Century Global Commodities Corporation

Consolidated Financial Statements
March 31, 2019
(Expressed in Canadian Dollars)

Management's Responsibility for Financial Reporting

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

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

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

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

June 27, 2019

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

June 27, 2019

Independent auditor's report

To the Shareholders of Century Global Commodities Corporation

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Century Global Commodities Corporation and its subsidiaries (together, the Company) as at March 31, 2019 and 2018, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

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

- the consolidated statements of financial position as at March 31, 2019 and 2018;
- the consolidated statements of profit or loss for the years then ended;
- the consolidated statements of comprehensive loss for the years then ended;
- the consolidated statements of changes in equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Basis for opinion

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

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

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

Other information

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

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

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

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

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

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

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

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

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

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

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

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

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

error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

The engagement partner on the audit resulting in this independent auditor's report is Marelize Barber.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario
June 27, 2019

Century Global Commodities Corporation
Consolidated Statements of Financial Position
As of March 31, 2019

(Expressed in Canadian Dollars, unless otherwise stated)

	Notes	March 31, 2019 $	March 31, 2018 $
Assets			
Current assets			
Cash and cash equivalents		5,746,934	7,578,497
Short term bank deposits		1,846,537	4,410,682
Marketable securities	8	541,938	948,640
Trade and other receivables	9, 28	10,260,210	10,568,785
Lease receivable	10	69,780	64,903
Sales taxes and other taxes recoverable		207,656	93,080
Prepayments and deposits		787,652	897,764
Inventories	11	1,205,432	674,046
		20,666,139	25,236,397
Non-current assets			
Exploration and evaluation assets	12	455,697	355,441
Property, plant and equipment	13	1,354,059	1,548,583
Investment in a joint venture	14	7,708,819	7,740,821
Investment in other equity instruments	8	66,442	-
Lease receivable	10	122,162	191,941
Goodwill	15, 29	-	97,291
		9,707,179	9,934,077
		30,373,318	35,170,474
Liabilities			
Current liabilities			
Trade and other payables	16	1,756,316	1,644,158
Equity			
Share capital	17	117,057,236	117,057,226
Contributed surplus		3,096,367	3,087,181
Deficit		(91,631,767)	(86,348,933)
Other components of equity		190,994	(269,158)
Equity attributable to owners of the Company		28,712,830	33,526,316
Non-controlling interests	21	(95,828)	-
Total equity		28,617,002	33,526,316
		30,373,318	35,170,474

Approved by the Board of Directors

/s/ "Sandy Chim" Director
Date: June 27, 2019

/s/ "Kit Ying (Karen) Lee" Director
Date: June 27, 2019

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

Century Global Commodities Corporation

Consolidated Statements of Profit or Loss
For the year ended March 31, 2019

(Expressed in Canadian Dollars, unless otherwise stated)

		Years ended March 31,	
		2019	**2018**
	Notes	**$**	**$**
Revenue	7, 22	6,083,668	3,363,600
Cost of sales		(4,490,005)	(2,464,325)
Gross profit		1,593,663	899,275
Other income	23	213,712	262,740
Selling expenses		(819,757)	(497,494)
Administrative expenses	24	(5,529,885)	(4,830,832)
Project maintenance costs		(266,963)	(76,771)
Share-based compensation expenses	18	(111,277)	(374,254)
Gain/(loss) on disposal of fixed assets		(56,308)	326,272
Gain/(loss) on foreign exchange		(81,571)	205,105
Other loss	25	(350,000)	-
Impairment of goodwill	15	(98,943)	-
Reversal of impairment provision of property, plant and equipment	10	-	88,909
Share of loss of a joint venture	14	(32,002)	(106,003)
Net loss for the year		(5,539,331)	(4,103,053)
Attributable to:			
Owners of the Company		(5,373,518)	(4,103,053)
Non-controlling interests		(165,813)	-
		(5,539,331)	(4,103,053)
Net loss per share attributable to owners of the Company – Basic and diluted	27	(0.05)	(0.04)
Weighted average number of shares outstanding		98,501,831	98,488,792

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

Century Global Commodities Corporation
Consolidated Statements of Comprehensive Loss
For the year ended March 31, 2019

(Expressed in Canadian Dollars, unless otherwise stated)

	Years ended March 31, 2019 $	2018 $
Net loss for the year	(5,539,331)	(4,103,053)
Other comprehensive income/(loss)		
Exchange gain/(loss) on translation of operations in other currencies	123,508	(200,044)
Changes in fair value of investment in equity instruments at FVTOCI	(28,488)	(305,795)
Other comprehensive income/(loss) for the year	95,020	(505,839)
Total comprehensive loss for the year	(5,444,311)	(4,608,892)
Attributable to:		
Owners of the Company	(5,278,498)	(4,608,892)
Non-controlling interests	(165,813)	-
	(5,444,311)	(4,608,892)

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

Century Global Commodities Corporation
Consolidated Statements of Changes in Equity
For the year ended March 31, 2019

(Expressed in Canadian Dollars, unless otherwise stated)

	Attributable to owners of the Company									
	Share capital $	Contributed surplus $	Deficit $	Share-based compensation reserve $	Warrants $	Special warrant reserve $	Investment fair value reserve $	Foreign currency translation reserve $	Non-controlling interests $	Total $
Balance – March 31, 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 year	-	-	(4,103,053)	-	-	-	-	-	-	(4,103,053)
Other comprehensive loss for the year	-	-	-	-	-	-	(305,795)	(200,044)	-	(505,839)
Total comprehensive loss for the year	-	-	(4,103,053)	-	-	-	(305,795)	(200,044)	-	(4,608,892)
Exercise of share-based awards (notes 17, 18)	9	4,362	-	(4,371)	-	-	-	-	-	-
Equity-settled share-based compensation arrangements (note 18)	-	-	-	374,254	-	-	-	-	-	374,254
Share options and awards expired (note 18)	-	-	2,194,847	(2,194,847)	-	-	-	-	-	-
Balance – March 31, 2018	117,057,226	3,087,181	(86,348,933)	1,458,586	20,000	-	(210,997)	(1,536,747)	-	33,526,316
Net loss for the year	-	-	(5,373,518)	-	-	-	-	-	(165,813)	(5,539,331)
Other comprehensive income/(loss) for the year	-	-	-	-	-	-	(28,488)	123,508	-	95,020
Total comprehensive income/(loss) for the year	-	-	(5,373,518)	-	-	-	(28,488)	123,508	(165,813)	(5,444,311)
Disposal of marketable securities (note 8)	-	-	70,684	-	-	-	(70,684)	-	-	-
Exercise of share-based awards (notes 17, 18)	10	3,391	-	(3,401)	-	-	-	-	-	-
Issuance of CMI's special warrant certificates (note 20)	-	-	-	-	-	423,720	-	-	-	423,720
Conversion of CMI's special warrant certificates (note 20)	-	5,795	-	-	-	(75,780)	-	-	69,985	-
Equity-settled share-based compensation arrangements (note 18)	-	-	-	111,277	-	-	-	-	-	111,277
Warrants expired (note 19)	-	-	20,000	-	(20,000)	-	-	-	-	-
Balance – March 31, 2019	117,057,236	3,096,367	(91,631,767)	1,566,462	-	347,940	(310,169)	(1,413,239)	(95,828)	28,617,002

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

Century Global Commodities Corporation

Consolidated Statements of Cash Flows

For the year ended March 31, 2019

(Expressed in Canadian Dollars, unless otherwise stated)

		Years ended March 31,	
		2019	**2018**
Cash generated by/(used in)	**Notes**	**$**	**$**
Operating activities			
Net loss for the year		(5,539,331)	(4,103,053)
Adjustments for			
Bank and other interest income		(101,243)	(143,593)
Dividend income from marketable securities		(3,324)	(9,832)
Gain on disposal of available-for-sale investments		-	(97,666)
Loss/(gain) on disposal of fixed assets		56,308	(326,272)
Reversal of impairment provision of property, plant and equipment	10	-	(88,909)
Depreciation	13	257,500	185,188
Impairment of goodwill	15	98,943	-
Loss/(gain) on foreign exchange		81,571	(205,105)
Share-based compensation arrangements	18	111,277	374,254
Share of loss of a joint venture	14	32,002	106,003
Changes in working capital items			
Decrease/(increase) in trade and other receivables		308,575	(538,358)
Decrease/(increase) in sales taxes and other taxes recoverable		(26,091)	63,219
Decrease/(increase) in prepayments and deposits		110,112	(383,666)
Increase in inventories		(531,386)	(128,086)
Increase in trade and other payables		112,158	700,742
Net cash used in operating activities		(5,032,929)	(4,595,134)
Investing activities			
Bank interest received		101,243	211,020
Short term bank deposits retrieved		2,564,145	8,595,670
Dividends received from marketable securities		3,324	9,832
Marketable securities purchased		-	(979,161)
Proceeds from sale of marketable securities		391,267	655,810
Exploration and evaluation assets		(192,613)	(355,441)
Investment tax credit refunds received		3,872	2,845
Purchases of property, plant and equipment		(162,201)	(1,337,715)
Proceeds from sale of property, plant and equipment		430	65,871
Purchase of other equity investment		(65,369)	-
Proceeds from a finance lease arrangement		64,902	93,156
Acquisition of a subsidiary	29	-	(241,918)
Net cash generated by investing activities		2,709,000	6,719,969
Financing activities			
Issuance of CMI's special warrant certificates	20	423,720	-
Net cash generated by financing activities		423,720	-
Net change in cash and cash equivalents		(1,900,209)	2,124,835
Cash and cash equivalents – Beginning of year		7,578,497	5,533,122
Effect of foreign exchange rate changes, net		68,646	(79,460)
Cash and cash equivalents – End of year		5,746,934	7,578,497
Cash in bank and on hand		4,067,402	4,578,497
Short term bank deposits with original maturity of three months or less		1,679,532	3,000,000
Cash and cash equivalents – End of year		5,746,934	7,578,497

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

1. Nature of operations

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

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

These audited consolidated financial statements were approved by the Board of Directors for issue on June 27, 2019.

2. Basis of preparation

The consolidated financial statements of the Company and its subsidiaries (the "Group") have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 5.

3. Significant accounting policies

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

Basis of measurement

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

Principles of consolidation

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

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

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

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

Name of entity	Place of business / Country of incorporation	Ownership interest held by the Group %	Ownership interest held by NCI %	Principal activities
Century Iron Ore Holdings Inc.	Canada	100%	-	Investment holding
Canadian Century Iron Ore Corporation	Canada	100%	-	Exploration and mining of mineral property
0849873 B.C. Ltd.	Canada	100%	-	Exploration and mining of mineral property
Century Metals Inc. ("CMI")	Canada	95.6%	4.4%	Exploration and mining of mineral property
Century Iron Mines Hong Kong Holdings Limited	Hong Kong, China	100%	-	Investment holding
Century Food Company Limited	Hong Kong, China	100%	-	Distribution of food
Century Trading (Wuhan) Company Limited	Mainland China	100%	-	Investment holding
Chaoxiaojiang Wuhan Catering Company Limited ("CXJWH")	Mainland China	70%	30%	Provision of food service

Translation of foreign currency

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

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

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

Business combinations

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the NCI in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition related costs are expensed as incurred.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognized in profit or loss. Contingent consideration that is classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

Goodwill is initially measured as the excess of the sum of the consideration transferred, the amount of any NCI in the acquiree, and the fair value of the Group's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any NCI in the acquiree and the fair value of the Group's previously held equity interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

Goodwill

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

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

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

Joint arrangements

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

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

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

Cash and cash equivalents

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

Short term bank deposits

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

Financial instruments

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

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

Financial assets

(a) Classification

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

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

(b) Measurement

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

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

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

(c) Impairment

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

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

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

(d) Accounting policy applied until March 31, 2018

The Group has applied IFRS 9 retrospectively, but has elected not to restate comparative information. As a result, the comparative information provided continues to be accounted for in accordance with the Group's previous accounting policy.

Under the previous accounting policy, the Group classified its financial assts at initial recognition in the following categories depending on the purpose for which the assets were acquired:

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

(ii) Available-for-sale ("AFS") financial assets: Equity investments classified as AFS were those that were neither classified as held for trading nor designated at fair value through profit or loss. The Group's marketable securities were classified as AFS. AFS financial assets were initially recognized and re-measured at fair value at each quarter end for quarterly financial reporting. Fair value changes on AFS assets were recognized and disclosed separately as gain or loss in other comprehensive income directly in equity during the period; and the cumulative gain and loss was reclassified from equity to profit or loss when the AFS financial asset was derecognized.

At each reporting date, the Group assessed whether there was objective evidence that a financial asset was impaired. If such evidence existed, the Group recognized an impairment loss. For financial assets carried at amortized cost, the loss was 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 was reduced by this amount either directly or indirectly through the use of an allowance account.

Financial liabilities

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

Inventories

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

Exploration and evaluation expenditures

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

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

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

Tax credits and mining credits on duties

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

Property, plant and equipment

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

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

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

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

Asset impairment

(i) Exploration and evaluation assets

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

(ii) 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.

(iii) Investment in joint ventures

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

Leases

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

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

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

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

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

(a) Distribution of food

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

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

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

(b) Provision of food service

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

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

Net earnings (loss) per share

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

Related parties

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

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

or

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

4. Changes in accounting policies

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 consolidated financial statements 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 in note 3.

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 in note 3.

In accordance with the transition provisions of IFRS 15, the Group has adopted the new rules retrospectively with the cumulative effect of initially applying the standard recognized at April 1, 2019. The adoption of IFRS 15 did not result in any retrospective adjustment of the Group's consolidated 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 following are the estimates and judgments applied by management that most significantly affect the Group's financial statements.

(i) Valuation of exploration and evaluation assets

The Group carries its exploration and evaluation assets at cost less provision for impairment. The Group reviews the carrying value of its exploration and evaluation assets whenever events or changes in circumstances indicate that their carrying values may not be recoverable, based on IFRS 6 *Exploration for and Evaluation of Mineral Resources* and IAS 36 *Impairment of Assets*. In undertaking this review, management is required to make significant estimates of, amongst other things, future production and sale values, unit sales prices, future operating and capital costs and reclamation costs to the end of the mine's life. These estimates are subject to various risks and uncertainties, which may ultimately have an effect on the expected recoverability of the carrying value of the exploration and evaluation assets. In the event that the prospects for the development of the investment project and the mineral projects are enhanced in the future, an assessment of the recoverable amount of the projects will be performed at that time, which may lead to a reversal of part or all of the impairment that has been recognized.

(ii) Valuation of property, plant and equipment

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 *Impairment of Assets*. A market approach is used in estimating the fair value less costs of disposal ("FVLCD") of the Company's long term property, plant & equipment, primarily operational drills, field equipment and camps. In the event that the prospects for the development of the investment project and the mineral projects are enhanced in the future, an assessment of the recoverable amount of the projects will be performed at that time, which may lead to a reversal of part or all of the impairment that has been recognized.

(iii) Provision for expected credit losses on accounts receivable

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

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

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

(iv) Share-based compensation expenses

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

(v) Classification of joint arrangements

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

(vi) Valuation of investment in a joint venture

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

6. New standards and interpretations issued but not yet effective

The following standard has been issued but is 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. In addition, IFRS 16 requires lessees and lessors to make more extensive disclosures than under IAS 17.

The Group plans to adopt the transition provisions in IFRS 16 to recognize the cumulative effect of initial adoption as an adjustment to the opening balance of retained earnings at April 1, 2019 and will not restate the comparatives. In addition, the Group will make use of the practical expedient available on transition to IFRS 16 not to reassess whether a contract is or contains a lease. Accordingly, the definition of a lease in accordance with IAS 17 and IFRIC 4 will continue to apply to those leases entered or modified before April 1, 2019.

The Group will elect to use the exemptions proposed by the standard on lease contracts for which the lease terms ends within 12 months as of the date of initial application, and lease contracts for which the underlying asset is of low value. The Group has leases of certain office equipment such as printing and photocopying machines, computer equipment etc. that are considered of low value.

The Group is in the process of completing the preliminary quantification of adopting IFRS 16 and is continuously evaluating the impact of the new standard on its consolidated financial statements.

(i) Impact on lessee accounting

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

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

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

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

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

(ii) Impact on lessor accounting

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

7. Segment information

The Group's operating segments are as follows:

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

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

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

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

The following tables present information for the Group's operating segments for the years ended March 31, 2019 and 2018, respectively.

For the year ended March 31, 2019	**Mining**	**Food**	**Corporate**	**Total**
	$	**$**	**$**	**$**
Segment revenue				
Revenue from contracts with customers:				
Distribution of food	-	5,447,011	-	5,447,011
Provision of food service	-	636,657	-	636,657
Sales to external customers	-	6,083,668	-	6,083,668
Segment profit or loss				
Gross profit	-	1,593,663	-	1,593,663
Income and gains:				
Interest income	16,011	-	85,349	101,360
Other income or gains	3,324	109,028	-	112,352
	19,335	109,028	85,349	213,712
Expenses:				
Selling expenses	-	819,757	-	819,757
Salaries, pension and directors' fees	990,356	1,610,326	656,359	3,257,041
Consulting and professional fees	684,534	141,594	273,272	1,099,400
Corporate promotion and listing fees	57,468	-	37,073	94,541
Other administrative expenses	316,810	636,046	207,618	1,160,474
Project maintenance costs	266,963	-	-	266,963
Share-based compensation expenses	29,806	47,806	33,665	111,277
Loss on disposal of fixed assets	-	55,525	783	56,308
Other loss	-	-	350,000	350,000
Impairment of goodwill	-	98,943	-	98,943
Share of loss of a joint venture	32,002	-	-	32,002
	2,377,939	3,409,997	1,558,770	7,346,706
Net loss for the year	(2,358,604)	(1,707,306)	(1,473,421)	(5,539,331)
Segment assets				
Investment in a joint venture	7,708,819	-	-	7,708,819
Total assets	17,909,009	3,502,379	8,961,930	30,373,318
Segment liabilities				
Total liabilities	625,659	579,554	551,103	1,756,316
Other segment information				
Depreciation	30,242	174,704	52,554	257,500
Capital expenditure	193,833	80,273	80,708	354,814

For the year ended March 31, 2018	Mining $	Food $	Corporate $	Total $
Segment revenue				
Revenue from contracts with customers:				
Distribution of food	-	3,200,408	-	3,200,408
Provision of food service	-	163,192	-	163,192
Sales to external customers	-	3,363,600	-	3,363,600
Segment profit or loss				
Gross profit	-	899,275	-	899,275
Income and gains:				
Interest income	-	-	153,208	153,208
Other income or gains	107,586	1,691	255	109,532
	107,586	1,691	153,463	262,740
Expenses:				
Selling expenses	-	497,494	-	497,494
Salaries, pension and directors' fees	974,052	1,448,735	668,445	3,091,232
Consulting and professional fees	267,509	44,571	381,720	693,800
Corporate promotion and listing fees	5,000	-	48,477	53,477
Other administrative expenses	251,856	444,579	90,783	787,218
Project maintenance costs	76,771	-	-	76,771
Share-based compensation expenses	104,953	157,608	111,693	374,254
Loss on disposal of fixed assets	(322,625)	-	(3,647)	(326,272)
Reversal of impairment provision of property, plant and equipment	(88,909)	-	-	(88,909)
Share of loss of a joint venture	106,003	-	-	106,003
	1,374,610	2,592,987	1,297,471	5,265,068
Net loss for the year	(1,267,024)	(1,692,021)	(1,144,008)	(4,103,053)
Segment assets				
Investment in a joint venture	7,740,821	-	-	7,740,821
Total assets	19,031,213	2,812,508	13,326,753	35,170,474
Segment liabilities				
Total liabilities	468,100	667,051	509,007	1,644,158
Other segment information				
Depreciation	56,828	55,094	73,266	185,188
Capital expenditure	355,441	461,373	1,122,444	1,939,258

Included in the revenue of the Group's food segment is revenue of $3,542,247 (2018: $2,031,279) which was derived from sales to three (2018: three) major external customers. Revenue contributed by each of the major customers of the Group in descending order of value were $1,870,287, $1,034,758 and $637,202 (2018: $1,090,584, $534,029 and $406,666).

The Group operates in two principal geographical areas – Canada and China (including Hong Kong). The following table presents information for the Group's geographical segments for the years ended March 31, 2019 and 2018, respectively.

	Canada $	China $	Total $
Sales to external customers			
Year ended March 31, 2019	-	6,083,668	6,083,668
Year ended March 31, 2018	-	3,363,600	3,363,600
Non-current assets			
March 31, 2019	8,462,254	1,244,925	9,707,179
March 31, 2018	8,426,359	1,507,718	9,934,077

8. Financial assets at fair value through other comprehensive income

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

An analysis of financial assets at FVTOCI as at the balance sheet date, or AFS investments under the previous accounting policy for the comparable period, is as follows:

	2019 $	2018 $
Financial assets at FVTOCI		
Listed equity securities – Canada, at fair value	541,938	-
Unlisted equity securities – Hong Kong, at fair value	66,442	-
AFS investments, accounted for under the previous accounting policy		
Listed equity securities – Canada, at fair value	-	948,640

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

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

	2019 $	2018 $
Losses recognized in other comprehensive income	(28,488)	(224,681)
Gains recognized in profit or loss, being reclassified from other comprehensive income on sale of AFS investments	-	81,114
Dividend income recognized in profit or loss:		
Related to investments at FVTOCI derecognized during the year	-	-
Related to investments at FVTOCI held as of the balance sheet date	3,324	-
	3,324	-

9. Trade and other receivables

	2019 $	2018 $
Trade receivables (i)	1,130,769	773,652
Other receivables	561,671	268,757
Receivable from Labec Century (ii)	5,356,999	6,315,605
Receivable from WISCO Century Sunny Lake (ii)	3,210,771	3,210,771
	10,260,210	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.

For the year ended March 31, 2019, an impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

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

As of March 31, 2018, trade receivables of $21,655 were past due but not impaired. There had not been a significant change in credit quality of these trade receivables, and the amounts were still considered recoverable. The aging analysis of these trade receivables, based on invoice date, was as follows:

	2018
	$
Trade receivables that are past due but not impaired	
Over 90 days	21,655

(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 28 for the details of the balances.

10. Lease receivable

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

Accordingly, the Group has reversed an impairment provision of $88,909 in the year ended March 31, 2018 relating to the leased drills. On inception of the finance leases, the Group has derecognized the drills and recorded a gain on disposal of fixed assets at an amount of $261,091.

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

	Minimum lease payments		**Present value of minimum lease payments**	
	2019	**2018**	**2019**	**2018**
	$	**$**	**$**	**$**
Within one year	80,908	80,906	69,780	64,903
After one year but not more than five years	129,095	209,999	122,162	191,941
More than five years	-	-	-	-
	210,003	290,905	191,942	256,844
Less: unearned finance income	(18,061)	(34,061)	-	-
Lease receivable	191,942	256,844	191,942	256,844

11. Inventories

	2019	**2018**
	$	**$**
Trading merchandise held for sale	1,205,432	674,046

12. Exploration and evaluation assets

	2019 $	2018 $
Trudeau gold and other non-ferrous properties		
Balance at beginning of year	355,441	-
Additions	192,613	355,441
Investment tax credits	(92,357)	-
Balance at end of year	455,697	355,441

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., formerly known as Trudeau Gold Inc., 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 March 31, 2019, the net book value of the above two properties remains nil. In the event that the prospects for the development of the mineral projects are enhanced in the future, an assessment of the recoverable amount of the projects will be performed at that time, which may lead to a reversal of part or all of the impairment that has been recognized.

Duncan Lake property

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

As of March 31, 2019, the Group has a 65% registered interest in the Duncan Lake property and is in the process of registering approximately an additional 3% interest as a result of its contribution to the exploration expenditure incurred for the property subsequent to the earn-in of its 65% interest in the property.

Sunny Lake property

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

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

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

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

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

As at March 31, 2019, 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.

13. Property, plant and equipment

	Land $	Drilling & field equipment $	Camp and 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 (note 29)	-	-	-	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	-	-	-	100,490	34,781	26,930	162,201
Disposals	-	-	-	(122,404)	(59,238)	-	(181,642)
Exchange differences	-	-	(34,782)	(4,783)	(1,695)	450	(40,810)
Balance - March 31, 2019	137,177	971,427	2,115,000	428,124	464,835	99,948	4,216,511
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 (note 29)	-	-	-	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 (note 10)	-	(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	-	-	34,880	131,719	85,954	4,947	257,500
Disposals	-	-	-	(83,270)	(41,647)	-	(124,917)
Exchange differences	-	-	(341)	571	1,389	71	1,690
Balance - March 31, 2019	100,000	971,427	1,139,372	188,480	386,290	76,883	2,862,452
Net book value							
Balance - March 31, 2019	37,177	-	975,628	239,644	78,545	23,065	1,354,059
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 is as follows:

	2019 $	2018 $
Balance at beginning of year	7,740,821	7,846,824
Share of loss of Labec Century	(32,002)	(106,003)
Balance at end of year	7,708,819	7,740,821

The financial information of Labec Century is summarized as follows:

	March 31, 2019 $'000	March 31, 2018 $'000
Assets		
Current assets	15,553	17,058
Non-current assets	5,118	4,702
Liabilities		
Current liabilities	7,778	8,814
Non-current liabilities	-	-
Cash and cash equivalents	11,551	13,106

	Years ended March 31,	
	2019 $'000	2018 $'000
Loss from continuing operations	(53)	(177)
Total comprehensive loss	(53)	(177)

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

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

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

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

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

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

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

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

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

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

As at March 31, 2019, the Group continues to own a 60% interest in Labec Century.

15. Goodwill

	2019	**2018**
	$	**$**
Cost		
Balance at beginning of year	97,291	-
Acquisition of a subsidiary (note 29)	-	97,291
Exchange differences	1,652	-
Balance at end of year	98,943	97,291
Accumulated impairment		
Balance at beginning of year	-	-
Impairment loss	98,943	-
Balance at end of year	98,943	-
Net book value		
As at March 31	-	97,291

During the year ended March 31, 2018, the Group acquired a food service operation in mainland China, giving rise to goodwill of $97,291. For details of the acquisition, please refer to note 29.

As at March 31, 2019, management performed an impairment test on goodwill. During the year, this acquired food service operation has been incurring losses owing to rising costs and increasing competition from restaurants newly opened in the neighbourhood of the operation. The management did not expect the operation to be profit making in the foreseeable future and therefore has sold its assets in March 2019 to reduce losses. Accordingly, management determined to fully impair the goodwill.

16. Trade and other payables

	2019	**2018**
	$	**$**
Trade payables (i)	207,609	182,528
Other payables and accruals	1,548,707	1,283,610
Deposits received for special warrants subscription of CMI (ii)	-	178,020
	1,756,316	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) In July, September and November 2018, CMI has completed three tranches of the Special Warrant Private Placement and issued a total of 7,061,999 special warrant certificates to its subscribers. Upon the issuance of the special warrant certificates, subscription deposits of $423,720 were transferred to special warrant reserve. For details, please refer to note 20.

17. Share capital

Authorized

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

Issued and fully paid

At March 31, 2019, the Company had 98,504,571 ordinary shares issued and outstanding, representing an amount of $117,057,236. The changes in issued share capital for the year are as follows:

	Number of shares	$
Balance – March 31, 2017	98,485,071	117,057,217
Ordinary shares issued under an equity incentive plan (note 18)	9,500	9
Balance – March 31, 2018	98,494,571	117,057,226
Ordinary shares issued under an equity incentive plan (note 18)	10,000	10
Balance – March 31, 2019	98,504,571	117,057,236

18. Share-based compensation arrangements

	2019 $	2018 $
Share options expense	111,277	374,254

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 March 31, 2019 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, 2018	8,727,500	0.30
Forfeited	(10,000)	0.35
Balance – March 31, 2019	8,717,500	0.30

The exercise prices and exercise periods of the share options outstanding as of March 31, 2019 are as follows:

Number of options	Exercise price $	Exercise period
4,082,500	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
8,717,500		

As of the balance sheet date, the weighted average remaining contractual life of the outstanding share options is 6.7 years, and 7,137,502 options are vested and exercisable.

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, 2018	10,000	290,375	279,125	579,500	0.48
Vested and shares exercised	(10,000)	-	-	(10,000)	0.34
Expired	-	(263,750)	(263,750)	(527,500)	0.49
Forfeited	-	(16,875)	(5,625)	(22,500)	0.46
Balance – March 31, 2019	-	9,750	9,750	19,500	0.40

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

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

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

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

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

On November 9, 2017, 9,500 shares were issued at nil consideration for the share units vested under the time-based target. An amount of $4,371 was transferred from the share award reserve to share capital and contributed surplus upon the issuance of the shares.

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.

19. Warrants

The warrants issued and outstanding as of March 31, 2019 are as follows:

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

On November 29, 2013, the Company issued to Champion 1 million warrants as part of the consideration paid for the acquisition of Champion's remaining interest in the Attikamagen property. The warrants have an expiry date of November 29, 2018 and are exercisable between November 30, 2017 to November 29, 2018 at an exercise price of $2.50. The warrants have expired on November 29, 2018.

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

Labec Century has agreed to pay the Company the fair value of any warrants exercised by Champion based on the difference between the exercise price and the market price at the exercise date of any warrants. Champion has not exercised any warrants during the exercisable period of the warrants, no derivative asset was recognized as a result.

20. Special warrant reserve

	$
Balance – March 31, 2018	-
Issuance of CMI's special warrant certificates	423,720
Conversion of CMI's special warrant certificates	(75,780)
Balance – March 31, 2019	347,940

On March 8, 2018, CMI 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. With the consent of the holders of the special warrants issued on July 9, 2018, the second conversion condition of the special warrants issued on July 9, 2018 is extended to the nine-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. As at March 31, 2019, a conditional approval of the listing of CMI's common shares on the TSX Venture Exchange was received. The Spin-out Transaction has been completed in June 2019, whereby CMI is created as an independent public company. For details, please refer to note 33.

In advance of the Spin-out Transaction, CMI has completed a series of 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.

On July 9, September 7 and November 2, 2018, CMI has completed three tranches of the Special Warrant Private Placement and issued 4,531,999, 1,263,000 and 1,267,000 special warrant certificates for gross proceeds of approximately $271,920, $75,780 and $76,020, respectively. In total, CMI has issued 7,061,999 special warrants for aggregate proceeds of approximately $423,720. No broker or finder fees were paid on these private placement exercises.

On March 7, 2019, 1,263,000 special warrant certificates issued on September 7, 2018 were converted automatically into 1,263,000 common shares of CMI upon reaching the six-month anniversary of the issuance of the special warrants.

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

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

	2019 $	2018 $
Loss for the year allocated to NCI:		
CMI	739	-
CXJWH	165,074	-
Dividends paid to NCI:		
CMI	-	-
CXJWH	-	-
Accumulated NCI:		
CMI	69,246	-
CXJWH	(165,074)	-

Set out below is summarised financial information of the above subsidiaries. The amounts disclosed are before any inter-company eliminations.

	CMI 2019 $'000	**CXJWH 2019 $'000**
Assets		
Current assets	1,106	64
Non-current assets	1,164	40
Liabilities		
Current liabilities	711	664
Non-current liabilities	-	-
Revenue	-	227
Net loss for the year	247	427
Other comprehensive income for the year	-	-
Total comprehensive loss for the year	247	427
Cashflows from operating activities	(256)	(290)
Cashflows from investing activities	(436)	(49)
Cashflows from financing activities	1,277	353
Net change in cash and cash equivalents	585	14

22. Revenue

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

23. Other income

	2019 $	**2018 $**
Marketing service income	108,448	-
Bank and other interest income	101,360	153,208
Dividend income	3,324	9,832
Gain on disposal of marketable securities	-	97,666
Other income	580	2,034
	213,712	262,740

24. Administrative expenses

	2019 $	2018 $
Salaries, pension and directors' fees	3,257,041	3,091,232
Consulting and professional fees	1,099,400	693,800
Rental and office expenses	676,780	661,663
Travel	144,623	145,472
Corporate promotion and listing fees	94,541	53,477
Depreciation	257,500	185,188
	5,529,885	4,830,832

25. Other loss

On March 14, 2019, a fixed deposit held by the Company at a bank in Canada was illegally unwound pursuant to instructions from an unknown perpetrator who had hijacked the email account of one of our staff and delivered falsified instructions, and those funds were transmitted to an unknown third party's bank account. Management of the Company immediately reported the theft incident to the police for investigation when it was discovered. Management has also reported the incident to the Company's Audit Committee and the Board of Directors, and conducted a review of its internal control systems to strengthen its control measures.

26. Income taxes

The Company's tax residency is in Hong Kong and is subject to income tax at Hong Kong applicable rate of 16.5%. Significant items causing the Group's effective income tax rate to differ from Hong Kong applicable rate of 16.5% (2018: 16.5%) are as follows:

	2019 $	2018 $
Loss before income taxes	(5,539,331)	(4,103,053)
Expected income tax recovery at applicable rate	913,990	677,004
Different tax rates in other jurisdictions	202,572	81,365
Expenses not deductible for tax	(148,829)	(124,381)
Tax losses and other deductible temporary differences not recognized	(991,664)	(633,988)
Utilization of tax losses previously not recognized	23,931	-
Income tax charge	-	-

The Canadian, Hong Kong and Chinese tax rates for the fiscal year 2019 are 26.55% (2018: 26.60%), 16.5% (2018: 16.5%) and 25% (2018: 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, 2019 and 2018.

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:

	2019 $	2018 $
Non-capital loss carry-forwards (expires between 2020 and 2039)	30,209,669	25,902,952
Investment tax credits (expires between 2030 and 2034)	1,950,445	1,950,445
Exploration and evaluation assets	4,038,891	1,797,557
	36,199,005	29,650,954

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 $32,002 as of March 31, 2019 (2018: $106,003).

27. 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.

28. 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, 2019, the Group had accounts receivable of $5,356,999 (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 March 31, 2019, the Group had accounts receivable of $3,210,771 (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 year is summarized below:

	2019 $	2018 $
Salaries and directors' fees	1,160,200	1,157,354
Share-based compensation expenses	76,063	203,133
	1,236,263	1,360,487

29. Business combination

On February 1, 2018, the Company acquired 100% interest in Venuss Chongqing Catering Company Limited ("Venuss Chongqing"), a food service operation in mainland China as part of its food business strategy. Details of the purchase consideration, the net assets acquired and goodwill were as follows:

	$
Purchase consideration, satisfied by cash	246,102
Assets and liabilities acquired:	
Cash	4,184
Accounts receivable	34,497
Inventories	2,362
Property, plant and equipment	125,472
Accounts payable and accrued liabilities	(17,704)
Net identifiable assets acquired	148,811
Add: goodwill	97,291
Net assets acquired	246,102

The goodwill was attributable to the brand name and the customer base of the acquired business. It would not be deductible for tax purposes. It is fully impaired as of March 31, 2019. For details of the impairment assessment, please refer to note 15.

30. Financial risk management

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

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

The Group's financial assets and financial liabilities have been classified into categories that determine their basis of measurement. As at March 31, 2019 and 2018, the Group's financial instruments are comprised of cash and cash equivalents, short term bank deposits, marketable securities, investment in other equity instruments, trade and other receivables, trade and other payables. With the exception of cash and cash equivalents, marketable securities and investment in other equity instruments, all other financial instruments of the Group are measured at amortized cost.

The following table shows the carrying values, fair values and fair value hierarchy of the Group's financial instruments that are measured at fair value as at March 31, 2019 and 2018:

		March 31, 2019		**March 31, 2018**	
	Level	**Carrying value**	**Fair value**	**Carrying value**	**Fair value**
		$	**$**	**$**	**$**
Marketable securities	1	541,938	541,938	948,640	948,640
Investment in other equity instruments	3	66,442	66,442	-	-
		608,380	608,380	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.

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

	2019
	$
Balance – April 1, 2018	-
Purchases	66,442
Balance – March 31, 2019	66,442

Credit risk

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

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

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

Liquidity risk

The Group's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As of March 31, 2019, the Group had cash and cash equivalents and short term bank deposits of $7,593,471 (2018: $11,989,179) to settle current liabilities of $1,756,316 (2018: $1,644,158). Most of the Group's financial liabilities have contractual maturities of 30 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 1% in the annual interest rate would not have a material impact on the net loss or equity at March 31, 2019.

(b) Foreign currency exchange risk

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

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

(c) Capital market risk

The Group's current policy is to invest some portion of its excess cash in marketable securities, primarily shares of publicly listed mining companies. The Group sets investment guidelines, including pre-set targeted capital allocation and returns, exit and entry prices, and periodically monitors the investments it makes. The Group is satisfied with the financial and operating performance of the mining companies the Group invests in. An absolute increase or decrease of 5% in the investment return would not have a material impact on the net loss or equity at March 31, 2019.

31. Capital management

The Group considers its capital structure to consist of share capital, contributed surplus and deficit, which, as at March 31, 2019, amounted to $28,521,836. 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, 2019. The Group is not subject to externally imposed capital requirements.

32. Operating lease commitments

The Group has entered into lease commitments on its head office and other premises. Future minimum operating commitments payable as at March 31, 2019 and 2018 are as follows:

	2019	**2018**
	$	**$**
Within one year	198,972	326,431
After one year but not more than five years	264,513	407,556
More than five years	-	-
	463,485	733,987

33. Subsequent events

(a) On April 3, 2019, the remaining 5,798,999 special warrant certificates of CMI were converted automatically into 5,798,999 common shares of CMI upon the prospectus qualification of CMI's common shares.

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

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

(b) In June 2019, the Company is working on an arrangement with Automotive Finco Corp., formerly known as Augyva and the co-owner of the Duncan Lake property, whereby the Company would pay to Automotive Finco Corp. an amount of $376,000 in respect of the investment tax credit payments received by the Company in relation to the exploration of the Duncan Lake property. The amount has already been fully provided for in the Company's consolidated financial statements as of March 31, 2019.

(c) As of the date of this report, of the bank deposit loss incurred in March 2019, the Company expects to recover $130,000. To date, management expects these incidents would result in a total net loss of $220,000 (principal amount) to the Company (excluding lost interest and legal fees).