Century Global Commodities Corporation

Condensed Consolidated Interim Financial Statements
(Unaudited)
December 31, 2019

(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

Century Global Commodities Corporation
Condensed Consolidated Interim Statement of Financial Position
(Unaudited)
As of December 31, 2019

(Expressed in Canadian Dollars, unless otherwise stated)

	Notes	December 31, 2019 $	March 31, 2019 $
Assets			
Current assets			
Cash and cash equivalents		4,168,372	5,746,934
Short term bank deposits		1,425,345	1,846,537
Marketable securities	7	418,491	541,938
Trade and other receivables	8, 24	9,478,107	10,260,210
Lease receivable	9	73,704	69,780
Sales taxes and other taxes recoverable		124,435	207,656
Prepayments and deposits		1,079,147	787,652
Inventories	10	1,332,584	1,205,432
		18,100,185	20,666,139
Non-current assets			
Exploration and evaluation assets	11	610,571	455,697
Property, plant and equipment	12	1,086,334	1,354,059
Right-of-use assets	4	405,280	-
Investment in a joint venture	13	7,726,299	7,708,819
Investment in other equity instruments	7	64,551	66,442
Lease receivable	9	66,383	122,162
		9,959,418	9,707,179
Total assets		28,059,603	30,373,318

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

Century Global Commodities Corporation
Condensed Consolidated Interim Statement of Financial Position
(Unaudited)
As of December 31, 2019

(Expressed in Canadian Dollars, unless otherwise stated)

	Notes	December 31, 2019 $	March 31, 2019 $
Liabilities			
Current liabilities			
Trade and other payables	14	2,140,963	1,756,316
Lease liabilities	4	244,267	-
		2,385,230	1,756,316
Non-current liabilities			
Lease liabilities	4	214,560	-
Total liabilities		2,599,790	1,756,316
Shareholders' equity			
Share capital	15	117,057,236	117,057,236
Contributed surplus		3,326,663	3,096,367
Deficit		(95,687,830)	(91,631,767)
Other components of equity		151,484	190,994
Equity attributable to owners of the Company		24,847,553	28,712,830
Non-controlling interests		612,260	(95,828)
Total equity		25,459,813	28,617,002
Total equity and liabilities		28,059,603	30,373,318

Approved by the Board of Directors

/s/ "Sandy Chim" Director
Date: February 12, 2020

/s/ "Kit Ying (Karen) Lee" Director
Date: February 12, 2020

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Century Global Commodities Corporation

Condensed Consolidated Interim Statement of Profit or Loss
(Unaudited)
For the three and nine months ended December 31, 2019

(Expressed in Canadian Dollars, unless otherwise stated)

		Three months ended December 31,		Nine months ended December 31,	
		2019	**2018**	**2019**	**2018**
	Notes	**$**	**$**	**$**	**$**
Revenue	6, 19	2,031,905	1,649,610	5,998,591	4,324,055
Cost of sales		(1,559,477)	(1,192,858)	(4,592,891)	(3,175,652)
Gross profit		472,428	456,752	1,405,700	1,148,403
Other income	20	40,704	44,709	240,833	171,779
Selling expenses		(111,663)	(208,035)	(411,309)	(660,024)
Administrative expenses	21	(1,453,577)	(1,469,963)	(4,410,580)	(4,188,584)
Project maintenance costs		(11,709)	(7,884)	(25,743)	(26,771)
Share-based compensation expenses	16	(1,173)	(20,792)	(27,632)	(91,841)
Gain/(loss) on foreign exchange		18,203	(125,790)	(38,388)	(156,842)
Gain/(loss) on dissolution or disposal of subsidiaries in other currencies		46,525	-	(333,547)	-
Interest expense		(6,226)	-	(16,593)	-
Share of profit/(loss) of a joint venture	13	(613)	(36,625)	17,480	(27,958)
Net loss for the period		(1,007,101)	(1,367,628)	(3,599,779)	(3,831,838)
Attributable to:					
Owners of the Company		(973,159)	(1,367,628)	(3,412,155)	(3,831,838)
Non-controlling interests		(33,942)	-	(187,624)	-
		(1,007,101)	(1,367,628)	(3,599,779)	(3,831,838)
Net loss per share attributable to owners of the Company – Basic and diluted	22	(0.01)	(0.01)	(0.03)	(0.04)
Weighted average number of shares outstanding		98,504,571	98,504,571	98,504,571	98,500,935

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

Century Global Commodities Corporation
Condensed Consolidated Interim Statement of Comprehensive Loss
(Unaudited)
For the three and nine months ended December 31, 2019

(Expressed in Canadian Dollars, unless otherwise stated)

	Three months ended December 31, 2019 $	Three months ended December 31, 2018 $	Nine months ended December 31, 2019 $	Nine months ended December 31, 2018 $
Net loss for the period	(1,007,101)	(1,367,628)	(3,599,779)	(3,831,838)
Other comprehensive income/(loss)				
Exchange gain/(loss) on translation of operations in other currencies	(137,152)	405,762	(113,786)	261,111
Changes in fair value of investment in equity instruments at FVTOCI	21,856	40,854	151,965	(59,584)
Other comprehensive income/(loss) for the period	(115,296)	446,616	38,179	201,527
Total comprehensive loss for the period	(1,122,397)	(921,012)	(3,561,600)	(3,630,311)
Attributable to:				
Owners of the Company	(1,088,455)	(921,012)	(3,373,976)	(3,630,311)
Non-controlling interests	(33,942)	-	(187,624)	-
	(1,122,397)	(921,012)	(3,561,600)	(3,630,311)

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

Century Global Commodities Corporation
Condensed Consolidated Interim Statement of Changes in Equity
(Unaudited)
For the nine months ended December 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, 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
Effect of adoption of IFRS 16 (note 4)	-	-	(25,152)	-	-	-	-	-	-	(25,152)
Balance – April 1, 2019, restated	117,057,236	3,096,367	(91,656,919)	1,566,462	-	347,940	(310,169)	(1,413,239)	(95,828)	28,591,850
Net loss for the period	-	-	(3,412,155)	-	-	-	-	-	(187,624)	(3,599,779)
Other comprehensive income/(loss) for the period	-	-	-	-	-	-	151,965	(113,786)	-	38,179
Total comprehensive income/(loss) for the period	-	-	(3,412,155)	-	-	-	151,965	(113,786)	(187,624)	(3,561,600)
Disposal of marketable securities	-	-	(39,330)	-	-	-	39,330	-	-	-
Dissolution of a subsidiary in other currencies	-	(20,538)	20,538	-	-	-	-	229,194	-	229,194
Disposal of a subsidiary in other currencies	-	-	-	-	-	-	-	(25,905)	198,642	172,737
Conversion of CMI's special warrant certificates (note 18)	-	95,594	-	-	-	(347,940)	-	-	252,346	-
Dividends declared and settled (note 23)	-	155,240	(599,964)	-	-	-	-	-	444,724	-
Equity-settled share-based compensation arrangements (note 16)	-	-	-	27,632	-	-	-	-	-	27,632
Balance – December 31, 2019	117,057,236	3,326,663	(95,687,830)	1,594,094	-	-	(118,874)	(1,323,736)	612,260	25,459,813

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

Century Global Commodities Corporation
Condensed Consolidated Interim Statement of Changes in Equity
(Unaudited)
For the nine months ended December 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, 2018	117,057,226	3,087,181	(86,348,933)	1,458,586	20,000	-	(210,997)	(1,536,747)	-	33,526,316
Net loss for the period	-	-	(3,831,838)	-	-	-	-	-	-	(3,831,838)
Other comprehensive income/(loss) for the period	-	-	-	-	-	-	(59,584)	261,111	-	201,527
Total comprehensive income /(loss) for the period	-	-	(3,831,838)	-	-	-	(59,584)	261,111	-	(3,630,311)
Disposal of marketable securities	-	-	72,968	-	-	-	(72,968)	-	-	-
Warrants expired (note 17)	-	-	20,000	-	(20,000)	-	-	-	-	-
Issuance of CMI's special warrant certificates (note 18)	-	-	-	-	-	423,720	-	-	-	423,720
Exercise of share-based awards (notes 15, 16)	10	3,391	-	(3,401)	-	-	-	-	-	-
Equity-settled share-based compensation arrangements (note 16)	-	-	-	91,841	-	-	-	-	-	91,841
Balance – December 31, 2018	117,057,236	3,090,572	(90,087,803)	1,547,026	-	423,720	(343,549)	(1,275,636)	-	30,411,566

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

Century Global Commodities Corporation
Condensed Consolidated Interim Statement of Cash Flows
(Unaudited)
For the three and nine months ended December 31, 2019

(Expressed in Canadian Dollars, unless otherwise stated)

		Three months ended December 31,		Nine months ended December 31,	
		2019	2018	2019	2018
Cash generated by/(used in)	**Notes**	**$**	**$**	**$**	**$**
Operating activities					
Net loss for the period		(1,007,101)	(1,367,628)	(3,599,779)	(3,831,838)
Adjustments for					
Bank and other interest income		(13,661)	(26,587)	(48,642)	(78,335)
Dividend income from marketable securities		(615)	(721)	(2,114)	(2,133)
Loss on disposal of fixed assets		927	10,591	64,803	11,598
Loss/(gain) on foreign exchange		(18,203)	125,790	38,388	156,842
Depreciation	12	26,091	65,526	89,458	194,990
Amortization of right-of-use assets		56,988	-	168,327	-
Share-based compensation arrangements	16	1,173	20,792	27,632	91,841
Exchange reserve written off on dissolution of a subsidiary in other currencies		-	-	229,194	-
Gain on disposal of a subsidiary		(46,525)	-	(46,525)	-
Share of loss/(profit) of a joint venture	13	613	36,625	(17,480)	27,958
Changes in working capital items					
Decrease/(increase) in trade and other receivables		(113,822)	(551,707)	781,142	179,193
Decrease/(increase) in sales taxes and other taxes recoverable		9,972	(7,118)	23,704	(12,783)
Increase in prepayments and deposits		(301,730)	(417,186)	(303,383)	(308,895)
Increase in inventories		(109,433)	(245,934)	(130,221)	(278,514)
Increase in trade and other payables		694,983	692,248	655,483	753,969
Net cash used in operating activities		(820,343)	(1,665,309)	(2,070,013)	(3,096,107)
Investing activities					
Bank and other interest received		13,661	26,587	48,642	78,335
Short term bank deposits retrieved/(invested)		924,893	1,209	421,192	(35,287)
Dividends received from marketable securities		615	721	2,114	2,133
Marketable securities purchased		(432)	-	(104,711)	-
Proceeds from sale of marketable securities		1,569	135,160	376,008	389,629
Additions of exploration and evaluation assets		(35,671)	(50,283)	(102,371)	(160,363)
Investment tax credit refunds received		-	-	5,388	3,872
Purchases of property, plant and equipment		(101)	(27,300)	(6,460)	(152,656)
Proceeds from sale of property, plant and equipment		230	-	31,045	430
Proceeds from disposal of a subsidiary		15,711	-	15,711	-
Purchase of other equity investments		-	(65,096)	-	(65,096)
Proceeds from finance lease arrangements		17,600	16,370	51,855	48,236
Net cash generated by investing activities		938,075	37,368	738,413	109,233
Financing activities					
Principal payments of lease liabilities		(70,837)	-	(190,309)	-
Net cash used in financing activities		(70,837)	-	(190,309)	-
Net change in cash and cash equivalents		46,895	(1,627,941)	(1,521,909)	(2,986,874)
Cash and cash equivalents – Beginning of period		4,232,370	6,162,944	5,746,934	7,578,497
Effect of foreign exchange rate changes, net		(110,893)	181,341	(56,653)	124,721
Cash and cash equivalents – End of period		4,168,372	4,716,344	4,168,372	4,716,344

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

Century Global Commodities Corporation

Condensed Consolidated Interim Statement of Cash Flows
(Unaudited)
For the three and nine months ended December 31, 2019

(Expressed in Canadian Dollars, unless otherwise stated)

	Three months ended December 31,		**Nine months ended December 31,**	
	2019 **$**	**2018** **$**	**2019** **$**	**2018** **$**
Cash in bank and on hand	3,525,347	3,716,344	3,525,347	3,716,344
Short term bank deposits with original maturity of three months or less	643,025	1,000,000	643,025	1,000,000
Cash and cash equivalents – End of period	4,168,372	4,716,344	4,168,372	4,716,344

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

1. Nature of operations

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

The Company is 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 condensed consolidated interim financial statements were approved by the Board of Directors for issue on February 12, 2020.

2. Basis of preparation

The condensed consolidated interim financial statements of the Company and its subsidiaries (the "Group") have been prepared in accordance with IAS 34 *Interim Financial Reporting*. The condensed consolidated interim financial statements should be read in conjunction with the Group's audited consolidated annual financial statements for the year ended March 31, 2019 filed on SEDAR at www.sedar.com on June 28, 2019, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

3. Significant accounting policies

The significant accounting policies used in the preparation of these condensed consolidated interim financial statements are consistent with those disclosed in note 3 of the audited consolidated annual financial statements for the year ended March 31, 2019, except for the adoption of new and amended standards that became applicable to the Group in the current interim period, as described in note 4 below.

Basis of measurement

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

4. Changes in accounting policies

The Group applies, for the first time, IFRS 16 *Leases* in its condensed consolidated interim financial statements. The changes in accounting policies and the retrospective adjustments arising from the adoption of the new standard are described below.

IFRS 16 *Leases*

IFRS 16 supersedes IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases-Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for most leases under a single on-balance sheet model. Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 did not have an impact for leases where the Group is the lessor.

The Group adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of April 1, 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognized as an adjustment to the opening balance of retained earnings at the date of initial application. Comparatives are not restated, as permitted under the transitional provisions in the standard. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application.

(a) Impact on lessee accounting

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

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

Lease incentives (e.g. rent-free period) are 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 incentive liability, amortized as a reduction of rental expenses on a straight-line basis.

Under IFRS 16, right-of-use assets are tested for impairment in accordance with IAS 36 *Impairment of Assets*. This replaces 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 has opted to recognize a lease expense on a straight-line basis as permitted by IFRS 16.

(Expressed in Canadian Dollars, unless otherwise stated)

(b) 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.

(c) Adjustments recognized on adoption of IFRS 16

On adoption of IFRS 16, the Group recognized right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for leases were recognized based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. Lease liabilities were recognized based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Group also applied the available practical expedients wherein it applied the short-term leases exemptions to leases with lease term that ends within 12 months at the date of initial application, excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application, and used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The effect of adoption of IFRS 16 on the Group's condensed consolidated interim statement of financial position as at April 1, 2019 is as follows:

	April 1, 2019 **$**
Increase in right-of-use assets, at net book value	312,066
Increase in lease liabilities	(372,213)
Decrease in other payables	34,995
Increase in deficit	25,152

The following is a reconciliation of operating lease commitments at March 31, 2019 to the lease liabilities recognized at April 1, 2019:

	$
Operating lease commitments disclosed as at March 31, 2019	463,485
Weighted average incremental borrowing rate as at April 1, 2019	4.55%
Discounted operating lease commitments as at April 1, 2019	428,852
Less: Leases with remaining lease term of less than 12 months	(62,159)
Less: Adjustments for early terminated leases	(29,475)
Add: Adjustments for remaining lease allowance	34,995
Lease liabilities recognized as at April 1, 2019	372,213

5. Critical accounting estimates and judgments

The Group makes estimates and assumptions concerning the future that are believed to be reasonable under the circumstances. Estimates and judgments are continuously evaluated and are based on management's experience and other factors, including expectations about future events. The critical accounting estimates and judgments applied in these condensed consolidated interim financial statements are consistent with those disclosed in note 5 of the audited consolidated annual financial statements for the year ended March 31, 2019.

6. 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 condensed consolidated interim financial statements. In measuring segment performance, segment assets and segment liabilities, management applied certain judgments and assumptions to determine the appropriate allocation of certain centrally incurred costs, jointly used or shared assets and liabilities for individual segment. However, the Group's financing activities (including cash and cash equivalents, short term bank deposits and bank interest income) are managed on a Group basis and are presented under the corporate segment.

(Expressed in Canadian Dollars, unless otherwise stated)

The following tables present information for the Group's operating segments for the nine months ended December 31, 2019 and 2018, respectively. Comparative figures for the nine months ended December 31, 2018 have been restated accordingly.

For the nine months ended December 31, 2019	**Mining**	**Food**	**Corporate**	**Total**
	$	**$**	**$**	**$**
Segment revenue				
Revenue from contracts with customers:				
Distribution of food	-	5,840,131	-	5,840,131
Provision of food service	-	158,460	-	158,460
Sales to external customers	-	5,998,591	-	5,998,591
Segment profit or loss				
Gross profit	-	1,405,700	-	1,405,700
Income and gains:				
Interest income	10,864	-	37,778	48,642
Other income or gains	16,722	45,469	130,000	192,191
	27,586	45,469	167,778	240,833
Expenses:				
Selling expenses	-	411,309	-	411,309
Salaries, pension and directors' fees	798,733	1,147,345	436,290	2,382,368
Consulting and professional fees	1,062,304	14,528	193,707	1,270,539
Corporate promotion and listing fees	39,458	-	26,328	65,786
Other administrative expenses	190,956	353,674	147,257	691,887
Project maintenance costs	25,743	-	-	25,743
Share-based compensation expenses	8,228	11,690	7,714	27,632
Loss/(gain) on foreign exchange	(113)	25,600	12,901	38,388
Interest expense	9,383	-	7,210	16,593
Loss/(gain) on dissolution or disposal of subsidiaries in other currencies	-	(46,525)	380,072	333,547
Share of profit of a joint venture	(17,480)	-	-	(17,480)
	2,117,212	1,917,621	1,211,479	5,246,312
Net loss for the period	(2,089,626)	(466,452)	(1,043,701)	(3,599,779)

(Expressed in Canadian Dollars, unless otherwise stated)

For the nine months ended December 31, 2018	Mining $	Food $	Corporate $	Total $
Segment revenue				
Revenue from contracts with customers:				
Distribution of food	-	3,816,938	-	3,816,938
Provision of food service	-	507,117	-	507,117
Sales to external customers	-	4,324,055	-	4,324,055
Segment profit or loss				
Gross profit	-	1,148,403	-	1,148,403
Income and gains:				
Interest income	12,451	-	65,884	78,335
Other income or gains	2,133	91,311	-	93,444
	14,584	91,311	65,884	171,779
Expenses:				
Selling expenses	-	660,024	-	660,024
Salaries, pension and directors' fees	774,426	1,209,951	508,585	2,492,962
Consulting and professional fees	510,071	88,648	228,984	827,703
Corporate promotion and listing fees	33,227	-	19,885	53,112
Other administrative expenses	245,707	431,327	137,773	814,807
Project maintenance costs	26,771	-	-	26,771
Share-based compensation expenses	24,823	38,546	28,472	91,841
Loss on foreign exchange	128	33,975	122,739	156,842
Share of profit of a joint venture	27,958	-	-	27,958
	1,643,111	2,462,471	1,046,438	5,152,020
Net loss for the period	(1,628,527)	(1,222,757)	(980,554)	(3,831,838)

The following table presents assets and liabilities information for the Group's operating segments as at December 31 and March 31, 2019, respectively:

	Mining $	Food $	Corporate $	Total $
Total asset				
December 31, 2019	16,953,098	4,073,107	7,033,398	28,059,603
March 31, 2019	17,909,009	3,502,379	8,961,930	30,373,318
Total liabilities				
December 31, 2019	1,026,748	800,667	772,375	2,599,790
March 31, 2019	625,659	579,554	551,103	1,756,316

(Expressed in Canadian Dollars, unless otherwise stated)

7. Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income ("FVTOCI") comprise marketable securities and other equity investment. During the period, 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 is as follows:

	December 31, 2019 $	**March 31, 2019 $**
Listed equity securities – Canada, at fair value	418,491	541,938
Unlisted equity securities – Hong Kong, at fair value	64,551	66,442

8. Trade and other receivables

	December 31, 2019 $	**March 31, 2019 $**
Trade receivables (i)	1,379,256	1,130,769
Other receivables	568,167	561,671
Receivable from Labec Century (ii)	4,319,913	5,356,999
Receivable from WISCO Century Sunny Lake (ii)	3,210,771	3,210,771
	9,478,107	10,260,210

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

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

(ii) Labec Century and WISCO Century Sunny Lake are the Company's joint venture and the operator of the Company's Sunny Lake Joint Venture respectively. Please refer to note 24(a) for the details of the balances.

9. Lease receivable

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

(Expressed in Canadian Dollars, unless otherwise stated)

10. Inventories

	December 31, 2019 $	March 31, 2019 $
Trading merchandise held for sale	1,332,584	1,205,432

11. Exploration and evaluation assets

	$
Trudeau gold and other non-ferrous properties	
Balance – March 31, 2018	355,441
Additions	192,613
Investment tax credits	(92,357)
Balance – March 31, 2019	455,697
Additions	102,371
Adjustments for investment tax credits	52,503
Balance – December 31, 2019	610,571

Trudeau gold property

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

Impairment assessment of iron ore properties

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

At December 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 December 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 December 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.

(Expressed in Canadian Dollars, unless otherwise stated)

12. Property, plant and equipment

	Land $	Drilling & field equipment $	Camp & properties $	Leasehold improvements, furniture & fixtures $	Computer & office equipment $	Vehicles $	Total $
Cost							
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
Additions	-	-	-	-	5,508	952	6,460
Disposals	-	-	-	(109,691)	(87,428)	(60,089)	(257,208)
Exchange differences	-	-	(65,443)	(11,866)	(7,183)	(1,143)	(85,635)
Balance - December 31, 2019	137,177	971,427	2,049,557	306,567	375,732	39,668	3,880,128
Accumulated depreciation and impairment							
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
Depreciation	-	-	21,140	34,996	30,685	2,637	89,458
Disposals	-	-	-	(55,758)	(49,957)	(39,671)	(145,386)
Exchange differences	-	-	(3,902)	(4,087)	(4,560)	(181)	(12,730)
Balance - December 31, 2019	100,000	971,427	1,156,610	163,631	362,458	39,668	2,793,794
Net book value							
Balance - December 31, 2019	37,177	-	892,947	142,936	13,274	-	1,086,334
Balance - March 31, 2019	37,177	-	975,628	239,644	78,545	23,065	1,354,059

13. Investment in a joint venture

The Group's investment in Labec Century Iron Ore Inc. ("Labec Century") is as follows:

	$
Balance – March 31, 2018	7,740,821
Share of loss of Labec Century	(32,002)
Balance – March 31, 2019	7,708,819
Share of profit of Labec Century	17,480
Balance – December 31, 2019	7,726,299

The financial information of Labec Century is summarized as follows:

	December 31, 2019 $'000	**March 31, 2019 $'000**
Assets		
Current assets	14,307	15,553
Non-current assets	5,322	5,118
Liabilities		
Current liabilities	6,707	7,778
Non-current liabilities	-	-
Cash and cash equivalents	10,388	11,551

	Three months ended December 31,		**Nine months ended December 31,**	
	2019 $'000	**2018 $'000**	**2019 $'000**	**2018 $'000**
Profit/(loss) from continuing operations	(1)	(61)	29	(47)
Total comprehensive income/(loss)	(1)	(61)	29	(47)

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.

(Expressed in Canadian Dollars, unless otherwise stated)

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

14. Trade and other payables

	December 31, 2019 $	March 31, 2019 $
Trade payables	604,621	207,609
Other payables and accruals	1,536,342	1,548,707
	2,140,963	1,756,316

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

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

(Expressed in Canadian Dollars, unless otherwise stated)

15. 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 December 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 period are as follows:

	Number of shares	$
Balance – March 31, 2018	98,494,571	117,057,226
Ordinary shares issued under an equity incentive plan (note 16)	10,000	10
Balance – March 31 and December 31, 2019	98,504,571	117,057,236

16. Share-based compensation arrangements

	Three months ended December 31,		Nine months ended December 31,	
	2019	2018	2019	2018
	$	$	$	$
Share options expense	1,173	20,792	27,632	91,841

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.

(Expressed in Canadian Dollars, unless otherwise stated)

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 December 31, 2019 are as follows:

	Number of options	Weighted average exercise price $
Balance – March 31, 2018	8,727,500	0.30
Forfeited	(10,000)	0.35
Balance – March 31, 2019	8,717,500	0.30
Forfeited	(165,000)	0.35
Balance – December 31, 2019	8,552,500	0.30

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

Number of options	Exercise price $	Exercise period
4,067,500	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
195,000	0.345	February 5, 2016 to February 4, 2026
3,240,000	0.22	August 4, 2016 to August 3, 2026
650,000	0.345	June 23, 2017 to June 22, 2027
8,552,500		

As of the balance sheet date, the weighted average remaining contractual life of the outstanding share options is 5.9 years, and 8,335,834 options are vested and exercisable.

(Expressed in Canadian Dollars, unless otherwise stated)

Share awards

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

Share units outstanding under the Plan are shown as follows:

	Time-based (i)	Operational (ii)	Financial (iii)	Number of share units	Weighted average fair value at the measurement date $
Balance – March 31, 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
Expired	-	(4,750)	(4,750)	(9,500)	0.46
Balance – December 31, 2019	-	5,000	5,000	10,000	0.34

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

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

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

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

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

(Expressed in Canadian Dollars, unless otherwise stated)

17. Warrants

The warrants issued and expired during the year ended March 31, 2019 were 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.

18. 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
Conversion of CMI's special warrant certificates	(347,940)
Balance – December 31, 2019	-

On March 8, 2018, CMI offered to investors to subscribe for its special warrants at a subscription price of $0.06 per unit (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.

(Expressed in Canadian Dollars, unless otherwise stated)

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. On April 4, 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.

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

19. Revenue

During the period, the Group's revenue arose from the distribution of food and the provision of food service. An analysis of the Group's revenue from contracts with customers by type of goods or services is provided in note 6. 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 of the Company's audited consolidated annual financial statements for the year ended March 31, 2019.

20. Other income

	Three months ended December 31,		Nine months ended December 31,	
	2019	2018	2019	2018
	$	$	$	$
Marketing service income	10,467	17,401	36,666	91,201
Bank and other interest income	13,488	26,587	48,642	78,335
Dividend income	615	721	2,114	2,133
Recovery of bank deposit (i)	-	-	130,000	-
Other income	16,134	-	23,411	110
	40,704	44,709	240,833	171,779

(i) In July 2019, the Company has recovered $130,000 of the $350,000 bank deposit loss incurred in March 2019 and reported in the Company's audited consolidated annual financial statements for the year ended March 31, 2019. To date, these incidents have resulted in a total net loss of $220,000 (principal amount) to the Company (excluding lost interest and legal fees).

(Expressed in Canadian Dollars, unless otherwise stated)

21. Administrative expenses

	Three months ended December 31, 2019 $	Three months ended December 31, 2018 $	Nine months ended December 31, 2019 $	Nine months ended December 31, 2018 $
Salaries, pension and directors' fees	881,008	923,602	2,382,368	2,492,962
Consulting and professional fees	366,092	204,861	1,270,539	827,703
General office expenses	101,234	214,321	342,892	517,686
Travel	12,716	29,422	91,210	102,131
Corporate promotion and listing fees	9,448	32,231	65,786	53,112
Depreciation and amortization	83,079	65,526	257,785	194,990
	1,453,577	1,469,963	4,410,580	4,188,584

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

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

23. Dividends

	Three months ended December 31, 2019 $	Three months ended December 31, 2018 $	Nine months ended December 31, 2019 $	Nine months ended December 31, 2018 $
Dividends on ordinary shares declared and settled	-	-	599,964	-

On May 27, 2019, the Company announced the detailed plan of the spin-out transaction of CMI, which 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. The distribution was completed on June 12, 2019, with 9,999,406 shares of CMI at a fair value of $0.06 per share being distributed to the Company's shareholders. For details of the spin-out transaction of CMI, please refer to note 18.

24. Related party transactions

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

(i) As of December 31, 2019, the Group had accounts receivable of $4,319,913 (March 31, 2019: $5,356,999) 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.

(Expressed in Canadian Dollars, unless otherwise stated)

(ii) As of December 31, 2019, the Group had accounts receivable of $3,210,771 (March 31, 2019: $3,210,771) from WISCO Century Sunny Lake. The balance represented exploration expenditure of the Sunny Lake property incurred and paid by the Group on behalf of WISCO Century Sunny Lake. The balance is repayable upon request.

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

	Three months ended December 31,		**Nine months ended December 31,**	
	2019	**2018**	**2019**	**2018**
	$	**$**	**$**	**$**
Salaries and directors' fees	288,925	263,000	853,650	814,600
Share-based compensation expenses	542	13,443	18,684	62,912
	289,467	276,443	872,334	877,512

25. 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 December 31, 2019 and March 31, 2019, 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 December 31, 2019 and March 31, 2019:

		December 31, 2019		**March 31, 2019**	
	Level	**Carrying value**	**Fair value**	**Carrying value**	**Fair value**
		$	**$**	**$**	**$**
Marketable securities	1	418,491	418,491	541,938	541,938
Investment in other equity instruments	3	64,551	64,551	66,442	66,442
		483,042	483,042	608,380	608,380

(Expressed in Canadian Dollars, unless otherwise stated)

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 – March 31, 2019	66,442
Exchange differences recognized in profit or loss	(1,891)
Balance – December 31, 2019	64,551

Credit risk

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

Liquidity risk

The Group's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As of December 31, 2019, the Group had cash and cash equivalents and short term bank deposits of $5,593,717 (March 31, 2019: $7,593,471) to settle current liabilities of $2,385,230 (March 31, 2019: $1,756,316). Most of the Group's financial liabilities have contractual maturities of 60 days or less and are subject to normal trade terms. The liquidity risk is low with the Group's marketable securities, since they are investments with high liquidity, and are traded in international capital markets.

Market risk

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

(a) Interest rate risk

The Group has cash balances only and it has no interest-bearing debt. The Group's current policy is to invest most of its excess cash in interest bearing accounts or term deposits with large reputable banks. The Group periodically monitors the investments it makes and is satisfied with the credit ratings of the banks holding the cash and short-term deposits of the Group. An absolute increase or decrease of 1% in the annual interest rate would not have a material impact on the net loss or equity at December 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 December 31, 2019.

26. Capital management

The Group considers its capital structure to consist of share capital, contributed surplus and deficit, which, as at December 31, 2019, amounted to $24,696,069. When managing capital, the Group's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to the shareholders and benefits for other stakeholders. Management adjusts the capital structure, as necessary, in order to support the acquisition, exploration and development of its mineral properties. The Board of Directors does not establish a quantitative return on capital criteria for management but, rather, relies on the expertise of the Group's management team to sustain the future development of the business.

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

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Group, is appropriate. The Group's capital management objectives, policies and processes have remained unchanged during the period ended December 31, 2019. The Group is not subject to externally imposed capital requirements.

27. Comparative figures

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