Century Global Commodities Corporation

(Formerly Century Iron Mines Corporation)

Consolidated Financial Statements
March 31, 2016
(Expressed in Canadian Dollars)

Management's Responsibility for Financial Reporting

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

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

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

(Signed) ***"Sandy Chim"***
Sandy Chim
Chief Executive Officer

(Signed) ***"Rebecca Ng"***
Rebecca Ng
Chief Financial Officer

June 23, 2016

June 23, 2016

Independent Auditor's Report

To the Shareholders of
Century Global Commodities Corporation

We have audited the accompanying consolidated financial statements of Century Global Commodities Corporation and its subsidiaries, which comprise the consolidated statements of financial position as at March 31, 2016 and March 31, 2015 and the consolidated statements of comprehensive loss, changes in equity, and cash flows for the years then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

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

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

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

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

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

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Century Global Commodities Corporation and its subsidiaries as at March 31, 2016 and March 31, 2015 and their financial performance and their cash flows for the years then ended in accordance with International Financial Reporting Standards.

(Signed) "PricewaterhouseCoopers LLP"

Chartered Professional Accountants, Licensed Public Accountants

Century Global Commodities Corporation
Consolidated Statement of Financial Position
As of March 31, 2016

(Expressed in Canadian Dollars, unless otherwise stated)

	Notes	March 31, 2016 $	March 31, 2015 $
Assets			
Current assets			
Cash and cash equivalents		14,668,097	28,651,312
Short term bank deposits		10,103,303	2,042,907
Accounts receivable	19	9,813,385	11,079,763
Sales taxes recoverable		213,043	889,354
Tax credits receivable		28,885	324,380
Prepaid and other assets		977,878	419,889
Total current assets excluding assets classified as held for sale		35,804,591	43,407,605
Assets classified as held for sale	6	155,745	-
		35,960,336	43,407,605
Non-current assets			
Exploration and evaluation assets	7	-	20,707,967
Property, plant and equipment	8	395,995	1,957,381
Investment in a joint venture	9	8,062,026	60,277,531
		8,458,021	82,942,879
		44,418,357	126,350,484
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		815,339	1,961,048
Shareholders' Equity			
Share capital	11	117,220,159	117,220,571
Contributed surplus		2,758,368	2,758,368
Deficit		(89,499,104)	(7,979,308)
Other components of equity		13,123,595	12,389,805
		43,603,018	124,389,436
		44,418,357	126,350,484

Subsequent event (Note 25)

Approved by the Board of Directors

/s/ "Sandy Chim" Director
Date: June 23, 2016

/s/ "Kit Ying (Karen) Lee" Director
Date: June 23, 2016

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

Century Global Commodities Corporation

Consolidated Statement of Comprehensive Loss
For the year ended March 31, 2016

(Expressed in Canadian Dollars, unless otherwise stated)

		Years ended March 31,	
		2016	**2015**
	Notes	**$**	**$**
Expenses			
Administrative expenses	14	7,087,782	6,741,927
Share-based compensation expenses	12	889,527	226,912
Share of loss of a joint venture, excluding impairment loss	9	308,018	213,246
Share of loss of an associate	10	-	66,000
Loss on disposal of investment in an associate	10	-	1,140,326
Impairment losses, including share of impairment loss from a joint venture	15	73,760,146	12,631,843
Gain on foreign exchange	24	(105,936)	(1,006,324)
Other income	16, 24	(419,741)	(438,275)
Loss before income taxes		(81,519,796)	(19,575,655)
Income tax recovery	17	-	232,907
Net loss for the year		(81,519,796)	(19,342,748)
Other comprehensive loss			
Exchange loss on translation of foreign operations		(155,737)	(939,051)
Total comprehensive loss for the year		(81,675,533)	(20,281,799)
Net loss per common share – basic and diluted	18	(0.83)	(0.20)
Weighted average number of common shares outstanding		98,794,180	98,797,426

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

Century Global Commodities Corporation
Consolidated Statement of Changes in Equity
For the year ended March 31, 2016

(Expressed in Canadian Dollars, unless otherwise stated)

				Other components of equity			
	Share capital $	Contributed surplus $	Retained earnings (Deficit) $	Share-based compensation reserve $	Foreign currency translation reserve $	Warrants $	Total $
Balance - March 31, 2014	117,225,951	2,758,368	11,363,440	13,517,461	(435,517)	20,000	144,449,703
Net loss for the year	-	-	(19,342,748)	-	-	-	(19,342,748)
Other comprehensive loss for the year	-	-	-	-	(939,051)	-	(939,051)
Total comprehensive loss for the year	-	-	(19,342,748)	-	(939,051)	-	(20,281,799)
Shares repurchased (note 11)	(5,380)	-	-	-	-	-	(5,380)
Equity-settled share-based compensation arrangements (note 12)	-	-	-	226,912	-	-	226,912
Balance - March 31, 2015	117,220,571	2,758,368	(7,979,308)	13,744,373	(1,374,568)	20,000	124,389,436
Net loss for the year	-	-	(81,519,796)	-	-	-	(81,519,796)
Other comprehensive loss for the year	-	-	-	-	(155,737)	-	(155,737)
Total comprehensive loss for the year	-	-	(81,519,796)	-	(155,737)	-	(81,675,533)
Shares repurchased (note 11)	(412)	-	-	-	-	-	(412)
Equity-settled share-based compensation arrangements (note 12)	-	-	-	889,527	-	-	889,527
Balance – March 31, 2016	117,220,159	2,758,368	(89,499,104)	14,633,900	(1,530,305)	20,000	43,603,018

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

Century Global Commodities Corporation
Consolidated Statement of Cash Flows
For the year ended March 31, 2016

(Expressed in Canadian Dollars, unless otherwise stated)

Cash generated by (used in)	**Notes**	**Years ended March 31, 2016 $**	**2015 $**
Operating activities			
Loss before income taxes		(81,519,796)	(19,575,655)
Adjustments for			
Bank interest income accrued		(267,341)	(356,426)
Depreciation	14	271,719	103,652
Loss (Gain) on disposal of fixed assets		(11,219)	38,917
Gain on foreign exchange		(105,936)	(1,006,324)
Share-based compensation arrangements	12	889,527	226,912
Impairment losses	15	73,760,146	12,631,843
Loss on disposal of investment in an associate	10	-	1,140,326
Share of loss of a joint venture	9	308,018	213,246
Share of loss of an associate	10	-	66,000
Other		-	43,589
Changes in working capital items			
Decrease (increase) in accounts receivable		1,352,692	(1,344,831)
Decrease (increase) in sales taxes recoverable		676,311	(417,732)
Decrease (increase) in prepaid and other assets		(550,001)	510,705
Increase (decrease) in accounts payable and accrued liabilities		(1,312,631)	(1,472,695)
Net cash used in operating activities		(6,508,511)	(9,198,473)
Investing activities			
Bank interest received		172,627	355,692
Short term bank deposits		(8,060,395)	(34,476)
Exploration and evaluation assets		(106,052)	(1,482,230)
Investment in a joint venture		(108,671)	-
Investment tax credit refunds received		621,712	9,173,449
Net change in property, plant and equipment		56,542	79,808
Net cash (used in) generated by investing activities		(7,424,237)	8,092,243
Net change in cash and cash equivalents		(13,932,748)	(1,106,230)
Cash and cash equivalents - Beginning of year		28,651,312	29,705,384
Effect of foreign exchange rate changes, net		(50,467)	52,158
Cash and cash equivalents - End of year		14,668,097	28,651,312
Cash in bank and on hand		4,317,937	9,911,439
Short term bank deposits - maturing three months or less		10,350,160	18,739,873
Cash and cash equivalents - End of year		14,668,097	28,651,312

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

1. Nature of operations

Century Global Commodities Corporation (the "Company"), formerly known as Century Iron Mines Corporation, was incorporated under the Canada Business Corporations Act on July 10, 2007. The Company is an exploration and mining company with assets in the Provinces of Newfoundland and Labrador, and Québec, Canada. The Company's registered address is PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

On September 19, 2011, the Company graduated from the TSX Venture Exchange to the Toronto Stock Exchange (the "TSX") and the shares of the Company commenced trading on TSX under the symbol "FER". The Company was originally incorporated and domiciled in Canada. On October 17, 2014, the Company completed the continuation of the Company's jurisdiction of incorporation from Canada federal registration to Provincial registration in British Columbia.

On September 29, 2015, the Company's shareholders approved a special resolution at the Annual General and Special Meeting of the shareholders authorizing the change of the Company's name from "Century Iron Mines Corporation" to "Century Global Commodities Corporation" ("Name Change") and the continuation of the Company's jurisdiction of incorporation from British Columbia to the Cayman Islands ("Continuation"). The Name Change was completed on November 16, 2015, with the shares of the Company trading on the TSX under the new symbol "CNT" beginning on November 18, 2015. The Continuation was completed on February 1, 2016.

These audited consolidated financial statements were approved by the Board of Directors for issue on June 23, 2016.

2. Basis of preparation

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

3. Significant accounting policies

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

Basis of measurement

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

Principles of consolidation

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

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

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

Name of entity	Country of registration	Ownership Direct	Ownership Indirect
Grand Century Iron Ore Inc.	Cayman Islands	100%	-
Century Iron Mines Hong Kong Holdings Limited	Hong Kong	-	100%
Century Iron Ore Holdings Inc.	Canada	100%	-
Canadian Century Iron Ore Corporation	Canada	-	100%
0849873 B.C. Ltd.	Canada	-	100%

Translation of foreign currency

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

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

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

Joint arrangements

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

Under the equity method of accounting, interests in joint ventures are initially recognized in the consolidated statement of financial position at initial cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses and movements in other comprehensive income in the income statement and in other comprehensive income respectively. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

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

Cash and cash equivalents

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

Short term bank deposits

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

Financial instruments

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

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

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

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

(ii) Financial liabilities at amortized cost: Financial liabilities are initially recognized at the amount required to be paid, less, when material, a discount to reduce the payables to fair value. Subsequently, financial liabilities are measured at amortized cost using the effective interest method. The Group's financial liabilities are accounts payable and accrued liabilities and classified as current liabilities. They are not discounted due to their short-term nature.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also

categorized as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

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

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

Exploration and evaluation expenditures

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

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

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

Tax credits and mining credits on duties

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

Property, plant and equipment

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

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

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

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

Asset impairment

(i) Financial assets

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

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

(ii) Exploration and evaluation assets

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

(iii) Property, plant and equipment

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

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

recognized for the asset in prior periods. A reversal of an impairment loss is recognized in profit or loss immediately.

(iv) Investment in joint ventures

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

Share-based compensation expenses and reserve

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

The cost of equity-settled transactions is recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge to the profit or loss for a period represents the movement in the cumulative expense recognized as at the beginning and end of that period.

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

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

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

Provisions

Provisions are recognized in other liabilities when: the Group has a present legal or constructive obligation as a result of a past event; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be reliably estimated. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting

period, and are discounted to present value where the effect is material. Any increase in the provision due to the passage of time is recognized as a finance cost.

Income taxes

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

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

Deferred tax is recognized in respect of temporary differences arising between the tax basis of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted on the reporting date and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they related to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously. Deferred tax assets are recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

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

Sales taxes

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

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

Revenue recognition

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

Leases

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

Net earnings (loss) per share

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

Related parties

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

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

or

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

4. Critical accounting estimates and judgments

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

(i) Valuation of exploration and evaluation assets

The Group carries its exploration and evaluation assets at cost less provision for impairment. The Group reviews the carrying value of its exploration and evaluation assets whenever events or changes in circumstances indicate that their carrying values may not be recoverable, based on IFRS 6 and IAS 36. In undertaking this review, management is required to make significant estimates of, amongst other things, future production and sale values, unit sales prices, future operating and capital costs and

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

(ii) Valuation of property, plant and equipment

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

(iii) Valuation of accounts receivable

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

(iv) Share option expenses

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

(v) Classification of joint arrangements

Following the transaction described in note 9, the Group now owns 60% interest in Labec Century Iron Ore Inc. ("Labec Century"). Pursuant to the agreement between the shareholders of Labec Century, the approval of significant financial and operating policies of Labec Century requires consent from both shareholders. Consequently, the Group is deemed to have joint control over Labec Century. Per application of IFRS 11 Joint Arrangements, the Group has the right to the net assets of Labec Century and as such, Labec Century is accounted for as a joint venture in accordance with IFRS 11.

(vi) Valuation of investment in a joint venture

The Company's investment in Labec Century was initially recognized at fair value at the date of acquisition and accounted for using the equity method of accounting at each reporting period. The Company applies IAS 39- Financial Instruments: Recognition and Measurement to identify whether any objective evidence exists indicating the possibility for potential impairment; IAS 36 –Impairment of assets, the guideline for impairment assessment of the Company's assets. Management use their judgement in assessing the factors and making estimates and assumptions that are supported by quantifiable market information, supplemented by internal analysis as required. These assessment and estimates have been applied in a manner consistent with prior periods. In the event that the prospects for the development of the investment project and the mineral projects are enhanced in the future, an assessment of the recoverable amount of the projects will be performed at that time, which may lead to a reversal of part or all of the impairment that has been recognized.

5. New standards and interpretations

No new standards were adopted by the Company during the year ended March 31, 2016.
The following is a list of standards and interpretations that have been issued and are not yet effective.

IFRS 9 *Financial Instruments*

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

IFRS 15 *Revenue from Contracts with Customers*

Effective for the Company's annual consolidated financial statements beginning April 1, 2018, this standard includes new guidance on revenue recognition criteria, recognition of variable consideration, licenses, contract costs and disclosures. The Company is currently evaluating the impact of adopting this standard on its consolidated financial statements.

IFRS 16 *Leases*

Effective for the Company's annual consolidated financial statements beginning April 1, 2019, this standard replaces the current guidance in IAS 17 and requires lessees to recognize a lease liability reflecting future lease payments and a "right-of-use asset" for virtually all lease contracts. The IASB has included an optional exemption for certain short-term leases and leases of low-value assets. The Company is currently evaluating the impact of adopting this standard on its consolidated financial statements.

6. Assets classified as held for sale

On February 1, 2016, the Company's management committed a plan to put three properties located in Schefferville on sale. These properties were previously used for staff accommodations during the operation seasons. The total net book value ("NBV") of these properties was $155,745, and were reclassified separately in current assets as "assets classified as held for sale". These assets held for sale were subsequently disposed of on May 12, 2016 for cash consideration of $569,500. Further details about the transaction are provided in Note 25.

7. Exploration and evaluation assets

	Duncan Lake property $	Sunny Lake property $	Altius properties $	Other properties $	Total $
Balance - March 31, 2014	17,214,037	3,069,502	10,367,650	322,304	30,973,493
Additions	48,228	-	1,948,908	-	1,997,136
Tax credits, net of adjustments	337,272	38,928	-	(7,019)	369,181
Impairment (note 15)	-	-	(12,316,558)	(315,285)	(12,631,843)
Balance - March 31, 2015	17,599,537	3,108,430	-	-	20,707,967
Additions	54,017	-	-	-	54,017
Tax credits, net of adjustments	(159,294)	52,035	-	-	(107,259)
Impairment (note 15)	(17,494,260)	(3,160,465)	-	-	(20,654,725)
Balance - March 31, 2016	-	-	-	-	-

Duncan Lake property

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

As of March 31, 2016, the Group has a 65% registered interest in the Duncan Lake property.

At March 31, 2016, with the weakening iron ore market condition, an impairment review was performed on the Duncan Lake property, and the review has resulted in an impairment charge of $17,494,260, and a net book value of nil, Further details about the assumptions and conditions pertaining to the impairment review are provided in note 15.

Sunny Lake property

On December 19, 2011, the Company and WISCO International Resources Development & Investment Limited ("WISCO") entered into the Sunny Lake joint venture agreement (the "Sunny Lake JV Agreement") that governs the joint venture formed between the Company and WISCO for the exploration

and development of the Sunny Lake property (the "Sunny Lake Joint Venture"). Under the Sunny Lake JV Agreement, WISCO could earn a 40% interest in the Sunny Lake property by investing a total of $40 million in the Sunny Lake Joint Venture.

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

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

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

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

As at March 31, 2016, the Company owns 81.1% of the Sunny Lake property and the remaining funding obligation of WISCO ADI to earn in up to a 40% of interest in the property is $21.1 million.

At March 31, 2016, with the weakening iron ore market condition, an impairment review was performed on the Sunny Lake property, and the review has resulted in an impairment charge of $3,160,465, and a net book value of nil. Further details about the assumptions and conditions pertaining to the impairment review are provided in note 15.

Altius properties

On September 19, 2011, the Company and Altius Minerals Corporation ("Altius") signed a principal agreement (the "Altius Agreement") covering four of Altius' regional iron ore projects in the Labrador Trough: Astray, Grenville, Menihek and Schefferville West. Under the Altius Agreement, the Company acquired a 100% interest in the four projects in exchange for a commitment of exploration expenditures of $7 million per project cumulatively over a 5-year period and the issuance of 5,000,000 common shares.
The acquisition of the Altius properties was accounted for using the market price of the common shares issued on November 18, 2011 and November 18, 2013 with respective amounts of $4,200,000 and $1,500,000 which were capitalized to exploration and evaluation assets.

During the year ended March 31, 2015, management decided not to plan or perform any further exploration work on the Altius projects due to their non-core nature. As a result, impairment charges of $5,471,839 and $6,844,719 were recorded in the second quarter and fourth quarter of the fiscal year ended March 31, 2015, respectively. On July 6, 2015, the Company reached an agreement with Altius to extinguish all obligations

under previous agreements and to transfer to Altius all the Company's exploration claims on the Altius projects. The transfer of claims to Altius was completed in September 2015.

8. Property, plant and equipment

	Land $	Drilling & field equipment $	Camp and properties $	Leasehold improvements, Furniture & fixtures $	Computer & office equipment $	Vehicles $	Total $
Cost							
Balance - March 31, 2014	169,677	2,719,350	1,641,301	400,388	351,187	401,265	5,683,168
Additions	-	-	-	2,319	5,949	-	8,268
Disposals	-	(46,917)	(28,536)	(167,410)	(21,479)	-	(264,342)
Exchange differences	-	-	-	29,960	5,801	-	35,761
Balance - March 31, 2015	169,677	2,672,433	1,612,765	265,257	341,458	401,265	5,462,855
Additions	-	-	-	-	20,316	-	20,316
Disposals	-	(4,567)	(7,761)	(32,705)	(3,930)	(259,019)	(307,982)
Impairment (note 15)	(100,000)	(1,612,028)	(842,064)	(3,350)	(8,900)	(18,008)	(2,584,350)
Exchange differences	-	-	-	1,523	576	-	2,099
Transferred to assets classified as held for sale (note 6)	(32,500)	-	(478,892)	(5,080)	-	-	(516,472)
Balance - March 31, 2016	37,177	1,055,838	284,048	225,645	349,520	124,238	2,076,466
Accumulated depreciation							
Balance - March 31, 2014	-	1,298,885	631,900	174,491	265,584	184,194	2,555,054
Depreciation	-	548,763	305,023	65,852	58,010	80,252	1,057,900
Disposals	-	-	-	(113,489)	(19,330)	-	(132,819)
Exchange differences	-	-	-	20,503	4,836	-	25,339
Balance - March 31, 2015	-	1,847,648	936,923	147,357	309,100	264,446	3,505,474
Depreciation	-	522,248	285,784	48,756	24,552	52,493	933,833
Disposals	-	(4,567)	(2,538)	(21,518)	(3,930)	(209,790)	(242,343)
Impairment (note 15)	-	(1,442,551)	(691,072)	(2,235)	(8,232)	(13,111)	(2,157,201)
Exchange differences	-	-	-	1,016	419	-	1,435
Transferred to assets classified as held for sale (note 6)	-	-	(358,425)	(2,302)	-	-	(360,727)
Balance - March 31, 2016	-	922,778	170,672	171,074	321,909	94,038	1,680,471
Net book value							
Balance - March 31, 2016	37,177	133,060	113,376	54,571	27,611	30,200	395,995
Balance - March 31, 2015	169,677	824,785	675,842	117,900	32,358	136,819	1,957,381

As described in note 15, at March 31, 2016, the Company has assessed for impairment on the operational equipment and assets based on FVLCD. As a result, an impairment loss of $427,149 was recorded.

In February 2016, three properties located in Schefferville were reclassified as "assets classified as held for sale" with a NBV of $155,745. Further details about the transaction are provided in note 6 and 25.

9. Investment in a joint venture

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

	$
Balance – March 31, 2014	60,490,777
Share of loss of Labec Century	(213,246)
Balance – March 31, 2015	60,277,531
Share of loss of Labec Century, excluding impairment loss	(308,018)
Additions	770,785
	60,740,298
Share of impairment loss of Labec Century (note 15)	(23,268,000)
Impairment (note 15)	(29,410,272)
Balance – March 31, 2016	8,062,026

The financial information of Labec Century is summarized as follows:

	March 31, 2016 $'000	March 31, 2015 $'000
Assets		
Current assets	17,743	23,209
Non-current assets	3,744	39,893
Liabilities		
Current liabilities	7,989	10,311
Non-current liabilities	-	-
Cash and cash equivalents	13,955	17,443

	Years ended March 31, 2016 $'000	2015 $'000
Loss from continuing operations	(39,293)	(343)
Total comprehensive loss	(39,293)	(343)

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

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

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

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

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

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

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

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

As a result of completion of the initial closing transactions in 2012, Labec Century ceased to be a subsidiary of the Group and became a joint venture of the Group that is accounted for in accordance with IFRS 11. The disposition of the subsidiary resulted in a non-cash accounting gain of $47,722,258 for the year ended March 31, 2013.

On September 19, 2013, WISCO Attikamagen purchased an additional 20 million Class B non-voting shares for a subscription price of $20 million. After the subscription, WISCO Attikamagen’s ownership is increased to 40% of the non-voting shares of Labec Century, while Century Holdings’ ownership is reduced to 60% of the non-voting shares. On January 1, 2016, WISCO Attikamagen was amalgamated with WISCO Canada ADI Resources Development & Investment Limited (“WISCO ADI”).

As at March 31, 2016, the Group continues to own a 60% interest in Labec Century.

At March 31, 2016, with the weakening iron ore market condition, an impairment review was performed on the investment in a joint venture, and the review has resulted in an impairment charge of $52,678,272, and a net book value of $8,062,026. Further details about the assumptions and conditions pertaining to the impairment review are provided in note 15.

10. Investment in an associate

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

	$
Balance – March 31, 2014	1,206,326
Share of loss of Northern Star	(66,000)
Disposal	(1,140,326)
Balance – March 31, 2015 and 2016	-

On July 28, 2014, the Company entered into a purchase and sale agreement with X-Star Mining (Luxembourg) Limited (“X-Star”), Northern Star Minerals Ltd. (“Northern Star”) and X-Star Minerals Inc. (“X-Star Minerals”), both subsidiaries of X-Star, to dispose of its: (i) 20 class B common shares in Northern Star, and (ii) 1,000,000 series II preference shares in Northern Star in exchange for: (i)100 preference shares in X-Star Minerals, which are exchangeable to common shares of Northern Star or

another subsidiary upon its Initial Public Offering at a value of $714,813, and (ii) a 0.5% gross sales royalty on the Astray-X project capped at a maximum cumulative payout of $1,313,348, for which the Company is entitled to receive $1,247,681, upon the issuance of a National Instrument 43-101 technical report on the Astray-X project that meets certain resource thresholds. Based on the Company's assessment of the likelihood of realizing future returns from the project, the Company has not recognized any value for the 100 preference shares in X-Star Minerals and the related gross sales royalty. The disposal of the Company's investment in Northern Star resulted in a loss of $1,140,326 in the year ended March 31, 2015.

11. Share capital

Authorized

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

Issued and fully paid

At March 31, 2016, the Company had 98,793,571 common shares issued and outstanding, representing an amount of $117,220,159. The changes in share capital for the year are as follows:

	Number of common shares	$
Balance - March 31, 2014	98,804,071	117,225,951
Repurchase of common shares (a)	(9,500)	(5,380)
Balance - March 31, 2015	98,794,571	117,220,571
Repurchase of common shares (a)	(1,000)	(412)
Balance - March 31, 2016	98,793,571	117,220,159

(a) The Company initiated an automatic share repurchase plan under a normal course issuer bid ("NCIB") in September 2012 with an effective period of one year. The plan was subsequently renewed twice in September 2013 and October 2014, respectively. In October 2015, the NCIB was further renewed, for the repurchase and cancellation of up to 350,000 of the Company's outstanding common shares from November 4, 2015 to November 3, 2016 with a daily limit of 1,000 common shares other than under a block purchase or otherwise in a permitted transaction exempted under TSX policies.

As of March 31, 2016, the Company had repurchased for cancellation 1,070,500 common shares since the initiation of the original NCIB plan with an aggregate cost of $610,611.

12. Share-based compensation arrangements

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

Share options

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

On June 1, 2015, November 11, 2015, and February 5, 2016, 300,000 and 230,000, and 245,000 options were granted, respectively. The fair value of the options granted has been estimated at the date of grant using the Black-Scholes option pricing model, using the following assumptions: an average risk-free interest rate of 0.90%, dividend yield of 0%, volatility of 47.79% and an expected life of 10 years. 1/3 of the options will vest on the first anniversary of the option date, 1/3 of the options will vest on the second anniversary of the option date and 1/3 will vest on the third anniversary of the option date. The fair value of the options granted was estimated at $60,000 and $46,000, and $49,000, respectively, or $0.20 per unit.

The share options outstanding as of March 31, 2016 are as follows:

	Number of options	Weighted average exercise price $
Balance - March 31, 2014	8,580,000	2.93
Issued	6,000,000	0.345
Forfeited	(2,290,000)	2.92
Balance - March 31, 2015	12,290,000	1.67
Issued	775,000	0.345
Cancelled	(1,245,000)	1.49
Balance - March 31, 2016	11,820,000	1.60

The exercise prices and exercise periods of the share options outstanding as of March 31, 2016 are as follows:

Number of options	Exercise price $	Exercise period
3,630,000	2.92	May 18, 2011 to May 17, 2016
255,000	2.92 - 4.00	December 14, 2011 to December 13, 2016
1,585,000	2.92	July 18, 2012 to July 17, 2017
260,000	2.92	November 12, 2012 to November 11, 2017
5,315,000	0.345	March 9, 2016 to March 9, 2025
300,000	0.345	June 1, 2016 to May 31, 2025
230,000	0.345	November 11, 2016 to November 10, 2025
245,000	0.345	February 5, 2017 to February 4, 2026
11,820,000		

As of the balance sheet date, the weighted average remaining contractual life of the outstanding share options is 4.9 years, and 7,501,667 options are vested and exercisable.

Share award

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

Share units outstanding under the Plan are shown as follows:

	Time-based (i)	Operational (ii)	Financial (iii)	Number of share units	Weighted average fair value at the measurement date $
Balance – March 31, 2014	812,000	406,000	406,000	1,624,000	0.49
Granted	43,000	38,375	27,125	108,500	0.44
Forfeited	(71,000)	(35,500)	(35,500)	(142,000)	0.49
Balance – March 31, 2015	784,000	408,875	397,625	1,590,500	0.49
Forfeited	(106,565)	(53,282)	(53,282)	(213,129)	0.49
Balance – March 31, 2016	677,435	355,593	344,343	1,377,371	0.49

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

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

(ii) **Operational targets**: the share units will be vested upon the achievement of certain mining and exploration-related targets set out by the Board. The actual amount of share units to be vested under these operational targets will vary depending on the level of performance relative to the targets based on an award multiplier of 0% to 200%. The vesting date of the share units will be the earlier of: five years from the grant date or the achievement dates of the respective operational targets. Management estimated that the period of achievement would occur between November 2018 and March 2020 with an estimated award multiplier of 100%.

(iii) **Financial targets**: the share units will be vested if the two-year average annualized cash costs of iron ore produced and shipped for the projects of the Company or under its joint arrangements meet certain target set out by the Board and the two-year earnings before interest, taxes, depreciation and amortization (EBITDA) of the projects is positive. The actual amount of share units to be vested under the financial target will vary depending on the level of performance relative to the target based on an award multiplier of 0% to 200%. The vesting date of the share units will be the earlier of: five years from the grant date or the achievement date of the financial target. Management estimated that the period of achievement would occur between November 2018 and March 2020 with an estimated award multiplier of 100%.

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

13. Warrants

The warrants issued and outstanding as of March 31, 2016 are as follows:

	Number of warrants	Weighted average exercise price $
Issued on November 29, 2013 and balance – March 31, 2016	1,000,000	1.50

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

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

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

Labec Century has agreed to pay the Company the fair value of any warrants exercised by Champion based on the difference between the exercise price and the market price at the exercise date of any warrants. As at March 31, 2016, the difference was estimated as nominal in nature and no derivative asset was recognized as a result.

As of the balance sheet date, the weighted average remaining contractual life of the outstanding warrants is 2.8 years.

14. Administrative expenses

	2016 $	2015 $
Salaries and directors' fees	3,967,481	4,266,139
Consulting and professional fees	1,595,007	1,063,919
Rental and office expenses	729,531	872,727
Travel	378,174	226,526
Corporate promotion and listing fees	145,870	208,964
Depreciation	271,719	103,652
	7,087,782	6,741,927

15. Impairment of mineral properties and property, plant and equipment

	Impairment losses – March 31, 2016 ($)			
	Exploration and evaluation assets	Property, plant and equipment	Investment in a joint venture	Total impairment losses
Investment in Labec Century (a)	-	-	52,678,272	52,678,272
Duncan Lake Project (b)	17,494,260	-	-	17,494,260
Sunny Lake Properties (b)	3,160,465	-	-	3,160,465
Property, plant and equipment (c)	-	427,149	-	427,149
	20,654,725	427,149	52,678,272	73,760,146

	Impairment losses -March 31, 2015 ($)			
	Exploration and evaluation assets	Property, plant and equipment	Investment in a joint venture	Total impairment losses
Altius Properties (b)	12,316,558	-	-	12,316,558
Other Properties (b)	315,285	-	-	315,285
	12,631,843	-	-	12,631,843

In accordance with the Company's accounting policy, assets are tested for impairment when events or changes in circumstances suggest that the carrying amounts may not be recoverable.

Management has assessed the investment in joint venture, and the Exploration and Evaluation assets ("E&E assets") and other Property plant and Equipment for indicators of impairment, and has identified primary indicators of impairment, including the weakening of iron ore market condition with a long recovery cycle, the uncertainty of the development of these projects, and minimum operational budgets for these projects in the next three years. As such, Management has concluded to use FVLCD to assess the recoverable amounts of the above assets.

(a) Investment in a joint venture

As at March 31, 2016, the Company's 60% owned joint venture, Labec Century, performed an impairment review on its Evaluation and Exploration assets using the discounted cash flow/income approach under FVLCD method and resulted in an impairment loss of $38,780,000. The Company's management subsequently assessed the joint venture's impairment analysis and concurred with the assumptions and methodology used which are consistent with those used by the Company on the impairment review on its own E&E assets. The recoverable amount of the Company's investment in Labec Century is determined to be $8,062,026, which represents 60% of the total of the net working capital value of the joint venture and its E&E assets value post impairment in the joint venture's financial statements as at March 31, 2016. As such, the Company reported a total impairment charge of $52,678,272 on its investment in Labec Century as at March 31, 2016, which includes $23,268,000 of the Company's 60% share of the joint venture's impairment and an additional impairment loss of $29,410,272 at the Company's reporting level (Note 9).

(b) Exploration and evaluation assets

The Company uses FVLCD income method to determine the recoverable values of Exploration and Evaluation assets of both Duncan Lake Project and Sunny Lake properties. Management performed the impairment assessment by first referencing to the Preliminary Economic Assessment ("PEA") financial models initially provided by the third parties engineering professional service companies and then updating the financial models with the current market consensus on future long term price and exchange rates. For FVLCD calculation, the Company recalculated the 8% discounted net present value of the PEA financial models for both projects by using the market forecasted long term iron ore price of US$69/Mt, with long term foreign exchanges from the range of US$ 0.75/CAD to US$0.83/CAD. The recoverable amounts on the two projects have been determined as nil as at March 31, 2016. As such, at March 31, 2016, impairment losses of $17,494,260 and $3,160,465 were recorded for Duncan Lake project and Sunny Lake properties, respectively (note 7).

During the year ended March 31, 2015, the Company decided not to invest any further exploration expenditures on certain less prospective areas and abandoned the related exploration claims, with the objective of cash conservation and elimination of unnecessary funding obligations. This resulted in a total impairment charge of $12,316,558 on the Altius properties and $315,285 on other properties for the year ended March 31, 2015.

(c) Property, Plant and Equipment

A market approach was used in determining the FVLCD of the Company's property, plant & equipment primarily operational drills, camps and field equipment at year end. Management performed an impairment assessment based on the transaction values of the similar assets in the open market and the conditions of those assets, recording a total impairment loss of $427,149.

16. Other income

	2016 $	2015 $
Interest income	281,220	438,275
Rental income	114,236	-
Food distribution income	24,285	-
	419,741	438,275

17. Income taxes

	2016 $	2015 $
Current tax recovery		
Adjustments on refund from prior years' assessment	-	232,907
Income tax recovery	-	232,907

Significant items causing the Group's effective income tax rate to differ from the Canadian combined federal and provincial statutory rate of 26.59% (2015: 26.55%) are as follows:

	2016 $	2015 $
Loss before income taxes	(81,519,796)	(19,575,655)
Expected income tax recovery at statutory rates	21,676,114	5,197,336
Different tax rates in other jurisdictions	(278,229)	-
Expenses not deductible for tax	(390,026)	(195,168)
Tax losses and other deductible temporary differences not recognized	(21,007,859)	(5,002,168)
Adjustments on refund from prior years' assessment	-	232,907
Income tax recovery	-	232,907

The Canadian, Hong Kong and Beijing tax rates for fiscal year 2016 are 26.59% (2015: 26.55%), 16.5% (2015: 16.5%) and 25% (2015: 25%), respectively. The tax rates are different due to the different locations of each entity of the group.

No deferred tax assets or liabilities are recognized in the consolidated financial statements at March 31, 2016 and 2015.

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

	March 31, 2016 $	**March 31, 2015 $**
Non-capital loss carry-forwards (expires between 2029 and 2036)	17,880,363	30,859,588
Share issue costs	-	2,064,253
Transaction costs	-	559,952
Investment tax credits (expires between 2030 and 2034)	1,950,445	2,480,775
Exploration and evaluation assets	3,650,552	11,735,438
Capital loss carry-forwards	-	854,247
	23,481,360	48,554,253

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

Deferred tax liabilities have not been recognized on the temporary difference arising from the Company's investment in a joint venture for which the Company is able to control the timing of the reversal of the temporary difference, and it is probable that the temporary difference will not reverse in the foreseeable future. Such temporary difference amounted to approximately $202,917 as of March 31, 2016 (2015: $52 million).

As described in note 1, effective on February 1st, 2016, the Company and its subsidiary - Grand Century Iron Ore Inc. changed their corporate registrations to Cayman Islands, and emigrated their tax residency to Hong Kong, where they are subject to income taxes at Hong Kong statutory rate of 16.5%.

18. Net loss per share

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

19. Related party transactions

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

(i) As of March 31, 2016, the Group had accounts receivable of $6,326,596 (2015: $7,588,785) from Labec Century. The balance mainly comprised exploration expenditure of the Attikamagen property incurred and paid by the Group on behalf of Labec Century after Labec Century became the Group's joint venture.

(ii) As of March 31, 2016, the Group had accounts receivable of $3,210,771 (2015: $3,210,771) from WISCO Century Sunny Lake. The balance represented exploration expenditure of the Sunny Lake property incurred and paid by the Group on behalf of WISCO Century Sunny Lake.

(iii) In May 2015, $343,400 was paid to Augyva for their portion of investment tax credits received related to the Duncan Lake property. The President and CEO and a key officer of the Group are directors of Augyva.

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

	2016 $	2015 $
Salaries and directors' fees	1,937,149	2,373,414
Share-based compensation expenses	762,351	190,535
	2,699,500	2,563,949

20. Financial risk management

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

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

The Group's financial assets and financial liabilities have been classified into categories that determine their basis of measurement. The following table shows the carrying values, fair values and fair value hierarchy of the Group's financial instruments and non-financial assets as at March 31, 2016 and March 31, 2015:

		March 31, 2016		March 31, 2015	
	Level	Carrying value $	Fair value $	Carrying value $	Fair value $
Short term bank deposits	2	10,103,303	10,103,303	2,042,907	2,042,907
Accounts receivable	3	9,813,385	9,813,385	11,079,763	11,079,763
Exploration and evaluation assets	3	-	-	20,707,967	20,707,967
Investment in a joint venture	3	8,062,026	8,062,026	60,277,531	60,277,531
		27,978,714	27,978,714	94,108,168	94,108,168

		March 31, 2016		March 31, 2015	
	Level	Carrying value $	Fair value $	Carrying value $	Fair value $
Accounts payable and accrued liabilities	3	815,339	815,339	1,961,048	1,961,048

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

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

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

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

Credit risk

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

Liquidity risk

The Group's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As of March 31, 2016, the Group had cash and cash equivalents and short term bank deposits of $24,771,400 (2015: $30,694,219) to settle current liabilities of $815,339 (2015: $1,961,048). Most of the Group's financial liabilities have contractual maturities of 30 days or less and are subject to normal trade terms.

Market risk

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

(a) Interest rate risk

The Group has cash balances only and it has no interest bearing debt. The Group's current policy is to invest excess cash in interest bearing accounts or term deposits with large reputable banks. The Group periodically monitors the investments it makes and is satisfied with the credit ratings of the banks holding the cash and short-term deposits of the Group. An absolute increase or decrease of 0.1% in the annual interest rate would not have a material impact on the net loss or equity at March 31, 2016.

(b) Foreign currency exchange risk

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

21. Capital management

The Group considers its capital structure to consist of share capital and deficit, which, as at March 31, 2016, amounted to $27,721,055. When managing capital, the Group's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to the shareholders and benefits for other stakeholders. Management adjusts the capital structure, as necessary, in order to support the acquisition, exploration and development of its mineral properties. The Board of Directors does not establish a quantitative return on capital criteria for management but, rather, relies on the expertise of the Group's management team to sustain the future development of the business.

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

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Group, is appropriate. The Group's capital management objectives, policies and processes have remained unchanged during the year ended March 31, 2016. The Group is not subject to externally imposed capital requirements.

22. Operating Commitments

The Group has entered into lease commitments on its head office and other premises. Previously, the Company agreed to incur minimum annual exploration expenditures pursuant to the amended Altius Agreement as described in note 7. On July 6, 2015, the Company reached an agreement with Altius to extinguish all obligations under previous agreements and to transfer to Altius all the Company's exploration claims on the Altius projects. The transfer of claims to Altius was completed in September 2015. As a result, all commitments for exploration expenditures indicated in the table below for periods prior to July 6, 2015 were subsequently eliminated.

Future minimum operating commitments payable as at March 31, 2016 and March 31, 2015 are as follows:

	March 31, 2016		**March 31, 2015**	
	Lease commitments	**Exploration expenditures**	**Lease commitments**	**Exploration expenditures**
	$	**$**	**$**	**$**
Within one year	499,278	-	595,886	623,569
After one year but not more than five years	90,939	-	554,776	4,000,000
More than five years	2,747	-	10,922	3,435,828
	592,964	-	1,161,584	8,059,397

23. Capital commitments

In September 2011, pursuant to the Altius Agreement described in note 7, the Company agreed to issue up to a maximum of 35,000,000 common shares to Altius upon satisfaction of certain milestones related to the definition of National Instrument 43-101 compliant iron ore resources above specific thresholds as part of its consideration to acquire a 100% interest in four of Altius' regional iron ore projects in the Labrador

Trough: Astray, Grenville, Menihek and Schefferville West. On July 6, 2015, the Company reached an agreement with Altius to extinguish all obligations under previous agreements and to transfer to Altius all the Company's exploration claims on the Altius projects. The transfer of claims to Altius was completed in September 2015. As a result, the capital commitments were subsequently eliminated.

24. Comparative figures

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

25. Subsequent events

On May 12, 2016, the Company disposed its assets classified as held for sale for the cash proceeds of $569,500, resulting in a gain of $413,755 on the disposal, which is to be recorded in the financial statements for the quarter ended June 30, 2016.