Century Global Commodities Corporation

Condensed Consolidated Interim Financial Statements
(Unaudited)
June 30, 2018
(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The accompanying condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. An interim review has not been carried out by the Company's independent auditor.

Century Global Commodities Corporation
Condensed Consolidated Interim Statement of Financial Position
(Unaudited)
As of June 30, 2018

(Expressed in Canadian Dollars, unless otherwise stated)

	Notes	June 30, 2018 $	March 31, 2018 $
Assets			
Current assets			
Cash and cash equivalents		6,719,371	7,578,497
Short term bank deposits		4,424,721	4,410,682
Marketable securities	8	724,541	948,640
Trade and other receivables	9, 23	10,738,906	10,568,785
Lease receivable	10	66,086	64,903
Sales taxes and other taxes recoverable		90,763	93,080
Prepayments and deposits		965,679	897,764
Inventories	11	806,642	674,046
		24,536,709	25,236,397
Non-current assets			
Exploration and evaluation assets	12	490,915	355,441
Property, plant and equipment	13	1,510,969	1,548,583
Investment in a joint venture	14	7,703,321	7,740,821
Lease receivable		174,967	191,941
Goodwill		98,818	97,291
		9,978,990	9,934,077
		34,515,699	35,170,474
Liabilities			
Current liabilities			
Trade and other payables	15	1,813,106	1,644,158
Shareholders' Equity			
Share capital	16	117,057,226	117,057,226
Contributed surplus		3,087,181	3,087,181
Deficit		(87,453,548)	(86,348,933)
Other components of equity		11,734	(269,158)
		32,702,593	33,526,316
		34,515,699	35,170,474

Approved by the Board of Directors

/s/ "Sandy Chim" Director
Date: August 13, 2018

/s/ "Kit Ying (Karen) Lee" Director
Date: August 13, 2018

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

Century Global Commodities Corporation
Condensed Consolidated Interim Statement of Profit or Loss
(Unaudited)
For the three months ended June 30, 2018
(Expressed in Canadian Dollars, unless otherwise stated)

		Three months ended June 30,	
		2018	**2017**
	Notes	**$**	**$**
Revenue	7, 19	1,315,320	649,433
Cost of sales		(967,289)	(474,432)
Gross profit		348,031	175,001
Other income	20	26,455	73,831
Selling expenses		(188,768)	(89,716)
Administrative expenses	21	(1,194,822)	(1,346,974)
Project maintenance costs		(11,647)	(12,753)
Share-based compensation expenses	17	(43,413)	(158,863)
Gain/(loss) on foreign exchange		(50,250)	135,772
Share of loss of a joint venture	14	(37,500)	(29,331)
Net loss for the period and attributable to the owners of the Company		(1,151,914)	(1,253,033)
Net loss per share attributable to owners of the Company – Basic and diluted	22	(0.01)	(0.01)
Weighted average number of shares outstanding		98,797,571	98,485,071

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

Century Global Commodities Corporation
Condensed Consolidated Interim Statement of Comprehensive Loss
(Unaudited)
For the three months ended June 30, 2018

(Expressed in Canadian Dollars, unless otherwise stated)

	Three months ended June 30, 2018 $	2017 $
Net loss for the period	(1,151,914)	(1,253,033)
Other comprehensive income/(loss)		
Exchange gain/(loss) on translation of operations in other currencies	277,832	(235,508)
Changes in fair value of marketable securities	6,946	(23,382)
Other comprehensive income/(loss) for the period	284,778	(258,890)
Total comprehensive loss for the period and attributable to the owners of the Company	(867,136)	(1,511,923)

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

Century Global Commodities Corporation
Condensed Consolidated Interim Statement of Changes in Equity
(Unaudited)
For the three months ended June 30, 2018

(Expressed in Canadian Dollars, unless otherwise stated)

	Attributable to owners of the Company							
	Share capital $	**Contributed surplus $**	**Deficit $**	**Share-based compensation reserve $**	**Warrants $**	**Marketable securities $**	**Foreign currency translation reserve $**	**Total $**
Balance – March 31, 2018	117,057,226	3,087,181	(86,348,933)	1,458,586	20,000	(210,997)	(1,536,747)	33,526,316
Net loss for the period	-	-	(1,151,914)	-	-	-	-	(1,151,914)
Other comprehensive income for the period	-	-	-	-	-	6,946	277,832	284,778
Total comprehensive loss for the period	-	-	(1,151,914)	-	-	6,946	277,832	(867,136)
Disposal of marketable securities	-	-	47,299	-	-	(47,299)	-	-
Equity-settled share-based compensation arrangements (note 17)	-	-	-	43,413	-	-	-	43,413
Balance – June 30, 2018	117,057,226	3,087,181	(87,453,548)	1,501,999	20,000	(251,350)	(1,258,915)	32,702,593
Balance - March 31, 2017	117,057,217	3,082,819	(84,440,727)	3,283,550	20,000	94,798	(1,336,703)	37,760,954
Net loss for the period	-	-	(1,253,033)	-	-	-	-	(1,253,033)
Other comprehensive loss for the period	-	-	-	-	-	(23,382)	(235,508)	(258,890)
Total comprehensive loss for the period	-	-	(1,253,033)	-	-	(23,382)	(235,508)	(1,511,923)
Equity-settled share-based compensation arrangements (note 17)	-	-	-	158,863	-	-	-	158,863
Share options expired (note 17)	-	-	534,622	(534,622)	-	-	-	-
Balance – June 30, 2017	117,057,217	3,082,819	(85,159,138)	2,907,791	20,000	71,416	(1,572,211)	36,407,894

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

Century Global Commodities Corporation
Condensed Consolidated Interim Statement of Cash Flows
(Unaudited)
For the three months ended June 30, 2018

(Expressed in Canadian Dollars, unless otherwise stated)

		Three months ended June 30,	
		2018	2017
Cash generated by/(used in)	**Notes**	**$**	**$**
Operating activities			
Net loss for the period		(1,151,914)	(1,253,033)
Adjustments for			
Bank and other interest income		(25,719)	(51,135)
Dividend income from marketable securities		(710)	(819)
Gain on disposal of available-for-sale investments		-	(19,348)
Loss/(gain) on disposal of fixed assets		460	(10,239)
Loss/(gain) on foreign exchange		50,250	(135,772)
Depreciation	13	65,120	33,749
Share-based compensation arrangements	17	43,413	158,863
Share of loss of a joint venture	14	37,500	29,331
Changes in working capital items			
Increase in trade and other receivables		(170,121)	(166,566)
Decrease/(increase) in sales taxes and other taxes recoverable		(1,555)	121,322
Decrease/(increase) in prepayments and deposits		(67,915)	251,706
Increase in inventories		(132,596)	(223,330)
Increase/(decrease) in trade and other payables		168,948	(140,735)
Net cash used in operating activities		(1,184,839)	(1,406,006)
Investing activities			
Bank and other interest received		25,719	51,135
Short term bank deposits retrieved/(invested)		(14,039)	4,000,172
Dividends received from marketable securities		710	819
Marketable securities purchased		-	(584,261)
Proceeds from sale of marketable securities		235,210	133,830
Exploration and evaluation assets		(135,474)	-
Investment tax credit refunds received		3,872	2,845
Purchases of property, plant and equipment		(72,373)	(1,106,421)
Proceeds from sale of property, plant and equipment		430	10,929
Proceeds from finance lease arrangements		15,791	-
Net cash generated by investing activities		59,846	2,509,048
Financing activities			
Cash flows from financing activities		-	-
Net change in cash and cash equivalents		(1,124,993)	1,103,042
Cash and cash equivalents – Beginning of period		7,578,497	5,533,122
Effect of foreign exchange rate changes, net		265,867	(86,668)
Cash and cash equivalents – End of period		6,719,371	6,549,496
Cash in bank and on hand		5,019,371	5,459,321
Short term bank deposits with original maturity of three months or less		1,700,000	1,090,175
Cash and cash equivalents – End of period		6,719,371	6,549,496

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

1. Nature of operations

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

The Company is primarily an exploration and mining company with assets in the Provinces of Newfoundland and Labrador, and Québec, Canada. Following the implementation of the Company's diversification strategy, the Company has expanded its operations into the distribution of food and the provision of food service in China.

These condensed consolidated interim financial statements were approved by the Board of Directors for issue on August 13, 2018.

2. Basis of preparation

The condensed consolidated interim financial statements of the Company and its subsidiaries (the "Group") have been prepared in accordance with IAS 34 *Interim Financial Reporting*. The condensed consolidated interim financial statements should be read in conjunction with the Group's audited consolidated annual financial statements for the year ended March 31, 2018 filed on SEDAR at www.sedar.com on June 28, 2018, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

3. Significant accounting policies

The significant accounting policies used in the preparation of these condensed consolidated interim financial statements are consistent with those disclosed in note 3 of the audited consolidated annual financial statements for the year ended March 31, 2018, except for the adoption of new and amended standards that became applicable to the Group in the current interim period.

The Group has applied the new and amended standards in accordance with the relevant transition provisions and resulted in changes in accounting policies as described in note 4 below. The adoption of these new and amended standards did not result in any retrospective adjustment of the Group's condensed consolidated interim financial statements.

Basis of measurement

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

4. Changes in accounting policies

This note explains the impact of the adoption of IFRS 9 *Financial Instruments* and IFRS 15 *Revenue from Contracts with Customers* on the Group's condensed consolidated interim financial statements and also discloses the new accounting policies that have been applied from April 1, 2018, where they are different to those applied in prior periods.

IFRS 9 *Financial Instruments*

IFRS 9 replaces IAS 39 *Financial Instruments: Recognition and Measurement*, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting. The adoption of IFRS 9 from April 1, 2018 resulted in changes in accounting policies which are set out below.

(a) Classification

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

The Group has elected to designate its investments in marketable securities, previously classified as available-for-sale financial assets under IAS 39, as at FVTOCI as the investments are intended to be held for the foreseeable future.

(b) Measurement

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

(i) Debt instruments

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

(ii) Equity instruments

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

(c) Impairment

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

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

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

Upon the adoption of IFRS 9 on April 1, 2018, the Group's management reviewed and assessed the Group's existing trade receivables, finance lease receivable and other receivables for impairment in accordance with the transition provisions of IFRS 9. No retrospective adjustment was required on April 1, 2018 as a result of the assessment.

In accordance with the transition provisions set out in IFRS 9, comparative figures have not been restated. Accordingly, certain comparative information may not be comparable as the comparative information was prepared under IAS 39.

IFRS 15 *Revenue from Contracts with Customers*

IFRS 15 supersedes IAS 11 *Construction Contracts*, IAS 18 *Revenue* and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. The Group has adopted IFRS 15 from April 1, 2018 which resulted in changes in accounting policies as described below.

The Group's revenue arises from the distribution of food and the provision of food service. During the period, approximately 88% of the Group's revenue was contributed by the food distribution operation.

(a) Distribution of food

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

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

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

(b) Provision of food service

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

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

In accordance with the transition provisions of IFRS 15, the Group has adopted the new rules retrospectively. The adoption of IFRS 15 did not result in any retrospective adjustment of the Group's condensed consolidated interim financial statements.

5. Critical accounting estimates and judgments

The Group makes estimates and assumptions concerning the future that are believed to be reasonable under the circumstances. Estimates and judgments are continuously evaluated and are based on management's experience and other factors, including expectations about future events. The critical accounting estimates and judgments applied in these condensed consolidated interim financial statements are consistent with those disclosed in note 4 of the audited consolidated annual financial statements for the year ended March 31, 2018.

6. New standards and interpretations issued but not yet effective

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

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.

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

The amendments clarify the accounting treatment for sales or contribution of assets between an investor and its associates or joint ventures. They confirm that the accounting treatment depends on whether the non-monetary assets sold or contributed to an associate or joint venture constitute a "business". The effective date of the amendments has yet to be set by IASB; however, earlier application of the amendments is permitted. The Company anticipates that the application of these amendments may have an impact on the Company's consolidated financial statements in future periods should such transaction arise.

7. Segment information

The Group's operating segments are as follows:

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

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

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

(Expressed in Canadian Dollars, unless otherwise stated)

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

The following tables present information for the Group's operating segments for the three months ended June 30, 2018 and 2017, respectively. Comparative figures for the three months ended June 30, 2017 have been restated accordingly.

For the three months ended June 30, 2018	**Mining**	**Food**	**Corporate**	**Total**
	$	**$**	**$**	**$**
Segment revenue				
Revenue from contracts with customers:				
Distribution of food	-	1,153,625	-	1,153,625
Provision of food service	-	161,695	-	161,695
Sales to external customers	-	1,315,320	-	1,315,320
Segment profit or loss				
Gross profit	-	348,031	-	348,031
Income and gains:				
Interest income	4,443	-	21,276	25,719
Other income or gains	710	26	-	736
	5,153	26	21,276	26,455
Expenses:				
Selling expenses	-	188,768	-	188,768
Salaries, pension and directors' fees	236,803	349,236	195,141	781,180
Consulting and professional fees	47,890	40,959	69,999	158,848
Corporate promotion and listing fees	1,650	-	8,355	10,005
Other administrative expenses	56,392	152,758	85,889	295,039
Project maintenance costs	11,647	-	-	11,647
Share-based compensation expenses	11,451	16,868	15,094	43,413
Share of loss of a joint venture	37,500	-	-	37,500
	403,333	748,589	374,478	1,526,400
Net loss for the period	(398,180)	(400,532)	(353,202)	(1,151,914)

(Expressed in Canadian Dollars, unless otherwise stated)

For the three months ended June 30, 2017	**Mining** $	**Food** $	**Corporate** $	**Total** $
Segment revenue				
Revenue from contracts with customers:				
Distribution of food	-	634,966	-	634,966
Provision of food service	-	14,467	-	14,467
Sales to external customers	-	649,433	-	649,433
Segment profit or loss				
Gross profit	-	175,001	-	175,001
Income and gains:				
Interest income	-	-	51,148	51,148
Other income or gains	20,166	-	2,517	22,683
	20,166	-	53,665	73,831
Expenses:				
Selling expenses	-	89,716	-	89,716
Salaries, pension and directors' fees	241,297	359,885	218,915	820,097
Consulting and professional fees	95,995	29,639	99,060	224,694
Corporate promotion and listing fees	1,500	-	6,603	8,103
Other administrative expenses	68,333	164,895	(74,920)	158,308
Project maintenance costs	12,753	-	-	12,753
Share-based compensation expenses	43,219	65,662	49,982	158,863
Share of loss of a joint venture	29,331	-	-	29,331
	492,428	709,797	299,640	1,501,865
Net loss for the period	(472,262)	(534,796)	(245,975)	(1,253,033)

The following table presents assets and liabilities information for the Group's operating segments as at June 30 and March 31, 2018, respectively:

	Mining $	**Food** $	**Corporate** $	**Total** $
Total asset				
June 30, 2018	18,857,445	3,184,943	12,473,311	34,515,699
March 31, 2018	19,031,213	2,812,508	13,326,753	35,170,474
Total liabilities				
June 30, 2018	223,065	681,104	908,937	1,813,106
March 31, 2018	468,100	667,051	509,007	1,644,158

8. Marketable securities

The Group invested in Canadian equity securities denominated in Canadian Dollars during the period. These marketable securities are designated as at FVTOCI.

An analysis of marketable securities as at the balance sheet date is as follows:

	June 30, 2018 $	March 31, 2018 $
Listed equity securities – Canada, at fair value	724,541	948,640

9. Trade and other receivables

	June 30, 2018 $	March 31, 2018 $
Trade receivables (i)	767,117	773,652
Other receivables	446,758	268,757
Receivable from Labec Century (ii)	6,314,260	6,315,605
Receivable from WISCO Century Sunny Lake (ii)	3,210,771	3,210,771
	10,738,906	10,568,785

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

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

(ii) Labec Century and WISCO Century Sunny Lake are the Company's joint venture and the operator of the Company's Sunny Lake Joint Venture respectively. Please refer to note 23(a) for the details of the balances.

10. Lease receivable

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

(Expressed in Canadian Dollars, unless otherwise stated)

11. Inventories

	June 30, 2018 $	**March 31, 2018 $**
Trading merchandise held for sale	806,642	674,046

12. Exploration and evaluation assets

	$
<u>Trudeau gold and other non-ferrous properties</u>	
Balance – March 31, 2018	355,441
Additions	135,474
Balance – June 30, 2018	490,915

Trudeau gold property

The Trudeau gold property is an early stage gold-focused polymetallic exploration project, located approximately 35 kilometres northwest of the city of Rouyn-Noranda, Quebec. Century Metals Inc. ("CMI"), formerly known as Trudeau Gold Inc., a wholly owned subsidiary of the Company, holds a 100% interest in the property consisting of three non-contiguous claim groups surrounding Duparquet Lake, namely Fabie, Trudeau and Eastchester.

Impairment assessment of iron ore properties

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

At June 30, 2018, the net book value of the above two properties remains nil. In the event that the prospects for the development of the mineral projects are enhanced in the future, an assessment of the recoverable amount of the projects will be performed at that time, which may lead to a reversal of part or all of the impairment that has been recognized.

Duncan Lake property

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

As of June 30, 2018, the Group has a 65% registered interest in the Duncan Lake property and is in the process of registering approximately an additional 3% interest as a result of its contribution to the exploration expenditure incurred for the property subsequent to the earn-in of its 65% interest in the property.

Sunny Lake property

On December 19, 2011, the Company and WISCO International Resources Development & Investment Limited ("WISCO") entered into the Sunny Lake joint venture agreement (the "Sunny Lake JV Agreement") that governs the joint venture formed between the Company and WISCO for the exploration and development of the Sunny Lake property (the "Sunny Lake Joint Venture"). Under the Sunny Lake JV Agreement, WISCO could earn a 40% interest in the Sunny Lake property by investing a total of $40.0 million in the Sunny Lake Joint Venture.

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

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

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

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

As at June 30, 2018, the Company owns 81.1% of the Sunny Lake property and the remaining funding obligation of WISCO ADI to earn in up to a 40% of interest in the property is $21.1 million.

(Expressed in Canadian Dollars, unless otherwise stated)

13. Property, plant and equipment

	Land $	Drilling & field equipment $	Camp & properties $	Leasehold improvements, furniture & fixtures $	Computer & office equipment $	Vehicles $	Total $
Cost							
Balance - March 31, 2017	137,177	2,667,866	1,097,285	128,430	331,715	121,488	4,483,961
Additions	-	-	1,002,486	231,878	103,351	-	1,337,715
Acquisition of a subsidiary	-	-	-	91,008	52,152	-	143,160
Disposals	-	(1,696,439)	(11,737)	(5,053)	(1,444)	(48,920)	(1,763,593)
Exchange differences	-	-	61,748	8,558	5,213	-	75,519
Balance - March 31, 2018	137,177	971,427	2,149,782	454,821	490,987	72,568	4,276,762
Additions	-	-	-	69,856	2,517	-	72,373
Disposals	-	-	-	-	(1,861)	-	(1,861)
Exchange differences	-	-	(36,080)	(7,374)	(2,884)	-	(46,338)
Balance - June 30, 2018	137,177	971,427	2,113,702	517,303	488,759	72,568	4,300,936
Accumulated depreciation and impairment							
Balance - March 31, 2017	100,000	2,667,866	1,040,509	62,774	299,412	114,787	4,285,348
Depreciation	-	-	74,597	70,337	34,256	5,998	185,188
Acquisition of a subsidiary	-	-	-	9,610	8,078	-	17,688
Disposals	-	(1,607,530)	(11,737)	(4,363)	(1,444)	(48,920)	(1,673,994)
Reversal of impairment provision	-	(88,909)	-	-	-	-	(88,909)
Exchange differences	-	-	1,464	1,102	292	-	2,858
Balance - March 31, 2018	100,000	971,427	1,104,833	139,460	340,594	71,865	2,728,179
Depreciation	-	-	10,465	33,742	20,478	435	65,120
Disposals	-	-	-	-	(971)	-	(971)
Exchange differences	-	-	(1,002)	(1,052)	(307)	-	(2,361)
Balance - June 30, 2018	100,000	971,427	1,114,296	172,150	359,794	72,300	2,789,967
Net book value							
Balance - June 30, 2018	37,177	-	999,406	345,153	128,965	268	1,510,969
Balance - March 31, 2018	37,177	-	1,044,949	315,361	150,393	703	1,548,583

14. Investment in a joint venture

The Group’s investment in Labec Century Iron Ore Inc. (“Labec Century”) is as follows:

	$
Balance – March 31, 2017	7,846,824
Share of loss of Labec Century	(106,003)
Balance – March 31, 2018	7,740,821
Share of loss of Labec Century	(37,500)
Balance – June 30, 2018	7,703,321

The financial information of Labec Century is summarized as follows:

	June 30, 2018 $'000	**March 31, 2018 $'000**
Assets		
Current assets	16,905	17,058
Non-current assets	4,782	4,702
Liabilities		
Current liabilities	8,740	8,814
Non-current liabilities	-	-
Cash and cash equivalents	12,909	13,106

	Three months ended June 30,	
	2018 $'000	**2017 $'000**
Loss from continuing operations	(63)	(49)
Total comprehensive loss	(63)	(49)

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

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

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

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

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

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

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

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

(Expressed in Canadian Dollars, unless otherwise stated)

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

On September 19, 2013, WISCO Attikamagen purchased an additional 20 million Class B non-voting shares for a subscription price of $20 million. After the subscription, WISCO Attikamagen's ownership is increased to 40% of the non-voting shares of Labec Century, while Century Holdings' ownership is reduced to 60% of the non-voting shares. On January 1, 2016, WISCO Attikamagen was amalgamated with WISCO ADI.

As at June 30, 2018, the Group continues to own a 60% interest in Labec Century.

15. Trade and other payables

	June 30, 2018 $	March 31, 2018 $
Trade payables (i)	424,208	182,528
Other payables and accruals	1,165,878	1,283,610
Deposits received for special warrants subscription of CMI (ii)	223,020	178,020
	1,813,106	1,644,158

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

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

(ii) On March 8, 2018, CMI, formerly known as Trudeau Gold Inc., offered to investors to subscribe for its special warrants at a subscription price of $0.06 per unit. Each special warrant will automatically convert into one common share of CMI upon the earlier of (i): the prospectus qualification of CMI's common shares; and (ii): the six-month anniversary of the issuance of the special warrants.

On June 20, 2018, the Company announced that it is planning a spin-out transaction (the "Spin-out Transaction") whereby a portion of the shares of its wholly owned subsidiary, CMI, will be distributed pro-rata to shareholders of the Company, by way of a dividend-in-kind. The Spin-out Transaction is expected to be completed during the second quarter of the Company's 2018-9 fiscal year and will be subject to approval of the listing of CMI's common shares on the TSX Venture Exchange. The Spin-out Transaction will create CMI as an independent public company.

In advance of the Spin-out Transaction, CMI will be completing private placements of up to 12,000,000 special warrants at a price of $0.06 per unit (the "Special Warrant Private Placement"). The Company has obtained approval of its shareholders on the Special Warrant Private Placement by way of a written consent from the holders of a majority of the outstanding ordinary shares of the Company. On June 28, 2018, TSX notified the Company its acceptance of the Special Warrant Private Placement, subject to the conditions that the closing of the Special Warrant Private Placement will be no later than August 3, 2018 and that the Company will submit the required documents. Subsequently on July 27, 2018, TSX granted an extension of the closing date of the Special Warrant Private Placement to August 31, 2018.

(Expressed in Canadian Dollars, unless otherwise stated)

As of June 30, 2018, the Company has advanced by way of a shareholder loan slightly over $1 million to CMI primarily for the advancement of exploration on the Trudeau gold property. In anticipation of completion of the Spin-out Transaction, the Company plans to convert its shareholder loan into approximately 20 million common shares of CMI at a deemed price of $0.05 per share. Following the loan conversion and under the Special Warrant Private Placement, the Company will subscribe for additional common shares of CMI at $0.06 per share for total proceeds in the range of $150,000 (2,500,000 shares) to $350,000 (5,833,333 shares).

As of June 30, 2018, CMI has received subscriptions for approximately 4,532,000 special warrants from an arms-length group of investors for gross proceeds of approximately $271,920, of which $223,020 has been received in cash. The special warrant certificates have not been issued as at the balance sheet date, accordingly, the subscription gross proceeds are classified as deposits received. Subsequently on July 13, 2018, the Company announced the completion of the first tranche of Special Warrant Private Placement with the issuance of 4,531,999 special warrant certificates, for details please refer to note 27(a).

16. Share capital

Authorized

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

Issued and fully paid

At June 30, 2018, the Company had 98,494,571 ordinary shares issued and outstanding, representing an amount of $117,057,226. The changes in issued share capital for the period are as follows:

	Number of shares	$
Balance – March 31, 2017	98,485,071	117,057,217
Ordinary shares issued under an equity incentive plan (note 17)	9,500	9
Balance – March 31 and June 30, 2018	98,494,571	117,057,226

(Expressed in Canadian Dollars, unless otherwise stated)

17. Share-based compensation arrangements

	Three months ended June 30, 2018 $	2017 $
Share options expense	43,413	158,863

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

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.

The share options outstanding as of June 30, 2018 are as follows:

	Number of options	Weighted average exercise price $
Balance – March 31, 2017	10,087,500	0.71
Granted	1,130,000	0.35
Expired	(1,535,000)	2.92
Forfeited and given up	(955,000)	0.46
Balance – March 31 and June 30, 2018	8,727,500	0.30

The exercise prices and exercise periods of the share options outstanding as of June 30, 2018 are as follows:

Number of options	Exercise price $	Exercise period
4,092,500	0.345	March 9, 2015 to March 8, 2025
300,000	0.345	June 1, 2015 to May 31, 2025
100,000	0.345	November 11, 2015 to November 10, 2025
245,000	0.345	February 5, 2016 to February 4, 2026
3,240,000	0.22	August 4, 2016 to August 3, 2026
750,000	0.345	June 23, 2017 to June 22, 2027
8,727,500		

As of the balance sheet date, the weighted average remaining contractual life of the outstanding share options is 7.4 years, and 5,952,502 options are vested and exercisable.

(Expressed in Canadian Dollars, unless otherwise stated)

Share awards

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

Share units outstanding under the Plan are shown as follows:

	Time-based (i)	Operational (ii)	Financial (iii)	Number of share units	Weighted average fair value at the measurement date $
Balance – March 31, 2017	29,500	300,125	288,875	618,500	0.48
Vested and shares exercised	(9,500)	-	-	(9,500)	0.46
Forfeited and given up	(10,000)	(9,750)	(9,750)	(29,500)	0.49
Balance – March 31 and June 30, 2018	10,000	290,375	279,125	579,500	0.48

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

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

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

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

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

(Expressed in Canadian Dollars, unless otherwise stated)

18. Warrants

The warrants issued and outstanding as of June 30, 2018 are as follows:

	Number of warrants	Weighted average exercise price $
Issued on November 29, 2013 and balance – June 30, 2018	1,000,000	2.50

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 between November 30, 2017 to November 29, 2018 at an exercise price of $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 June 30, 2018, the difference was estimated as nominal in nature and no derivative asset was recognized as a result.

As of the balance sheet date, the remaining contractual life of the outstanding warrants is 0.4 years.

19. Revenue

During the period, the Group's revenue arose from the distribution of food and the provision of food service.

An analysis of the Group's revenue from contracts with customers by type of goods or services is provided in note 7. All of the Group's sales revenue were derived from China (including Hong Kong) and were recognized at a point in time.

20. Other income

	Three months ended June 30, 2018 $	2017 $
Bank and other interest income	25,719	51,148
Dividend income	710	819
Gain on disposal of marketable securities	-	19,348
Other income	26	2,516
	26,455	73,831

(Expressed in Canadian Dollars, unless otherwise stated)

21. Administrative expenses

	Three months ended June 30, 2018 $	2017 $
Salaries, pension and directors' fees	781,180	820,097
Consulting and professional fees	158,848	224,694
Rental and office expenses	148,907	219,757
Travel	30,762	40,574
Corporate promotion and listing fees	10,005	8,103
Depreciation	65,120	33,749
	1,194,822	1,346,974

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

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

23. Related party transactions

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

(i) As of June 30, 2018, the Group had accounts receivable of $6,314,260 (March 31, 2018: $6,315,605) from Labec Century. The balance mainly comprised of exploration expenditure of the Attikamagen property incurred and paid by the Group on behalf of Labec Century after Labec Century became the Group's joint venture. The balance is repayable upon request.

(ii) As of June 30, 2018, the Group had accounts receivable of $3,210,771 (March 31, 2018: $3,210,771) from WISCO Century Sunny Lake. The balance represented exploration expenditure of the Sunny Lake property incurred and paid by the Group on behalf of WISCO Century Sunny Lake. The balance is repayable upon request.

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

	Three months ended June 30, 2018 $	2017 $
Salaries and directors' fees	288,600	297,789
Share-based compensation expenses	30,171	64,371
	318,771	362,160

(Expressed in Canadian Dollars, unless otherwise stated)

24. Financial risk management

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

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

The Group's financial assets and financial liabilities have been classified into categories that determine their basis of measurement. As at June 30, 2018 and March 31, 2018, the Group's financial instruments are comprised of cash and cash equivalents, short term bank deposits, marketable securities, trade and other receivables, trade and other payables. With the exception of cash and cash equivalents and marketable securities, all other financial instruments of the Group are measured at amortized cost.

The following table shows the carrying values, fair values and fair value hierarchy of the Group's financial instruments that are measured at fair value as at June 30, 2018 and March 31, 2018:

		June 30, 2018		March 31, 2018	
	Level	Carrying value $	Fair value $	Carrying value $	Fair value $
Marketable securities	1	724,541	724,541	948,640	948,640

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

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 June 30, 2018, the Group had cash and cash equivalents and short term bank deposits of $11,144,092 (March 31, 2018: $11,989,179) to settle current liabilities of $1,813,106 (March 31, 2018: $1,644,158). Most of the Group's financial liabilities have contractual maturities of 60 days or less and are subject to normal trade terms. The liquidity risk is low with the Group's marketable securities, since they are investments with high liquidity, and are traded in international capital markets.

Market risk

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

(a) Interest rate risk

The Group has cash balances only and it has no interest-bearing debt. The Group's current policy is to invest most of its excess cash in interest bearing accounts or term deposits with large reputable banks. The Group periodically monitors the investments it makes and is satisfied with the credit ratings of the banks holding the cash and short-term deposits of the Group. An absolute increase or decrease of 0.1% in the annual interest rate would not have a material impact on the net loss or equity at June 30, 2018.

(b) Foreign currency exchange risk

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

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

(c) Capital market risk

The Group's current policy is to invest some portion of its excess cash in marketable securities, primarily shares of publicly listed mining companies. The Group sets investment guidelines, including pre-set targeted capital allocation and returns, exit and entry prices, and periodically monitors the investments it makes. The Group is satisfied with the financial and operating performance of the mining companies the Group invests in. An absolute increase or decrease of 5% in the investment return would not have a material impact on the net loss or equity at June 30, 2018.

25. Capital management

The Group considers its capital structure to consist of share capital, contributed surplus and deficit, which, as at June 30, 2018, amounted to $32,690,859. 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 period ended June 30, 2018. The Group is not subject to externally imposed capital requirements.

26. Comparative figures

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

27. Subsequent events

(a) On July 13, 2018, the Company announced that CMI had completed the first tranche of the Special Warrant Private Placement with the issuance of 4,531,999 special warrant certificates for gross proceeds of $271,919.94. No broker or finder fees were paid on this private placement exercise. CMI is continuing with the Special Warrant Private Placement.

(b) On July 13, 2018, Automotive Finco Corp., formerly known as Augyva Mining Resources Inc., served Canadian Century, a wholly owned subsidiary of the Company, a notice of arbitration. Augyva is claiming a sum of approximately $725,000 owed by Canadian Century based on the Augyva Agreement that was entered into between the two parties in May 2008 over the exploration of the Duncan Lake property. The claim amount is related to amounts derived from certain investment tax credits received from Quebec tax authorities to which Canadian Century was entitled under the applicable tax laws since November 16, 2012.

Having reviewed the arbitration notice and consulted with legal counsel, management is of the opinion that Canadian Century had delivered all required payments to Augyva according to the Augyva Agreement. Accordingly, no provision has been made in the Company's condensed consolidated interim financial statements in reaction to the notice of arbitration from Augyva.