATED FINANCIAL POSITION

Consolidated Assets

Consolidated assets decreased by \$2,467,206 from \$27,830,147 as at March 31, 2020 to \$25,362,941 as at March 31, 2021. The change was primarily due to the disposal of Century Metals and thus a reduction in the corresponding assets such as exploration and evaluation assets of the Trudeau gold property and cash and cash equivalents held by Century Metals.

Consolidated Liabilities

Consolidated liabilities decreased by \$1,251,201 from \$3,812,287 as at March 31, 2020 to \$2,561,086 as at March 31, 2021. The decrease in liabilities was mainly due to the disposal of Century Metals and

thus a reduction in the corresponding liabilities which were mainly subscriptions received by Century Metals.

Shareholders' Equity

Equity attributable to owners of the Company decreased by \$819,617 from \$23,410,822 as at March 31, 2020 to \$22,591,205 as at March 31, 2021. The decrease was primarily due to the net loss of \$2,028,989 attributable to the owners of the Company incurred during the year ended March 31, 2021, and the increase in investment fair value reserve by \$1,024,367. Net loss of the Company was primarily resulted from the administrative costs for maintaining and running the Group's mining projects, the operation of the food business and a loss on dissolution of a subsidiary, net of gross profit from the food business and a gain on disposal of a subsidiary. Increase in investment fair value reserve was mainly resulted from an increase in the fair value of the Group's marketable securities.

The Company's share capital has not changed during the year ended March 31, 2021. As at March 31, 2020 and 2021, the Company had 98,504,571 ordinary shares issued and outstanding, representing the amount of \$117,057,236.

Holders of the Company's securities may obtain a copy of the Company's filings with the TSX without charge, by making a request to the Company at its headquarters in Hong Kong.

SIGNIFICANT EQUITY INVESTEE

Prior to the Acquisition on November 19, 2020, the Company owned a 60% interest in the Labec Century Joint Venture, which represented a net book value of \$7,379,403 as at November 19, 2020. The Company had joint control of this entity from an accounting perspective, and its interest was therefore accounted for using the equity method. The summarized financial information of Labec Century is disclosed in note 14 of the consolidated financial statements of the Company for the year ended March 31, 2021. On November 19, 2020, the Company acquired the remaining 40% interest in Labec Century and became the sole owner of Labec Century. Accordingly, the Company fully consolidates Labec Century from that date onwards as it has obtained control of Labec Century.

LIQUIDITY AND CAPITAL RESOURCES

As at March 31, 2021, the Company had cash and cash equivalents and short-term bank deposits of \$11,634,712 to settle current liabilities of \$2,552,072. The net working capital of the Company was \$14,479,748 as at March 31, 2021. The Company's cash and cash equivalents and short-term bank deposits are deposited with major banks. The Company also invested in market securities with high liquidity and yields through a reputable broker in Canada. As at March 31, 2021, the Company had investment of \$1,609,750 in mining companies' equities traded in international capital markets.

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

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

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

	2021	2020
	\$	\$
Lease liabilities		
Within 1 year	143,686	260,699
Between 1 and 2 years	9,014	146,099
Between 2 and 3 years	-	8,838
More than 3 years	-	-
	<u>152,700</u>	<u>415,636</u>

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

Transactions with related parties

In addition to transactions detailed elsewhere in this MD&A, the Company has the following related party transactions:

- During the year ended March 31, 2021, the receivable from Labec Century has been fully settled and Labec Century has become a wholly-owned subsidiary of the Group after the Acquisition. As of March 31, 2020, the Group had accounts receivable of \$4,309,865 from Labec Century. The balance mainly comprised exploration expenditure at the Joyce Lake DSO Project and the Hayot Lake Taconite Project incurred and paid by the Group on behalf of Labec Century after Labec Century became the Group's joint venture. The balance was repayable upon request.
- During the year ended March 31, 2021, the receivable from Century Sunny Lake has been fully settled and Century Sunny Lake has become a wholly-owned subsidiary of the Group after the Acquisition. As of March 31, 2020, the Group had accounts receivable of \$3,210,771 from Century Sunny Lake. The balance comprised exploration expenditure at the Black Bird DSO Project and the Full Moon Taconite Project incurred and paid by the Group on behalf of Century Sunny Lake. The balance was repayable upon request.
- As of March 31, 2021, the Group had accounts receivable of \$88,853 (2020: \$193,578) from management for an advance for business purpose.
- On November 19, 2020, the Group acquired from WISCO ADI its joint venture interests in the Attikamagen and the Sunny Lake properties. For details, please refer to note 31 of the Company's consolidated financial statements as at and for the year ended March 31, 2021.
- On March 1, 2021, 700 shares representing an interest of 7% were allotted by CFIHL to the Group's officers for a cash consideration of approximately \$114,000.

These related party transactions are in the normal course of business and are measured at the transaction amounts, which is the amount of consideration established and agreed to by the related parties or transacted over an open market. Management estimates that these transactions were undertaken under the same terms and conditions as transactions with non-related parties.

Remuneration of key management personnel

	Three months ended		Years ended	
	March 31,		March 31,	
	2021	2020	2021	2020
	\$	\$	\$	\$
Salaries and directors' fees	522,217	314,050	1,449,242	1,167,700
Share-based compensation expenses	246,032	536	246,526	19,220
	<u>768,249</u>	<u>314,586</u>	<u>1,695,768</u>	<u>1,186,920</u>

DISCLOSURE OF OUTSTANDING SHARE DATA

As at the date of this MD&A, the Company had 98,504,571 ordinary shares issued and outstanding, and 11,742,500 stock options under the Company's equity incentive plan outstanding.

INTERNAL CONTROL OVER FINANCIAL REPORTING ("ICFR")

The Company's management, with the participation of its CEO and CFO, is responsible for establishing and maintaining adequate internal control over financial reporting. The Company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Company's internal control over financial reporting includes policies and procedures that:

- pertain to the maintenance of records that accurately and fairly reflect, in reasonable details, the transactions and dispositions of assets of the Company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS and that the Company's receipts and expenditures are made only in accordance with authorizations of management and the Company's Directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Company's financial statements.

There has been no change in the Company's internal control over financial reporting during the year ended March 31, 2021 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

DISCLOSURE CONTROLS AND PROCEDURES ("DC&P")

The Company has established and maintained disclosure controls and procedures over financial reporting. Management has designed and implemented the disclosure controls and procedures to provide reasonable assurance that material information relating to the Company and its subsidiaries is made known to the CEO and the CFO to allow timely decisions regarding required disclosure.

The Chief Executive Officer and Chief Financial Officer of the Company certified on its ICFR and DC&P for the year ended March 31, 2021 using the 2013 COSO Framework in accordance with the regulatory requirements under National Instrument 52-109.

There are inherent limitations in all control systems and no disclosure controls and procedures can provide complete assurance that no future errors or fraud will occur. An economically feasible control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

CRITICAL ACCOUNTING ESTIMATES

The Company makes estimates and assumptions concerning the future that are believed to be reasonable under the circumstances. Future events and risk factors inherent in the mining industry could result in changes in these estimates and assumptions. Estimates and judgements are continuously evaluated and are based on management's experience and other factors, including expectations about future events. The following are the estimates and judgements applied by management that most significantly affect the Company's consolidated financial statements.

Valuation of exploration and evaluation assets

The Company carries its exploration and evaluation assets at cost less provision for impairment. The Company reviews the carrying value of its exploration and evaluation assets whenever events or changes in circumstances indicate that their carrying values may not be recoverable, based on IFRS 6 *Exploration for and Evaluation of Mineral Resources* and IAS 36 *Impairment of Assets*. In undertaking this review, management is required to make significant estimates of, amongst other things, future production and

sale values, unit sales prices, future operating and capital costs and reclamation costs to the end of the mine's life. These estimates are subject to various risks and uncertainties, which may ultimately have an effect on the expected recoverability of the carrying value of the exploration and evaluation assets. In the event that the prospects for the development of the investment project and the mineral projects are enhanced in the future, an assessment of the recoverable amount of the projects will be performed at that time, which may lead to a reversal of part or all of the impairment that has been recognized.

Business combination and assets acquisition

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

COVID-19

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

CHANGES IN ACCOUNTING POLICIES

The Group applies, for the first time, certain standards and amendments, which are effective for annual periods beginning on or after April 1, 2020. The nature and effect of the changes that result from the adoption of these new standards are described below. Other than the changes described above, the accounting policies adopted are consistent with those of the previous financial year.

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

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

In particular, the amendments clarify that the reference to obscuring information addresses situations in which the effect is similar to omitting or misstating that information, and that an entity assesses materiality in the context of the financial statements as a whole. The amendments also clarify the meaning of “primary users of general purpose financial statements” to whom those financial statements are directed, by defining them as “existing and potential investors, lenders and other creditors” that must rely on general purpose financial statements for much of the financial information they need. The amendments have no significant impact on the Group’s consolidated financial statements.

Amendments to IFRS 3: *Definition of a Business*

The amended definition of a business requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of the term “outputs” is amended to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits. The amendments have no impact on the Group’s consolidated financial statements, but may impact future periods should the Group enter into any business combinations.

Amendments to IFRS 7, IFRS 9 and IAS 39: *Interest Rate Benchmark Reform*

The amendments to IFRS 9 and IAS 39 *Financial Instruments: Recognition and Measurement* provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the consolidated financial statements of the Group as it does not hedge.

Amendment to IFRS 16: *Covid-19-Related Rent Concessions*

On 28 May 2020, the IASB issued amendments to IFRS 16: *Covid-19-Related Rent Concessions*. The amendment provides relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a COVID-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the COVID-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification. The amendment has no impact on the consolidated financial statements of the Group.

FINANCIAL AND OTHER INSTRUMENTS

The Company's financial assets consist of cash and cash equivalents, short term bank deposits, marketable securities and trade and other receivable, whereas the Company's financial liabilities consist of trade and other payables. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these instruments approximates their carrying value due to the short-term nature of their maturity, and marketable securities are re-measured at fair value at each quarterly reporting date.

RISKS AND UNCERTAINTIES

In addition to considering the discussion provided in this report as to certain risks that are faced by, or that could be faced by, the Company in pursuing its plans for its properties, and more generally in implementing those plans, readers and investors are encouraged to consider the risk factors set out in the Company's Annual Information Form for the fiscal year ended March 31, 2021.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This MD&A contains forward-looking statements that reflect management's current expectations, estimates and projections with regard to future events regarding the Company's business and the economic environment in which it operates. Generally, forward-looking statements are identified by the use of forward-looking language such as "plans", "targets", "prospects", "expects", "estimates", "intends", "anticipates", "believes", or the negative connotation thereof, or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", or "will", "occur"

or the negative connotation thereof. Forward-looking statements included in this MD&A include statements made with respect to strategic plans and future corporate developments, future exploration expenditure or other plans, conducting and completing preliminary economic assessments or feasibility studies with respect to certain of its properties and the publication of further resource estimates, including, but not limited to, those Company objectives as described above under "Mineral Exploration and Development Overview". Forward-looking statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements. Such risks include, but are not limited to: (i) risks inherent in the exploration for and development of mineral deposits and other business ventures; (ii) financing, capitalization and liquidity risks, including the risk that financing necessary to fund the exploration and development activities at the Company's properties, or its other activities or strategic initiatives, may not be available on satisfactory terms, or at all; (iii) regulatory risks, including risks relating to the acquisition of necessary licenses and permits; (iv) uncertainties inherent in the estimation of mineral reserves and resources; (v) risks that production estimates may be inaccurate; (vi) construction and operational risks inherent in the conduct of mining activities, including the risk of increases in capital and operating costs and the risk of delays or increased costs that could be encountered during the construction and development process; (vii) risks relating to changes in iron ore prices and other commodities and the worldwide demand for and supply of iron ore and other commodities; (viii) risks relating to the remoteness of the Company's properties including access and supply risks and reliance on key personnel; (ix) environmental risks, including risks relating to climate change and the potential impact of global warming on project timelines and on construction and operating costs; (x) the risk of fluctuations in currencies exchange rate; (xi) insurance risks; (xii) volatility in the Company's stock price; and (xiii) risks relating to the evaluation and identification of prospective transactions arising from the review by Century of its strategic options and its available working capital.

These statements speak only as of the date on which they are made, are not guarantees of future performance and involve risks and uncertainties that are difficult to control or predict. Actual outcomes and results may differ materially from those expressed in these forward-looking statements and readers should not place undue reliance on such statements.

Such forward-looking statements are necessarily based upon a number of factors and assumptions that, while considered reasonable by the Company as of the date of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The assumptions underlying the forward-looking information in this MD&A, which may prove to be incorrect, include, but are not limited to, assumptions relating to:

- a. the Company's business strategies with respect to its iron ore, food and other business ventures, including exploration and development plans;
- b. the costs of implementation of the Company's business plans and exploration and development plans;
- c. the availability of sufficient capital to enable the Company to carry out its business strategy and exploration and development plans;
- d. whether Joyce Direct Iron Inc. will be accepted for listing on the Australian Securities Exchange and will be able to complete an initial public offering of its common shares;
- e. whether Joyce Direct Iron Inc. will achieve the required funding to advance the Joyce Lake Project towards development;
- f. the state of the economy and the mineral exploration industry in general and global demand for iron ore;
- g. world economic conditions and supply and demand of commodities, as well as related economic conditions in China;
- h. the provision of goods and services by contracted parties on agreed timeframes, plant and equipment work being advanced or otherwise functioning as anticipated;
- i. the accuracy of the estimates of mineral resource included in the NI 43-101 technical reports on the Company's material properties;
- j. the accuracy of the projections derived from the feasibility study of the Company's Joyce Lake Project included in the NI 43-101 technical reports on this property;
- k. the accuracy of the projections derived from the preliminary economic analysis of the Company's Duncan Lake and Full Moon Properties included in the NI 43-101 technical reports on these properties;
- l. the results of future exploration and development programs will be consistent with results and estimates included in the Company's NI 43-101 technical reports on the Company's material properties;
- m. that aboriginal rights will be settled in a manner that will enable the Company to proceed with its planned exploration and development programs;
- n. the Company will be able to obtain the required regulatory approvals necessary to enable it to proceed with its exploration and development programs;
- o. the Company will not encounter any unanticipated geological or technical problems in carrying out its exploration and development programs;
- p. the price of iron ore remaining consistent with the Company's expectations;
- q. there will not be any material adverse events or changes outside the normal course of business for the Company;

- r. the competitive environment for iron ore, other base and precious metals, food products in China and technology and financial services in China worldwide;
- s. the cost of compliance with health standards in particular with respect to the quality food products the Company intends to distribute in Chinese markets; and
- t. regulatory compliance requirements as they apply in particular to the distribution of food products in China and the provision of technology services and financial services in China and other countries.

No assurance can be given that these assumptions will prove to be correct. These assumptions should be considered carefully by readers. Readers are cautioned not to place undue reliance on the forward-looking information and statements or the assumptions on which the Company's forward-looking information and statements are based.

Investors are advised to carefully review and consider the discussion in this MD&A regarding risks that are faced by, or could be faced by, the Company in pursuing its plans for its properties and its plans to seek out new activities and opportunities, as well as the risk factors provided in the Company's Annual Information Form for the year ended March 31, 2021. The forward-looking statements contained in this MD&A are made as of the date hereof and, accordingly are subject to change after such date.

The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement.

CAUTIONARY STATEMENT REGARDING TECHNICAL INFORMATION

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

Any mineral resource figures referred to in this MD&A are estimates, and no assurances can be given that the indicated levels of iron will be produced. Such estimates are expressions of judgment based on knowledge, mining experience, analysis of drilling results and industry practices. Valid estimates made at a given time may significantly change when new information becomes available. While the Company

believes that the resource estimates included in this MD&A are well established, resource estimates are by their nature imprecise and depend, to a certain extent, upon statistical inferences which may ultimately prove unreliable. If such estimates are inaccurate or are reduced in the future, this could have a material adverse impact on the Company.

This MD&A uses the terms “measured”, “indicated” and “inferred” mineral resources. Mineral resources are not mineral reserves and do not have demonstrated economic viability. Furthermore, “inferred mineral resources” have a great amount of uncertainty as to their existence, are estimated on limited information not sufficient to verify geological and grade continuity or to allow technical and economic parameters to be applied, 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.

All of the technical disclosure contained in this MD&A pursuant to NI 43-101 have been reviewed and approved by the Company's Director of Exploration, Allan (Wenlong) Gan, P.Geo, a Qualified Person as defined by NI 43-101.