Champion Iron Limited

(ACN: 119 770 142)

Consolidated Financial Statements
For the Years Ended March 31, 2024 and 2023

(Expressed in thousands of Canadian dollars)

Management's Responsibility for Financial Reporting

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, which includes making material accounting judgments and estimates in accordance with International Financial Reporting Standards and ensuring that all information in the annual report is consistent with the consolidated financial statements, selecting appropriate accounting principles and methods, and making decisions that affect the measurement of transactions.

The Board of Directors and Audit Committee are composed primarily of Directors who are neither management nor employees of the Company. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfills these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Audit Committee has the responsibility of meeting with management and external auditors to discuss the internal controls over the financial reporting process, auditing matters and financial reporting issues. The Audit Committee is also responsible for recommending the appointment of the Company's external auditors.

Ernst & Young, the independent auditors, has been appointed by the shareholders to audit the consolidated financial statements as at March 31, 2024 and 2023 and for the years then ended and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Audit Committee and management to discuss their audit findings.

/s/ David Cataford
David Cataford
Chief Executive Officer

/s/ Donald Tremblay
Donald Tremblay
Chief Financial Officer

May 31, 2024

Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Independent auditor's report to the members of Champion Iron Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Champion Iron Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at March 31, 2024, the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a. Giving a true and fair view of the consolidated financial position of the Group as at March 31, 2024 and of its consolidated financial performance for the year ended on that date; and

b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

Building a better working world

Revenue from Iron Ore Sales

Why significant	How our audit addressed the key audit matter
The Group recognised revenues of $1,524 million from the sale of iron ore for the year ended March 31, 2024. The amount of revenue recognised is impacted by the Group's provisional pricing arrangements, where the final sales price is determined based on iron ore prices subsequent to a shipment arriving at the port of discharge. The Group initially recognises sales revenue at the consideration received or expected to be received on the shipment date and re-estimates the consideration to be received using forecast iron ore prices at the end of each reporting period. The impact of iron ore price movements until final settlement is recorded as an adjustment to revenue. This was considered to be a key audit matter due to the estimation involved in re-measuring receivables on sales that remain provisional at period-end.	Our audit procedures included the following: • Understood the Group's process relating to the initial recognition of revenue and the re-measurement of receivables. • For a sample of provisional and final sales, agreed key terms to offtake agreements and volumes, quality and pricing to shipping documentation and invoices and agreed cash receipts to bank statements. • For the sample referred to above, assessed whether the timing of recognition of revenue was appropriate. • Re-performed the measurement of receivables for which final pricing remained outstanding as at March 31, 2024, including assessing the appropriateness of forecast iron ore prices used in forming the estimate. • Considered the adequacy of the disclosures included within the financial report.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2024 annual report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report 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 the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is 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 the Australian 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 this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' 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 Group'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 financial report 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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents 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 Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors 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 the directors 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, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended March 31, 2024.

In our opinion, the Remuneration Report of Champion Iron Limited for the year ended March 31, 2024, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst & Young

Scott Nichols
Partner
Sydney, Australia
May 31, 2024

Champion Iron Limited

Consolidated Statements of Financial Position

(Expressed in thousands of Canadian dollars)

	Notes	As at March 31, 2024	As at March 31, 2023
Assets			
Current			
Cash and cash equivalents	3	**400,061**	326,806
Short-term investments		**—**	312
Receivables	4	**120,079**	162,268
Income and mining taxes receivable	24	**—**	37,912
Prepaid expenses and advances	5	**47,368**	43,051
Inventories	6	**332,611**	167,670
		900,119	738,019
Non-current			
Non-current investments	7	**14,509**	14,751
Advance payments	8	**83,374**	166,943
Intangible assets	9	**5,172**	7,866
Property, plant and equipment	10	**1,545,961**	1,261,968
Exploration and evaluation assets	11	**131,827**	117,127
Other non-current assets	12	**8,589**	8,595
Total assets		**2,689,551**	2,315,269
Liabilities			
Current			
Accounts payable and other	13	**251,778**	178,578
Income and mining taxes payable	24	**40,232**	—
Current portion of long-term debt	14	**31,061**	27,080
		323,071	205,658
Non-current			
Long-term debt	14	**508,367**	448,201
Deferred grant	14	**9,797**	10,614
Lease liabilities	15	**70,649**	73,430
Rehabilitation obligation	16	**84,593**	85,508
Other long-term liabilities	17	**15,422**	13,427
Net deferred tax liabilities	24	**281,142**	215,727
Total liabilities		**1,293,041**	1,052,565
Shareholders' equity			
Share capital	17	**409,785**	401,282
Contributed surplus		**17,372**	22,796
Warrants	17	**22,288**	22,288
Foreign currency translation reserve		**429**	430
Retained earnings		**946,636**	815,908
Total equity		**1,396,510**	1,262,704
Total liabilities and equity		**2,689,551**	2,315,269
Commitments and contingencies	29		
Subsequent event	34		

Should be read in conjunction with the notes to the consolidated financial statements

Approved on May 31, 2024 on behalf of the Directors

/s/ Michael O'Keeffe
Executive Chairman

/s/ Gary Lawler
Lead Director

Champion Iron Limited

Consolidated Statements of Income

(Expressed in thousands of Canadian dollars, except per share amounts)

		Year Ended March 31,	
	Notes	**2024**	2023
Revenues	**18**	**1,524,294**	1,395,088
Cost of sales	**19**	**(884,022)**	(822,762)
Depreciation	**30**	**(123,584)**	(121,044)
Gross profit		**516,688**	451,282
Other expenses			
Share-based payments	**17**	**(7,455)**	(8,662)
General and administrative expenses	**20**	**(50,857)**	(41,514)
Sustainability and other community expenses	**21**	**(17,838)**	(17,933)
Innovation and growth initiative expenses		**(11,331)**	(11,863)
Operating income		**429,207**	371,310
Net finance costs	**22**	**(36,138)**	(25,587)
Other income (expense)	**23**	**(242)**	822
Income before income and mining taxes		**392,827**	346,545
Current income and mining taxes	**24**	**(93,221)**	(55,103)
Deferred income and mining taxes	**24**	**(65,415)**	(90,735)
Net income		**234,191**	200,707
Earnings per share			
Basic	**25**	**0.45**	0.39
Diluted	**25**	**0.44**	0.38
Weighted average number of ordinary shares outstanding		(in thousands)	(in thousands)
Basic	**25**	**517,579**	517,046
Diluted	**25**	**527,525**	527,666

Should be read in conjunction with the notes to the consolidated financial statements

Champion Iron Limited

Consolidated Statements of Comprehensive Income

(Expressed in thousands of Canadian dollars)

	Year Ended March 31,	
	2024	2023
Net income	**234,191**	200,707
Other comprehensive loss		
Item that may be reclassified subsequently to the consolidated statements of income:		
Net movement in foreign currency translation reserve	**(1)**	(109)
Total other comprehensive loss	**(1)**	(109)
Total comprehensive income	**234,190**	200,598

Should be read in conjunction with the notes to the consolidated financial statements

Champion Iron Limited

Consolidated Statements of Changes in Equity

(Expressed in thousands of Canadian dollars, except where otherwise indicated)

		Attributable to Champion Shareholders						
		Share Capital						
		Ordinary Shares						
	Note	Shares[1] (in thousands)	$	Contributed Surplus	Warrants	Foreign Currency Translation	Retained Earnings	Total
Balance - March 31, 2023		**517,193**	**401,282**	**22,796**	**22,288**	**430**	**815,908**	**1,262,704**
Net income		**—**	**—**	**—**	**—**	**—**	**234,191**	**234,191**
Other comprehensive loss		**—**	**—**	**—**	**—**	**(1)**	**—**	**(1)**
Total comprehensive income (loss)		**—**	**—**	**—**	**—**	**(1)**	**234,191**	**234,190**
Exercise of stock options	**17**	**1,050**	**7,508**	**(2,258)**	**—**	**—**	**—**	**5,250**
Release of performance share units	**17**	**161**	**995**	**(2,132)**	**—**	**—**	**66**	**(1,071)**
Cancellation of ordinary shares	**17**	**(333)**	**—**	**—**	**—**	**—**	**—**	**—**
Dividends on ordinary shares	**17**	**—**	**—**	**—**	**—**	**—**	**(103,448)**	**(103,448)**
Dividend equivalents	**17**	**—**	**—**	**81**	**—**	**—**	**(81)**	**—**
Share-based payments	**17**	**—**	**—**	**(1,115)**	**—**	**—**	**—**	**(1,115)**
Balance - March 31, 2024		**518,071**	**409,785**	**17,372**	**22,288**	**429**	**946,636**	**1,396,510**
Balance - March 31, 2022		516,612	398,635	21,339	22,473	539	718,712	1,161,698
Net income		—	—	—	—	—	200,707	200,707
Other comprehensive loss		—	—	—	—	(109)	—	(109)
Total comprehensive income (loss)		—	—	—	—	(109)	200,707	200,598
Exercise of stock options	**17**	300	2,145	(645)	—	—	—	1,500
Exercise of warrants	**17**	281	502	—	(185)	—	—	317
Dividends on ordinary shares	**17**	—	—	—	—	—	(103,344)	(103,344)
Dividend equivalents	**17**	—	—	167	—	—	(167)	—
Share-based payments	**17**	—	—	1,935	—	—	—	1,935
Balance - March 31, 2023		517,193	401,282	22,796	22,288	430	815,908	1,262,704

Should be read in conjunction with the notes to the consolidated financial statements

[1] All issued ordinary shares are fully paid and have no par value.

Champion Iron Limited

Consolidated Statements of Cash Flows

(Expressed in thousands of Canadian dollars)

		Year Ended March 31,	
	Notes	2024	2023
Cash provided by (used in)			
Operating Activities			
Net income		**234,191**	200,707
Adjustments for non-cash items			
Depreciation	**30**	**123,584**	121,044
Share-based payments	**17**	**7,455**	8,662
Accretion expense of rehabilitation obligation	**16, 22**	**1,294**	854
Write-off of a non-current investment	**7, 26**	**2,744**	—
Change in fair value of non-current investments	**7, 26**	**(2,502)**	(593)
Unrealized gain on derivative liabilities		**—**	(176)
Unrealized foreign exchange loss		**797**	7,867
Loss on disposal of property, plant and equipment	**10**	**630**	—
Deferred income and mining taxes	**24**	**65,415**	90,735
Amortization of transaction costs and accretion of long-term debt	**22**	**5,129**	4,676
Amortization of deferred grant	**14, 22**	**(817)**	—
Other		**(50)**	(3)
		437,870	433,773
Changes in non-cash operating working capital	**30**	**36,715**	(197,789)
Net cash flows from operating activities		**474,585**	235,984
Investing Activities			
Decrease in restricted cash		**—**	43,736
Decrease in short-term investments		**312**	31,070
Increase in advance payments	**8**	**(13,683)**	(30,001)
Purchase of intangible assets	**9**	**(430)**	(2,455)
Purchase of property, plant and equipment	**10, 30**	**(328,144)**	(282,892)
Proceeds from disposal of property, plant and equipment	**10**	**2,688**	—
Investment in exploration and evaluation assets	**11**	**(14,700)**	(9,317)
Increase in other non-current financial assets	**12**	**(760)**	—
Net cash flows used in investing activities		**(354,717)**	(249,859)
Financing Activities			
Issuance of long-term debt	**14**	**337,920**	219,167
Repayment of long-term debt	**14**	**(273,792)**	(100,126)
Transaction costs on long-term debt	**14**	**(4,801)**	(4,606)
Exercise of warrants	**17**	**—**	317
Exercise of stock options	**17**	**5,250**	1,500
Withholding taxes paid pursuant to the settlement of PSUs	**17**	**(1,071)**	—
Dividends paid on ordinary shares	**17**	**(103,448)**	(103,344)
Payment of lease liabilities	**15**	**(8,422)**	(6,004)
Net cash flows from (used in) financing activities		**(48,364)**	6,904
Net increase (decrease) in cash and cash equivalents		**71,504**	(6,971)
Cash and cash equivalents, beginning of the year		**326,806**	321,892
Effects of exchange rate changes on cash and cash equivalents		**1,751**	11,885
Cash and cash equivalents, end of the year		**400,061**	326,806
Interest paid		**36,707**	26,138
Interest received		**13,223**	6,291
Net income and mining taxes paid		**15,077**	115,759

Should be read in conjunction with the notes to the consolidated financial statements

1. Description of Business

Champion Iron Limited ("Champion" or the "Company") was incorporated under the laws of Australia in 2006 and is listed on the Toronto Stock Exchange (TSX: CIA), the Australian Securities Exchange (ASX: CIA) and trades on the OTCQX Best Market (OTCQX: CIAFF). The Company is domiciled in Australia and its principal administrative office is located on 1155 René-Lévesque Blvd. West, Suite 3300, Montréal, QC, H3B 3X7, Canada.

Champion, through its wholly-owned subsidiary Quebec Iron Ore Inc. ("QIO"), owns and operates the Bloom Lake Mining Complex ("Bloom Lake" or "Bloom Lake Mine"), located on the south end of the Labrador Trough, approximately 13 km north of Fermont, Québec. Bloom Lake is an open-pit operation with two concentrators that primarily source energy from renewable hydroelectric power. The two concentrators have a combined nameplate capacity of 15 million tonnes per annum and produce low contaminant high-grade 66.2% Fe iron ore concentrate with a proven ability to produce a 67.5% Fe direct reduction quality iron ore concentrate. Benefiting from one of the highest purity resources globally, the Company is investing to upgrade half of the Bloom Lake mine capacity to a direct reduction quality pellet feed iron ore with up to 69% Fe (the "DRPF Project"). Bloom Lake's high-grade and low contaminant iron ore products have attracted a premium to the Platts IODEX 62% Fe iron ore benchmark. The Company ships iron ore concentrate from Bloom Lake by rail, to a ship loading port in Sept-Îles, Québec, and has delivered its iron ore concentrate globally, including in China, Japan, the Middle East, Europe, South Korea, India and Canada. In addition to Bloom Lake, Champion owns a portfolio of exploration and development projects in the Labrador Trough, including the Kamistiatusset Project, located a few kilometres south-east of Bloom Lake, and the Cluster II portfolio of properties, located within 60 km south of Bloom Lake.

2. Material Accounting Policy Information and Future Accounting Changes

A. Basis of preparation and statement of compliance

The Company's consolidated financial statements are for the group consisting of Champion Iron Limited and its subsidiaries.

These audited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The financial report is a general purpose financial report which has also been prepared for a for-profit enterprise in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards ("AAS") and other authoritative pronouncements of the Australian Accounting Standards Board ("AASB").

The Company has consistently applied the accounting policies used in the preparation of its IFRS consolidated financial statements with the exception of those arising from new accounting standards issued and adopted by the Company as described in this note.

These consolidated financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial assets and liabilities which have been measured at fair value.

The nature of the operations and principal activities of the Company are described in the Directors' Report for the year ended March 31, 2024.

These consolidated financial statements were approved and authorized for issue by the Board of Directors (the "Board") on May 31, 2024.

B. Material accounting policy information

The accounting policies set out below have been applied consistently to all years presented in these consolidated financial statements.

Consolidation

The consolidated financial statements of the Company include the accounts of the Company and its subsidiaries. Subsidiaries are those entities which the Company controls. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (current ability to direct the relevant activities of the investee). Generally, there is a presumption that a majority of voting rights results in control. The Company considers all relevant facts and circumstances in assessing whether voting rights are sufficient to obtain control over an investee.

All intra-group assets and liabilities, revenues, expenses and cash flows relating to intra-group transactions are eliminated.

2. Material Accounting Policy Information and Future Accounting Changes (continued)

B. Material accounting policy information (continued)

Consolidation (continued)

The significant subsidiaries are listed below:

	Ownership Percentage	Country of Incorporation	Functional Currency
Champion Innovations Limited	100 %	Canada	Canadian dollars
Champion Iron Mines Limited	100 %	Canada	Canadian dollars
Québec Iron Ore Inc.	100 %	Canada	Canadian dollars
12364042 Canada Inc. ("Kamistiatusset Project")	100 %	Canada	Canadian dollars
Lac Bloom Railcars Corporation Inc.	100 %	Canada	United States ("U.S.") dollars

Foreign currencies

These consolidated financial statements are presented in Canadian dollars, which is the Company's functional currency. Items included in the financial statements of each consolidated entity are measured using the currency of the primary economic environment in which the entity operates (the functional currency).

i) Transactions and balances

Foreign currency transactions are translated into the functional currency of the Company's entities using the exchange rates prevailing at the dates of the transactions or the appropriate average exchange rate. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statements of income within net finance costs. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the exchange rate at the dates of the initial transactions.

ii) Foreign operations

The financial statements of entities that have a functional currency different from the Company's presentation currency are translated into Canadian dollars as follows: assets and liabilities are translated at the closing exchange rate at the reporting date, and income and expenses are translated at the average exchange rate of the period. Equity transactions are translated using the exchange rate at the date of the transaction. Exchange differences arising from these translations are recognized directly in other comprehensive income within the foreign currency translation reserve until the subsidiary is disposed or dissolved, on which date the cumulative amount is reclassified to profit or loss.

Inventories

Stockpiled iron ore and concentrate inventories are measured and valued at the lower of average production cost and net realizable value. Production costs that are capitalized as inventories include the costs directly related to bringing the inventories to its current condition and location, such as materials, direct labour, depreciation and manufacturing overhead costs, based on normal capacity of the production facilities. Net realizable value is the estimated selling price of the concentrate in the ordinary course of business based on the prevailing iron ore prices at the reporting date, less estimated costs to complete production and to bring concentrate to the point of sale.

Supplies and spare parts are valued at the lower of cost or net realizable value. Any provision for obsolescence is determined by reference to specific items of stock. A regular review is undertaken to determine the extent of any provision for obsolescence.

2. Material Accounting Policy Information and Future Accounting Changes (continued)

B. Material accounting policy information (continued)

Intangible assets

Intangible assets acquired separately are carried at cost, less accumulated depreciation and accumulated impairment losses. Configuration and customization costs under cloud computing arrangements are capitalized only when the Company has control over the intellectual property of the underlying software code.

Depreciation on finite-life intangible assets is recognized on a straight-line basis over their estimated economic useful lives and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The estimated useful life and depreciation method are reviewed at least at each financial year-end, with the effect of changes in estimates being accounted for on a prospective basis if any. Depreciation is calculated on the following basis over the economic lives of the intangible assets with a finite useful life:

Port access	Straight-line over 20 years
Software	Straight-line over 3 years

Property, plant and equipment

Property, plant and equipment are carried at historical cost less any accumulated depreciation and impairment losses. Depreciation is calculated on the following basis over the estimated useful lives of property, plant and equipment:

Mining and processing equipment	Straight-line over 1 to 15 years or units-of-production basis over the recoverable reserves
Locomotives, railcars and rails	Straight-line over 24 years
Tailings dikes	Straight-line over 7 years or units-of-production basis over the recoverable reserves
Mining development and stripping asset	Straight-line over 5 years or units-of-production basis over the recoverable reserves
Asset rehabilitation obligation and other	Straight-line over 10 to 24 years or units-of-production basis over the recoverable reserves
Right-of-use assets	Straight-line over 1 to 24 years or units-of-production basis over the recoverable reserves

Useful lives of the assets are reviewed annually and adjusted prospectively if appropriate. Gains and losses on disposals of items of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of the asset and are recognized in the consolidated statements of income.

Assets under construction

i) Property, plant and equipment in the course of construction or use for its own purposes

The cost comprises their purchase price and any costs directly attributable to bringing them into working condition for their intended use. Assets under construction include capitalized borrowing costs attributable to the acquisition, development or construction of assets that necessarily take a substantial period of time to get ready for their intended use. Assets under construction are carried at cost less any recognized impairment loss and are not subject to depreciation. Assets under construction are classified to the appropriate category of property, plant and equipment and the depreciation of these assets commences when the assets are ready for their intended use.

ii) Mineral properties under development

Costs incurred subsequent to the establishment of the technical feasibility and commercial viability of the extraction of resources from a particular mineral property are capitalized. Capitalized costs, including mineral property acquisition costs and certain mine development and construction costs, are not depreciated until the related mining property has reached a level of operating capacity pre-determined by management, often referred to "as commercial production" or expected capacity. The date of transition from construction to commercial production or expected capacity accounting is based on both qualitative and quantitative criteria such as substantial physical project completion, sustained level of mining, sustained level of processing activity, and passage of a reasonable period of time. Upon completion of mine construction activities (based on the determination of commercial production or expected capacity), costs are removed from assets under development and incorporated into the appropriate categories of property, plant and equipment and supplies inventories.

2. Material Accounting Policy Information and Future Accounting Changes (continued)

B. Material accounting policy information (continued)

Acquisition of a group of assets

When acquiring a group of assets, the Company determines whether the set of activities and assets acquired meet the definition of a business. If they do not constitute a business, the group of assets, including intangible assets acquired and liabilities assumed, are accounted based on their relative fair values at the date of acquisition. The cost of acquisition, including directly attributable acquisition-related costs, is measured as the aggregate of the consideration transferred measured at the acquisition date fair value.

The cost of the assets on initial recognition excludes any variable contingent consideration. Accordingly, no liability is recognized for these contingent variable payments, which are instead presented as contingencies, as described in note 29 — Commitments and Contingencies.

Production stripping (waste removal) costs

Where the benefits are realized in the form of improved access to ore to be mined in the future, the costs are recognized as a production stripping asset within property, plant and equipment, if the following criteria are met:

- Future economic benefits (being improved access to the ore body) are probable;
- The component of the ore body for which access will be improved can be accurately identified; and
- The costs associated with the improved access can be reliably measured.

If any of the criteria are not met, the production stripping costs are charged to profit or loss as operating costs in cost of sales as they are incurred.

The stripping ratio varies depending on the stage of the mine life. All costs related to a stripping ratio higher than the life of mine ratio are capitalized and all costs related to a stripping ratio lower than the life of mine ratio results in amortization of the stripping activity asset. Stripping costs incurred in the pre-production period have also been capitalized using the same methodology. The life of mine stripping ratio for Bloom Lake is established at a weighted average of 0.99, for two separate open-pits, since the commencement of Phase II operations. Refer to the Material judgments, estimates and assumptions section below.

Exploration and evaluation assets

Exploration and evaluation expenditures, including the costs of acquiring licenses and directly attributable general and administrative costs, are initially capitalized as exploration and evaluation assets. The costs are accumulated by property pending the determination of technical feasibility and commercial viability. Pre-license costs are expensed when incurred. Pre-exploration costs are expensed unless it is considered probable that they will generate future economic benefits.

Mining tax credits earned in respect to costs incurred in Québec are recorded as a reduction to exploration and evaluation assets when there is a reasonable assurance that the Company has complied with, and will continue to comply with, all conditions needed to obtain the credits.

The recoverability of amounts shown for exploration and evaluation assets is dependent upon the ability of the Company to obtain financing to complete the exploration and development of its mineral resource properties, the existence of economically recoverable reserves and future profitable production, or alternatively, upon the Company's ability to recover its costs through a disposition of its mineral resource properties. The amounts shown for exploration and evaluation assets do not necessarily represent present or future value. Changes in future conditions could require a material change in the amount recorded for exploration and evaluation assets.

The technical feasibility and commercial viability of extracting a mineral resource from a property is considered to be determinable when proved and/or probable reserves are determined to exist and the necessary permits have been received to commence production. A review of each property is carried out at least annually. Upon determination of technical feasibility and commercial viability, exploration and evaluation assets are first tested for impairment and then reclassified to property, plant and equipment or expensed to the consolidated statements of income to the extent of any impairment.

2. Material Accounting Policy Information and Future Accounting Changes (continued)

B. Material accounting policy information (continued)

Impairment of non-financial assets

The Company's non-financial assets, such as intangible assets, property, plant and equipment and exploration and evaluation assets are reviewed for indicators of impairment at least annually and upon the occurrence of events or changes in circumstances indicating that the carrying value of the assets may not be recoverable. If indication of impairment exists, the asset's recoverable amount is estimated.

An impairment loss is recognized in the consolidated statements of income when the carrying amount of an asset, or its cash-generating unit ("CGU"), exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the assets or CGUs in an arm's length transaction between knowledgeable and willing parties, using assumptions that an independent market participant may take into account. Value in use is determined as the present value of the future cash flows expected to arise from the continued use of the assets or CGUs. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. However, the impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

Financial instruments

i) Financial assets recognition and classification

On initial recognition, financial assets are either classified and measured at amortized cost, fair value through profit and loss ("FVTPL") or fair value through other comprehensive income ("FVOCI"). In order for financial assets to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows that represent solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at FVTPL, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at FVOCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Financial assets at amortized cost include the Company's cash and cash equivalents, short-term investments, trade receivables associated with contracts not subject to provisional pricing and other receivables which are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Interest income received and impairment losses are recognized within net finance costs in the consolidated statements of income. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

Financial assets at FVTPL include the Company's trade receivables subject to provisional pricing and non-current investments. The Company's trade receivables subject to provisional pricing relate to sale contracts where the selling price is determined after delivery to the customer, based on the market price at the relevant quotation period stipulated in the contract. The embedded derivative related to this exposure to the commodity price causes such trade receivables to fail the SPPI test. As a result, these receivables are measured at FVTPL in its entirety from the date of recognition of the corresponding sale, with subsequent movements being recognized as provisional pricing adjustments within revenues in the consolidated statements of income. Financial assets at FVTPL are carried in the consolidated statements of financial position at fair value with subsequent net changes in fair value recognized in profit or loss.

Trade receivables are non-interest-bearing. Typically, 95% of the provisional invoice, independently of the quotation period, is received in cash between 15 and 30 days of the date of the sale, which reduces the credit risk associated with trade receivables. The remaining 5% balance in addition to price changes post-shipment is generally received (or paid) within 3 months of the vessel discharge date.

2. Material Accounting Policy Information and Future Accounting Changes (continued)

B. Material accounting policy information (continued)

Financial instruments (continued)

ii) Impairment of financial assets

The Company recognizes an allowance for expected credit loss ("ECL") for all financial assets not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For receivables (other than trade receivables subject to provisional pricing) due in less than 12 months, the Company applies the simplified approach in calculating ECL. Therefore, the Company does not track changes in credit risk, but instead, recognizes a loss allowance based on the financial asset's lifetime ECL at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. For any other financial assets carried at amortized cost (which are due in more than 12 months), the ECL is based on the 12-month ECL. The 12-month ECL is the proportion of lifetime ECLs that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment including forward-looking information.

The Company considers a financial asset in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows, which generally occurs when past due for more than one year and not subject to any enforcement activity.

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

iii) Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL or at amortized cost. All financial liabilities are recognized initially at fair value and, in the case of loans and payables, net of directly attributable transaction costs.

A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designed as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and change in fair value are recognized in profit of loss.

Other liabilities are subsequently measured at amortized cost using the EIR method by taking into account any discount or premium on acquisition and fees or costs. Interest expenses are recognized as finance costs in the consolidated statements of income. Financial liabilities at amortized cost include the Company's long-term debt and trade payable.

iv) Derecognition of financial liabilities

A financial liability is derecognized when the associated obligation is discharged, cancelled or expires with gains or losses on derecognition recognized in the consolidated statements of income. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statements of income.

2. Material Accounting Policy Information and Future Accounting Changes (continued)

B. Material accounting policy information (continued)

Financial instruments (continued)

v) Derivative financial instruments

Derivative financial instruments are measured at FVTPL, unless they are designated as hedging instruments for which hedge accounting is applied. The Company has no hedging instrument. Changes in the fair value of derivative financial instruments not designated in a hedging relationship are recognized in other income (expense), based on the nature of the exposure.

Financial or non-financial contracts may include embedded derivatives. Embedded derivatives for which economic characteristics and risks are closely related to the host contracts are not accounted as a separate derivative. Embedded derivatives that are not closely related to the host contract such as prepayment options are measured at fair value, with the initial value recognized as an increase of the related long-term debt and amortized to income using the effective interest method. Subsequent changes in fair value of embedded derivatives are recorded either in net finance costs or other income (expense), depending on the nature of the derivative.

Reassessment of embedded derivatives only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the FVTPL category.

Leases

Leases are recognized as a right-of-use asset in property, plant and equipment and a corresponding liability in lease liabilities at the date at which the leased asset is available for use by the Company. The right-of-use assets are initially measured at cost, which comprises:

- The amount of the initial measurement of the lease liability;
- Any lease payments made at or before the commencement date, less any lease incentives;
- Any initial direct costs incurred by the Company; and
- Restoration costs.

After the commencement date, the right-of-use assets are measured at cost less any accumulated depreciation. The right-of-use asset is depreciated either on a straight-line basis over the lease term, taking into account any extensions that are likely to be exercised (or longer if a purchase option is reasonably certain to be exercised) or the units-of-production basis over the recoverable reserves. Right-of-use assets are subject to impairment.

The lease liability is initially measured at the present value of the lease payments that are not paid at that date. These include:

- Fixed payments, less any lease incentives receivable;
- Variable lease payments that depend on an index or a rate;
- Amounts expected to be payable by the Company under residual value guarantees;
- The exercise price of a purchase option if the Company is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease payments are discounted using the Company's incremental borrowing rate unless the implicit rate in the lease contract is readily determinable in which case the latter is used. Each lease payment is allocated between the repayment of the principal portion of the lease liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

After the commencement date, the amount of lease liability is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liability is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Payments associated with short-term leases, leases of low-value assets and certain variable lease payments are recognized on a straight-line basis as an expense in profit or loss.

At the time of full termination of the lease, the Company derecognizes the right-of-asset and lease liability. A gain or loss for any difference between the carrying amounts of the right-of-use asset and lease liability as of the date of termination is recognized under other income (expense) in the consolidated statements of income.

2. Material Accounting Policy Information and Future Accounting Changes (continued)

B. Material accounting policy information (continued)

Rehabilitation obligation

The Company records a rehabilitation obligation for legal and constructive asset retirement obligations. Rehabilitation obligation is recorded for an amount that represents the expected expenditure required to settle the present obligation at the end of the reporting period. Where the effect of the time value of money is material, the Company will adjust the amount of the provision which will be the present value of the expenditures expected to be required to settle the obligation, discounted by the number of years between the reporting date and the rehabilitation date, using a discount rate that reflects current market assessments of the time value and risks at the reporting period. The unwinding of the discount is recognized as finance cost.

Share capital and dividend

Share capital is classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects. Proceeds from issuance of share capital are allocated between shares capital and ordinary share purchase warrants by calculating the fair value of the warrants using the Black-Scholes option pricing model and recording the share capital portion using the residual method as the difference between the fair value of the warrants and the proceeds received. Issuance costs are allocated pro rata between the share capital and warrants and netted against each component.

The Company recognizes a liability to pay a dividend when the distribution is authorized by the Board, and the distribution is no longer at the discretion of the Company. A corresponding amount is recognized directly in equity.

Employee benefits

i) Post-employment benefits

Certain employees of the Company have entitlements under the Company's collective pension and retirement agreement, which operates as a defined-contribution pension plan. The cost of defined contribution retirement benefit plan are recognized as an expense when employees have rendered service entitling them to the contributions.

ii) Stock option plan

The Company offers a stock option plan for eligible directors and employees. The fair value of stock options for each vesting period is determined using the Black-Scholes option pricing model and is recorded over the vesting period as an increase to stock-based payments and contributed surplus. A forfeiture rate is estimated on the grant date and is adjusted to reflect the actual number of options that vest. Upon the exercise of stock options, the proceeds received by the Company and the related contributed surplus are recorded as an increase to share capital. In the event that vested stock options expire, previously recognized share-based compensation is not reversed. In the event that stock options are forfeited, previously recognized share-based payments associated with the unvested portion of the stock options forfeited is reversed.

iii) Other awards

As part of the remuneration plan, the Company offers performance share unit ("PSU") awards, restricted share unit ("RSU") awards and deferred share unit ("DSU") awards. Recipient of these share-based awards are entitled to receive a dividend equivalent.

Equity-settled share-based payments are measured at fair value and the awards expected to vest are accrued on a straight-line basis over the vesting period with a corresponding increase in contributed surplus. The grant date fair value of equity-settled share-based awards is determined using the share price of the Company on the TSX at the grant date. At a dividend record date, if any, the dividend equivalent is recognized directly as an increase in contributed surplus with a corresponding amount in retained earnings based on the vesting period, measured at the grant date fair value of the dividend equivalent.

Cash-settled share-based payments are measured at fair value at the grant date with a corresponding liability. The grant date fair value of the compensation is measured based on the closing share price of the Company on the TSX adjusted to take into account the terms and conditions upon which the shares were granted, if any, and the awards that are expected to vest. Until the liability is settled, the fair value of the liability is remeasured at the end of each reporting period and at the date of settlement, based on the closing share price, with any changes in the fair value measurement of the liability recognized in profit or loss. At a dividend record date, if any, the dividend equivalent is recognized as a liability for cash-settled awards with a corresponding amount as share-based payments in profit or loss.

When terms of an equity-settled share-based award are modified to be being cash-settled award, at the date of modification, a liability is recognized based on the fair value of the cash–settled award as at that date and the extent to which the vesting period has expired with a corresponding decrease in contributed surplus. Subsequently, the fair value of the liability is remeasured at the end of each reporting period with any changes in fair value recognized in profit or loss.

2. Material Accounting Policy Information and Future Accounting Changes (continued)

B. Material accounting policy information (continued)

Revenue

The Company recognizes revenue from sales of iron ore concentrate, net of any discount, when control of the concentrate is transferred to the customer, which is when the concentrate is delivered to the vessel. Product is generally sold on Free On Board (FOB) Incoterm, where the Company has no responsibility for freight or insurance once control of the concentrate has passed at the loading port. Thus, the performance obligation is satisfied at a point in time. At the time the concentrate is loaded, the Company has transferred the significant risks and rewards to the customer, including the legal title, as well as the physical transfer of the concentrate. The Company recognizes revenues net of freight, freight commission, marketing incentives and other costs.

The Company's iron ore concentrate is sold to customers under contracts that vary in pricing mechanism. The majority of the Company's sales are sold under pricing arrangements when final prices are determined by quoted market prices subsequent to the date of the sale, based on a mutually agreed final quotation period stipulated in the contract. For these sales, revenue is recognized at an amount that reflects the consideration to which the Company expects to receive in exchange for the iron ore concentrate transferred, with reference to the relevant price indices. At each reporting period, the Company re-estimates these sales, with subsequent mark-to-market adjustments recorded as provisional pricing adjustments in sales revenue up to the date of the final settlement.

Customers have no right of return. If the iron ore concentrate delivered does not meet quality specifications agreed in the sale contracts according to discharge port certificates, the selling price is adjusted to reflect a penalty specification.

Government grants

Government grants are recognized at fair value when there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recorded as a deferred credit and recognized as income or recorded against the expenditure, as the related costs for which it is intended to compensate are expensed. When the grant relates to an asset, it is deducted from the cost of the related asset. The Company presents grants received related to an expense item within operating activities whereas grants received related to an asset within the investing activities against the purchase of property, plant and equipment in the consolidated statements of cash flows.

Interest-bearing loans from government at a below-market interest rate are treated as government grants and are recognized at fair value measured at the present value of all future cash flows discounted using the prevailing market rate of interest for similar instruments. The difference between the fair value of the loan and the consideration received is recognized as a government grant. After initial recognition, the interest-bearing loan is subsequently measured at amortized cost using the effective interest rate method. The government grant is amortized over the loan maturity.

Innovation and growth initiative expenses

Innovation and growth initiative expenses are recognized in profit or loss as incurred, except if the expenditures are related to the development and setup of new products, processes and systems and satisfy generally accepted conditions for capitalization, including reasonable assurance that they will be recovered. Capitalized innovation and growth expenditures are measured at cost less accumulated depreciation, using the straight-line method, and accumulated impairment losses.

Income tax

Income tax expense comprises current and deferred taxes. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

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 at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and
- Temporary differences related to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

2. Material Accounting Policy Information and Future Accounting Changes (continued)

B. Material accounting policy information (continued)

Income tax (continued)
Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate 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.

A deferred tax asset is 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.

C. Material judgments, estimates and assumptions

The preparation of financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

Production start date
The Company assessed the stage of its mining asset construction project to determine when it has reached the commercial production phase. Commercial production is achieved when the project is substantially completed and ready for its intended use. The Company considers various relevant criteria to assess when the commercial production phase is considered to have commenced including, but not limited to:

- Level of capital expenditure incurred compared to original budget;
- Majority of the assets making up the mining project are substantially complete and ready for use;
- Completion of a reasonable period of testing of the mine plant and equipment; and
- Ability to produce concentrate in saleable form (within specifications) and to sustain ongoing production of iron ore concentrate.

When a mine development project moves into the production phase, the capitalization of certain mine development costs ceases and costs are either regarded as forming part of the cost of inventory or expensed, except for costs that qualify for capitalization relating to mining asset additions or improvements, underground mine development or mineral reserve development. It is also at this point that depreciation commences.

In December 2022, the Company declared commercial production at the Bloom Lake Phase II plant. Consequently, Phase II assets were reclassified from assets under construction to other categories under property, plant and equipment. Those assets also started to be depreciated in December 2022.

Mineral reserves and resources
Ore reserves and mineral resource estimates are estimates of the amount of ore that can be economically and legally extracted from the Company's mining properties. The Company estimates its ore reserves and mineral resources based on information compiled by qualified persons relating to geological and technical data, on the size, depth, shape and grade of the ore body and suitable production techniques and recovery rates. Recovery of reserves is based on factors such as estimated future prices, expected future production and production costs and the timing of future capital expenditures, all of which are subject to many uncertainties and interpretations. Such an analysis requires complex geological judgments and estimates. Estimates of mineral reserves and resources have an impact on the following items:

- Capitalized stripping costs recognized as inventory or charged as cost of sales in profit or loss as it may change due to changes in stripping ratios. Refer to note 10 — Property, Plant and Equipment;
- Depreciation charge as changes in estimates of mineral reserves and resources may affect the useful life or units-of-production method calculation for depreciation;
- Rehabilitation obligation as changes in estimates may affect the expected date to settle the obligation; and
- Carrying value of non-financial assets as changes in estimates may affect estimated future cash flows and therefore impact impairment analysis.

2. Material Accounting Policy Information and Future Accounting Changes (continued)

C. Material judgments, estimates and assumptions (continued)

Mineral reserves and resources (continued)
The Company expects that, over time, its reserve and resource estimates will be revised upward or downward based on updated information such as the results of future drilling, testing and production levels, and may be affected by changes in iron ore prices. In October 2023, the Company published an updated National Instrument 43-101 Technical report for the Mineral Resources and Reserves of the Bloom Lake Mine.

Definition of separate open-pits
Where a mine operates several open pits that are regarded as separate operations for the purpose of mine planning, initial stripping costs are accounted for separately by reference to the ore from each separate pit. If, however, the pits are highly integrated for the purpose of mine planning, the second and subsequent pits are regarded as extensions of the first pit in accounting for stripping costs. In such cases, the initial stripping of the second and subsequent pits is considered to be production phase stripping. There is judgment as to whether multiple pit mines are considered separate or integrated operations depends on each mine's specific circumstances.

The following factors would point towards the initial stripping costs for the individual pits being accounted for separately:

- If mining of the second and subsequent pits is conducted consecutively following that of the first pit, rather than concurrently;
- If separate investment decisions are made to develop each pit, rather than a single investment decision being made at the outset;
- If the pits are operated as separate units in terms of mine planning and the sequencing of overburden removal and ore mining, rather than as an integrated unit; and
- If the pits extract ore from separate and distinct ore bodies, rather than from a single ore body.

If the designs of the second and subsequent pits are significantly influenced by opportunities to optimize output from several pits combined, including the co-treatment or blending of the output from the pits, then this would point to treatment as an integrated operation for the purposes of accounting for initial stripping costs. The relative importance of each of the above factors is considered in each case. The Company operates three open-pits at the Bloom Lake Mine. The Company assessed that two open-pits are integrated. As such, the Company uses two stripping ratios.

Depreciation of non-current assets
Property, plant and equipment are depreciated over its useful life, or over the remaining life of the mine if that is shorter and there is no reasonable alternative use for the asset by the Company. The useful lives of the major assets of a CGU are often dependent on the life of the mine to which they relate. Where this is the case, the lives of mining properties, plant, concentrators and other long-lived processing equipment are generally limited to the expected life of mine, which is estimated on the basis of the mining plan. Where the major assets of a CGU are not dependent on the life of mine, management applies judgment in estimating the remaining service potential of long-lived assets.

Recovery of exploration and evaluation assets
Exploration and evaluation assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable through future exploitation or sale. Such circumstances include the period for which the Company has the right to explore in a specific area, actual and planned expenditures, and results of exploration. Management judgment is also applied in determining whether an economically-viable operation can be established or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves, significant negative industry or economic trends, CGUs, the lowest levels of exploration and evaluation assets grouping, for which there are separately identifiable cash flows, generally on the basis of areas of geological interest. Refer to note 11 — Exploration and Evaluation Assets.

Lease liabilities and right-of-use assets
The application of IFRS 16, Leases, requires the Company to make judgments that affect the valuation of the lease liabilities and the valuation of right-of-use assets. These include determining contracts in scope of IFRS 16, determining the contract term, determining the interest rate used for discounting future cash flows, assessing purchase option and separating components of a contract. The lease term determined by the Company generally comprises a non-cancellable period of lease contracts, periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. The same term is applied as economic useful life of right-of-use assets. Lease payments include the exercise price of a purchase option if the Company is reasonably certain to exercise that option. The separation of components of a contract requires estimates and judgments for allocating the consideration in the contract to each lease component and non-lease component. Refer to notes 10 — Property, Plant and Equipment and 15 — Lease Liabilities.

2. Material Accounting Policy Information and Future Accounting Changes (continued)

C. Material judgments, estimates and assumptions (continued)

Rehabilitation obligation
The rehabilitation obligation is based on the best estimate of the expenditures required to settle the present obligation at the end of the reporting period, including but not limited to dismantling and removing infrastructure and operating facilities as well as restoring water pond and vegetating affected areas. The estimate of the expenditure required to settle the present obligation is the amount that the Company would rationally pay to settle obligation at the end of the reporting period or to transfer it to a third party. The rehabilitation obligation has been determined based on the Company's best internal estimates. Assumptions based on the current economic environment have been made, which management believes are a reasonable basis upon which to estimate the future liability. These estimates are reviewed at each reporting period to take into account any material changes to the assumptions, including regulatory changes and cost increases associated with site areas used for tailings and waste. Actual rehabilitation costs will ultimately depend upon future market prices for the necessary rehabilitation works required that will reflect market conditions at the time. Furthermore, the timing of rehabilitation is likely to depend on when Bloom Lake ceases to produce at economically viable rates. This, in turn, will depend upon future iron ore prices, which are inherently uncertain.

Revenue recognition
At each reporting period, the Company re-estimates sales subject to provisional pricing with reference to forward price indices. The forward price depends on the final quotation period as per sale contracts, which usually depends on the date when the vessel arrives at its final destination. The arrival date is initially estimated at the sale date and then re-evaluated before each reporting date. Price changes for shipments awaiting final pricing at year-end could have a material effect on future revenues. As at March 31, 2024, there was US$142,079,000 (March 31, 2023: US$224,807,000) in revenues that were awaiting final pricing.

D. New accounting amendments issued and adopted by the Company

The following amendments to existing standards have been adopted by the Company on April 1, 2023:

Amendments to AASB 101 (IAS 1), Presentation of Financial Statements ("IAS 1")
Amendments to IAS 1 change the requirements in IAS 1 with regard to disclosure of accounting policies. Applying the amendments, an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments to IAS 1 are made to explain how an entity can identify a material accounting policy.

Management reviewed the accounting policies and made updates to the information disclosed in the Material accounting policy information section above (March 31, 2023: Significant accounting policies) in certain instances in line with the amendments.

Amendments to AASB 108 (IAS 8), Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8")
Amendments to IAS 8 replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".

Amendments to AASB 112 (IAS 12), Income Taxes ("IAS 12")
Amendments to IAS 12 specify how entities should account for deferred income taxes on transactions such as leases and decommissioning obligations. In specified circumstances, entities are exempt from recognizing deferred income taxes when they recognize assets or liabilities for the first time. The amendments clarify that the exemption does not apply to transactions such as leases and decommissioning obligations and that entities are required to recognize deferred income taxes on such transactions.

Amendments to IAS 12 also introduce a mandatory temporary exception to the accounting for deferred taxes arising from the implementation of the Organization for Economic Co-operation and Development (OECD) International Tax Reform, which established global rules to prevent tax-base erosion ("Pillar Two" Model). While the amendments are effective, no legislation has yet been enacted in jurisdictions in which the Company operates as at March 31, 2024. Accordingly, the Company has applied the temporary exception from recognizing and disclosing deferred taxes related to Pillar Two income taxes and has no related current tax exposure at that date.

The adoption of the amendments listed above did not have a significant impact on the Company's consolidated financial statements.

(Expressed in thousands of Canadian dollars, except where otherwise indicated)

2. Material Accounting Policy Information and Future Accounting Changes (continued)

E. New accounting amendments issued to be adopted at a later date

The following amendments to a standard have been issued and are applicable to the Company for its annual period beginning on April 1, 2024 and thereafter, with an earlier application permitted:

Amendments to AASB 101 (IAS 1), Presentation of Financial Statements ("IAS 1")
Amendments to IAS 1 clarify how to classify debt and other liabilities as current or non-current. The amendments help to determine whether, in the consolidated statements of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments also include clarifying the classification requirements for debt an entity might settle by converting it into equity.

Amendments to IAS 1 also specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require an entity to disclose information about these covenants in the notes to financial statements.

The Company is currently evaluating the impact of adopting the amendments on the Company's consolidated financial statements.

3. Cash and Cash Equivalents

Cash and cash equivalents consist of cash in bank, cash held in trust and short-term deposits with a maturity of less than three months.

As at March 31, 2024, cash and cash equivalents totalled $400,061 (March 31, 2023: $326,806), including short-term deposits of $137,034 (March 31, 2023: nil).

As at March 31, 2024, cash and cash equivalents comprised U.S. dollars 273,589,000 ($370,713), Canadian dollars 29,296 and Australian dollars 59,000 ($52).

4. Receivables

	Note	**As at March 31, 2024**	As at March 31, 2023
Trade receivables		**71,560**	131,786
Sales tax		**39,143**	21,290
Grant receivable	**10**	**2,543**	7,075
Other receivables		**6,833**	2,117
		120,079	162,268

As at March 31, 2024, the trade receivables, associated with revenues that remained subject to provisional pricing, amounted to a payable balance of $34,793 (March 31, 2023: receivable of $76,984).

For information about the Company's exposure to credit risk, refer to note 26 — Financial Instruments.

(Expressed in thousands of Canadian dollars, except where otherwise indicated)

5. Prepaid Expenses and Advances

	Note	As at March 31, 2024	As at March 31, 2023
Railway transportation and terminal logistic	8	**39,056**	35,665
Port handling services	8	**3,725**	3,685
Insurance		**1,391**	1,794
Other		**3,196**	1,907
		47,368	43,051

As at March 31, 2024, the railway transportation and terminal logistic prepaid included the current portion of railway services agreements of $15,305 (March 31, 2023: $14,469) and monthly prepayments pursuant to service agreements.

6. Inventories

	As at March 31, 2024	As at March 31, 2023
Stockpiled ore	**45,460**	37,955
Concentrate inventories	**176,460**	51,704
Supplies and spare parts	**110,691**	78,011
	332,611	167,670

For the year ended March 31, 2024, the amount of inventories recognized as an expense totalled $1,007,606 (year ended March 31, 2023: $904,647). During the year ended March 31, 2024, no specific provision was recorded on any of the Company's inventories (year ended March 31, 2023: nil).

7. Non-Current Investments

	As at March 31, 2024	As at March 31, 2023
Financial instruments in a private entity - at FVTPL		
Equity investments	**14,500**	8,972
Convertible loans	**—**	2,799
Derivative asset	**—**	2,971
Equity investments in a publicly listed entity - at FVTPL	**9**	9
	14,509	14,751

	Year Ended March 31, 2024	2023
Opening balance	**14,751**	14,158
Change in fair value	**2,502**	593
Write-off	**(2,744)**	—
Ending balance	**14,509**	14,751

During the year ended March 31, 2024, the Company recorded a gain in fair value on non-current investments of $2,502, which includes $2,709 associated with the increase in the enterprise value of the private entity, with the remainder attributable to the changes in exchange rates (year ended March 31, 2023: gain of $593 only attributable to the changes in exchange rates). Refer to notes 26 — Financial Instruments and 23 — Other Income (Expense).

During the year ended March 31, 2024, the Company wrote off the derivative asset upon the expiry of the right to subscribe equity instruments amounting to $2,744 (fair value as at March 31, 2023: $2,971).

(Expressed in thousands of Canadian dollars, except where otherwise indicated)

8. Advance Payments

	Notes	As at March 31, 2024	As at March 31, 2023
Advance payments related to transshipment infrastructure (i)	10	—	83,464
Advance payments related to railway transportation and terminal logistic (ii)		45,872	53,709
Prepaid future port handling services (iii)		19,956	22,226
Other long-term advance (iv)		36,576	25,698
		102,404	185,097
Less current portion classified in "Prepaid expenses and advances"	5	(19,030)	(18,154)
		83,374	166,943

(i) In May 2021, the Company entered into a construction agreement with Société Ferroviaire et Portuaire de Pointe-Noire ("SFPPN") and made advances to increase the transshipment capacity and support the Company's plans to increase production with the Phase II expansion project ("Phase II"). These advance payments of $83,464 were reclassified during the year ended March 31, 2024, to property, plant and equipment as a right-of-use asset concurrent with the completion of the work and the availability of the related additional transshipment capacity.

(ii) In October 2017, the Company entered into a railway and stockyard facilities access agreement with SFPPN for the transportation, unloading, stockpiling and loading of iron ore concentrate from Sept-Îles to Pointe-Noire, Québec. In connection with the agreement, the Company makes annual payments of $3,750 to SFPPN to cover the investments made at the time with respect to a portion of the infrastructure. Advance payments are amortized over the life of mine. As at March 31, 2024, the related advance payments amounted to $13,229 (March 31, 2023: $11,268).

In April 2021, the Company entered into an agreement to expand an existing long-term rail contract with a third-party railway services provider to accommodate the anticipated increased Phase II production volumes. Advance payments are recovered by means of a monthly credit per tonne hauled exceeding a predetermined tonnage. In connection with this agreement, the remaining advance payments totalled $32,643 as at March 31, 2024 (March 31, 2023: $42,441). The current portion of the railway transportation advance payments totalled $15,305 as at March 31, 2024 (March 31, 2023: $14,469) and is included under Prepaid expenses and advances in the consolidated statements of financial position.

(iii) Pursuant to the agreement between the Company and the Sept-Îles Port Authority ("Port"), the Company made an advance payment on its future shipping, wharfage and equipment fees. Advance payments totalled $19,956 as at March 31, 2024 (March 31, 2023: $22,226) and are recovered by means of a monthly credit per tonne sold. The current portion of the port advances totalled $3,725 as at March 31, 2024 (March 31, 2023: $3,685) and is included under Prepaid expenses and advances in the consolidated statements of financial position.

(iv) The other long-term advance totalled $36,576 as at March 31, 2024 (March 31, 2023: $25,698) and relates to amounts paid to SFPPN annually which are recoverable from SFPPN under the guarantee access agreement if certain conditions are met. It also includes advance payments for major replacement parts, transshipment and rail assets improvement expenditures incurred by SFPPN, which are amortized in the cost of sales based on the expected useful life of the assets.

The increase in advance payments related to transshipment infrastructure and capital maintenance expenditures is presented under the investing activities in the consolidated statements of cash flows. For the year ended March 31, 2024, the increase in advance payments totalled $13,683 (year ended March 31, 2023: $30,001).

(Expressed in thousands of Canadian dollars, except where otherwise indicated)

9. Intangible Assets

	Port Access	Software	Total
Cost			
March 31, 2023	**3,513**	**13,222**	**16,735**
Additions	**—**	**430**	**430**
Disposals	**—**	**(5,673)**	**(5,673)**
March 31, 2024	**3,513**	**7,979**	**11,492**
Accumulated depreciation			
March 31, 2023	**61**	**8,808**	**8,869**
Depreciation	**182**	**2,942**	**3,124**
Disposals	**—**	**(5,673)**	**(5,673)**
March 31, 2024	**243**	**6,077**	**6,320**
Net book value - March 31, 2024	**3,270**	**1,902**	**5,172**

	Port Access	Software	Total
Cost			
March 31, 2022	3,513	10,767	14,280
Additions	—	2,455	2,455
March 31, 2023	3,513	13,222	16,735
Accumulated depreciation			
March 31, 2022	—	5,735	5,735
Depreciation	61	3,073	3,134
March 31, 2023	61	8,808	8,869
Net book value - March 31, 2023	3,452	4,414	7,866

(Expressed in thousands of Canadian dollars, except where otherwise indicated)

10. Property, Plant and Equipment

	Mining and Processing Equipment	Locomotives, Railcars and Rails	Tailings Dikes	Assets under Construction (i)(ii)	Mining Development and Stripping Asset (iii)	Asset Rehabilitation Obligation and Other	Subtotal	Right-of-use Assets	Total
Cost									
March 31, 2023	**825,883**	**64,739**	**202,142**	**29,264**	**132,355**	**124,363**	**1,378,746**	**97,962**	**1,476,708**
Additions	**56,253**	**—**	**—**	**237,945**	**23,561**	**2,033**	**319,792**	**114,285**	**434,077**
Disposals and lease termination	**(27,564)**	**—**	**—**	**—**	**—**	**(1,100)**	**(28,664)**	**(11,881)**	**(40,545)**
Transfers	**26,030**	**—**	**83,316**	**(113,701)**	**—**	**4,355**	**—**	**—**	**—**
Foreign exchange and other	**—**	**58**	**—**	**—**	**—**	**(4,797)**	**(4,739)**	**—**	**(4,739)**
March 31, 2024	**880,602**	**64,797**	**285,458**	**153,508**	**155,916**	**124,854**	**1,665,135**	**200,366**	**1,865,501**
Accumulated depreciation									
March 31, 2023	**100,085**	**12,175**	**21,790**	**—**	**60,340**	**10,220**	**204,610**	**10,130**	**214,740**
Depreciation	**84,656**	**2,814**	**12,153**	**—**	**14,414**	**5,970**	**120,007**	**14,488**	**134,495**
Disposals and lease termination	**(25,155)**	**—**	**—**	**—**	**—**	**(191)**	**(25,346)**	**(4,373)**	**(29,719)**
Foreign exchange and other	**—**	**24**	**—**	**—**	**—**	**—**	**24**	**—**	**24**
March 31, 2024	**159,586**	**15,013**	**33,943**	**—**	**74,754**	**15,999**	**299,295**	**20,245**	**319,540**
Net book value - March 31, 2024	**721,016**	**49,784**	**251,515**	**153,508**	**81,162**	**108,855**	**1,365,840**	**180,121**	**1,545,961**

	Mining and Processing Equipment	Locomotives, Railcars and Rails	Tailings Dikes	Assets under Construction (i)(ii)(iv)	Mining Development and Stripping Asset (iii)	Asset Rehabilitation Obligation and Other	Subtotal	Right-of-use Assets	Total
Cost									
March 31, 2022	222,915	54,476	143,932	531,785	111,965	73,139	1,138,212	66,368	1,204,580
Additions	94,316	—	—	162,203	20,390	12,613	289,522	34,819	324,341
Disposals and lease termination	(41,959)	—	—	—	—	(551)	(42,510)	(3,225)	(45,735)
Transfers	550,611	6,725	58,210	(664,724)	—	49,178	—	—	—
Foreign exchange and other	—	3,538	—	—	—	(10,016)	(6,478)	—	(6,478)
March 31, 2023	825,883	64,739	202,142	29,264	132,355	124,363	1,378,746	97,962	1,476,708
Accumulated depreciation									
March 31, 2022	89,760	8,891	13,637	—	10,780	6,436	129,504	5,046	134,550
Depreciation	51,793	2,524	8,153	—	49,560	4,002	116,032	8,073	124,105
Disposals and lease termination	(41,468)	—	—	—	—	(218)	(41,686)	(2,989)	(44,675)
Foreign exchange and other	—	760	—	—	—	—	760	—	760
March 31, 2023	100,085	12,175	21,790	—	60,340	10,220	204,610	10,130	214,740
Net book value - March 31, 2023	725,798	52,564	180,352	29,264	72,015	114,143	1,174,136	87,832	1,261,968

(i) During the development period of the DRPF Project, the amount of borrowing costs capitalized for the year ended March 31, 2024 was $2,818 (year ended March 31, 2023: $14,367, during the development period of the Bloom Lake Phase II expansion project). Borrowing costs consisted of interest expense and the amortization of transaction costs on the long-term debt. Refer to note 14 — Long-Term Debt.

The capitalization rate used to determine the amount of borrowing costs eligible for capitalization for the year ended March 31, 2024 was 7.6% (year ended March 31, 2023: 5.0%).

(Expressed in thousands of Canadian dollars, except where otherwise indicated)

10. Property, Plant and Equipment (continued)

(ii) The Company qualified for a government grant up to $21,817, payable in multiple advances, in relation to energy consumption reduction initiatives under certain conditions. The Company must reach gas emission reduction targets over a period of 10 years and must complete the construction before August 5, 2025. The grant was recognized as a reduction of property, plant and equipment. As at March 31, 2024, the Company has completed the construction. Additions to property, plant and equipment for the year ended March 31, 2024 are net of government grants of $663; and a total grant of $2,543 was receivable as at March 31, 2024 (year ended March 31, 2023: $8,972 were recognized as grants and $7,075 was receivable as at March 31, 2023). Refer to note 4 — Receivables.

(iii) During the year ended March 31, 2024, the addition to the stripping asset includes: i) production expenses capitalized amounting to $2,459 (year ended March 31, 2023: $6,873) and ii) allocated depreciation of property, plant and equipment amounting to $440 (year ended March 31, 2023: $1,089).

(iv) In December 2022, the Company declared commercial production at the Bloom Lake Phase II plant. Consequently, Phase II assets were reclassified from assets under construction to other categories under property, plant and equipment. Those assets also started to be depreciated in December 2022.

Right-of-use assets consist of the following:

	Building	Transshipment infrastructure	Mining and Processing Equipment	Locomotives, Railcars and Rails	Other	Total
March 31, 2023	**8,696**	**—**	**14,681**	**64,455**	**—**	**87,832**
Additions	**128**	**99,443**	**3,394**	**8,927**	**2,393**	**114,285**
Lease termination	**—**	**—**	**(7,508)**	**—**	**—**	**(7,508)**
Depreciation	**(575)**	**(3,742)**	**(6,353)**	**(3,270)**	**(548)**	**(14,488)**
March 31, 2024	**8,249**	**95,701**	**4,214**	**70,112**	**1,845**	**180,121**

	Building	Transshipment infrastructure	Mining and Processing Equipment	Locomotives, Railcars and Rails	Other	Total
March 31, 2022	93	—	2,506	58,723	—	61,322
Additions	8,860	—	17,220	8,739	—	34,819
Lease termination	—	—	(236)	—	—	(236)
Depreciation	(257)	—	(4,809)	(3,007)	—	(8,073)
March 31, 2023	8,696	—	14,681	64,455	—	87,832

Additions to right-of-use assets for the year ended March 31, 2024 included $99,443 related to additional transshipment capacity, of which $83,464 was financed by advance payments (refer to note 8 - Advance Payments) and $15,979 was included in trade payable and accrued liabilities in the consolidated statements of financial position. Additions for the year ended March 31, 2024 also include $8,927 for additional locomotives and associated remote operating system, paid in part by credits resulting from overpaid monthly services and classified as prepaid expenses.

Refer to note 15 — Lease Liabilities for more details.

11. Exploration and Evaluation Assets

	Labrador Trough	Newfoundland	Total
March 31, 2023	**113,002**	**4,125**	**117,127**
Additions	**14,273**	**427**	**14,700**
March 31, 2024	**127,275**	**4,552**	**131,827**

	Labrador Trough	Newfoundland	Total
March 31, 2022	104,636	3,174	107,810
Additions	8,366	951	9,317
March 31, 2023	113,002	4,125	117,127

(Expressed in thousands of Canadian dollars, except where otherwise indicated)

11. Exploration and Evaluation Assets (continued)

Exploration and evaluation assets mainly comprise acquisition of mining rights and exploration and evaluation expenditures which typically include costs associated with prospecting, sampling, trenching, drilling and other work involved in searching for ore such as topographical, geological, geochemical and geophysical studies. Exploration and evaluation assets also include the costs of activities related to evaluating the technical feasibility and commercial viability of extracting mineral resources.

12. Other Non-Current Assets

	Note	As at March 31, 2024	As at March 31, 2023
Transaction costs related to revolving facility	14	7,829	8,595
Other		760	—
		8,589	8,595

Transaction costs are amortized on a straight-line basis over the term of the revolving facility. During the year ended March 31, 2024, $1,755 of transaction costs associated with the revolving facility were recorded in Other non-current assets following the refinancing of the debt.

13. Accounts Payable and Other

	Notes	As at March 31, 2024	As at March 31, 2023
Trade payable and accrued liabilities		203,026	135,318
Wages and benefits		37,477	20,711
Cash-settled share-based payment liability	17	4,946	9,138
Current portion of lease liabilities	15	6,329	13,411
		251,778	178,578

For information about the Company's exposure to liquidity risk, refer to note 26 — Financial Instruments.

14. Long-Term Debt

	Interest Rate (i)	Maturity	As at March 31, 2024	As at March 31, 2023
Term Loan	SOFR + 2.25% to 3.25%	November 29, 2028	308,843	—
Revolving Facility	SOFR + 2.00% to 3.00%	November 29, 2027	—	243,593
IQ Loan	3.70%	April 1, 2032	50,668	55,369
FTQ Loan	7.75%	May 21, 2028	73,816	73,537
CAT Financing (ii)	SOFR + 3.25%	July 2024 to October 2029	106,101	102,782
			539,428	475,281
Less current portion			(31,061)	(27,080)
			508,367	448,201

(i) The interest rate of the Term Loan, the Revolving Facility and the CAT Financing is based on Secured Overnight Financing Rate ("SOFR"), plus a credit spread adjustment and a financial margin. For the Term Loan and the Revolving Facility, the financial margin fluctuates depending on the net debt to EBITDA ratio.

(ii) The CAT Financing matures between 3 and 6 years depending on the equipment.

(Expressed in thousands of Canadian dollars, except where otherwise indicated)

14. Long-Term Debt (continued)

	As at March 31, 2024	As at March 31, 2023
Face value of long-term debt	**552,173**	487,654
Unamortized transaction costs and other	**(12,745)**	(12,373)
Long-term debt, net of transaction costs	**539,428**	475,281

The Senior Credit Facilities, FTQ Loan and the CAT Financing are subject to operational and financial covenants, all of which have been met as at March 31, 2024. The undrawn portion of the Senior Credit Facilities, FTQ Loan and the CAT Financing is subject to standby commitment fees varying from 0.35% to 0.75%.

Senior Credit Facilities

On May 24, 2022, the Company refinanced the US$350,000,000 non-revolving credit facility and the US$50,000,000 revolving credit facility with a US$400,000,000 general purpose revolving facility (the "Revolving Facility") with various lenders, maturing on May 24, 2026. Transaction costs of $3,903 were incurred for this refinancing. The Company reclassified the unamortized transaction costs on the Revolving Facility at the modification date under Assets in the consolidated statements of financial position. Refer to note 12 — Other Non-Current Assets.

On November 29, 2023, the Company completed a new $310,661 (US$230,000,000) five-year term loan and extended the maturity of the existing US$400,000,000 Revolving Facility to November 2027 (collectively the "Senior Credit Facilities"), with the same syndicate of lenders. The Company used the proceeds from the term loan to repay the $243,125 (US$180,000,000) Revolving Facility outstanding balance, at the transaction date.

Given that the Revolving Facility was extended with substantially the same terms, the Company treated the refinancing as a non-substantial modification. Total transaction costs of $4,801 were incurred for this refinancing, of which $1,755 associated with the revolving facility was recorded in Other non-current assets, and $3,046 associated with the term loan were presented as a reduction of the Long-term debt.

For the year ended March 31, 2024, the weighted average interest rate was 7.58% (year ended March 31, 2023: 5.16%).

As at March 31, 2024, the undrawn portion of the revolving facility totalled US$400,000,000. The Senior Credit Facilities could be repaid at anytime at the discretion of the Company. The Term Loan will be payable quarterly starting in June 2026, with mandatory additional repayments in the event of excess cash flow, based on EBITDA calculation and limited to US$60,000,000 per year.

Collaterals are comprised of all of the present and future undertakings, properties and assets of QIO and Lac Bloom Railcars Corporation Inc. The Company guaranteed all the obligations of QIO and Lac Bloom Railcars Corporation Inc. and pledged all of the shares it holds in QIO and Lac Bloom Railcars Corporation Inc.

IQ Loan

On July 21, 2021, QIO entered into an unsecured loan agreement with Investissement Québec ("IQ Loan") to finance the Company's share of the increase in transshipment capacity by SFPPN for an amount up to $70,000. The repayment commenced on April 1, 2022 in ten equal annual installments of the principal balance outstanding. The agreement comprises an option to prepay the loan at any time without penalty.

The IQ Loan was determined to be at below-market rate. The fair value of the total advances of $70,000 was estimated at $59,386 and was determined based on the prevailing market interest rate for a similar instrument at the time the advances were made. The residual amount of $10,614 was recognized as a government grant and presented as a deferred grant in the consolidated statements of financial position. The deferred grant is amortized straight-line over the loan maturity starting in September 2023 when SFPPN's new infrastructure became available for use. The remaining deferred grant as at March 31, 2024 totalled $9,797 (March 31, 2023: $10,614).

During the year ended March 31, 2024, the Company repaid $6,400 of the IQ Loan. The remaining balance was $57,600 as at March 31, 2024 (March 31, 2023: $64,000).

FTQ Loan

On May 21, 2021, QIO entered into an unsecured loan agreement with Fonds de Solidarité des Travailleurs du Québec ("FTQ Loan") to fund the completion of Phase II and for general purposes after the completion of Phase II for an amount up to $75,000. The FTQ Loan includes an option to prepay in whole or in part at any time, but not prior to the second anniversary by paying a premium that varies from 2% to 6% based on the prepayment date. The remaining balance was $75,000 as at March 31, 2024 (March 31, 2023: $75,000).

(Expressed in thousands of Canadian dollars, except where otherwise indicated)

14. Long-Term Debt (continued)

CAT Financing

On April 1, 2021, the Company signed an agreement with Caterpillar Financial Services Limited ("CAT Financing") to finance Phase II mining equipment for a facility of up to US$75,000,000 and available until March 31, 2023. In January 2023, the undrawn portion of the facility was increased by US$50,000,000 with the availability period extended to March 31, 2024. Transaction costs of $703 were incurred for this increase.

During the year ended March 31, 2024, the Company drew $27,259 (US$20,073,000) and repaid $24,267 (US$18,056,000), resulting in a balance of $107,926 (US$79,650,000) as at March 31, 2024 (March 31, 2023: $105,061 (US$77,633,000)). The CAT Financing includes an option to prepay the loan without penalty at any time and is collateralized by all of the financed equipment. The carrying value of the financed equipment was $102,922 as at March 31, 2024 (March 31, 2023: $101,650).

For the year ended March 31, 2024, the weighted average interest rate was 8.50% (year ended March 31, 2023: 6.38%).

15. Lease Liabilities

		Year Ended March 31,	
	Notes	**2024**	2023
Opening balance		**86,841**	53,979
New lease liabilities		**5,915**	34,493
Capital payments		**(12,409)**	(9,610)
Interest expense	**22**	**3,987**	3,606
Lease termination		**(7,439)**	(236)
Foreign exchange loss		**83**	4,609
		76,978	86,841
Less current portion classified in "Accounts payable and other"	**13**	**(6,329)**	(13,411)
Ending balance		**70,649**	73,430

During the year ended March 31, 2024, new lease liabilities were discounted using an average incremental borrowing rate of 6.7% (year ended March 31, 2023: 5.1%).

Lease liabilities include a master lease agreement for 450 railcars for a term of 20 years to support the Phase II production volume. This railcar lease liability is guaranteed by Champion and QIO is not subject to any financial covenants under the master lease agreement and cannot assign or sublease any railcars.

The expenses related to short-term leases, low-value leases and variable leases were $103, $1,285 and $5,437, respectively, for the year ended March 31, 2024 (March 31, 2023: $792, $609 and $5,565, respectively). These expenses were included in Cost of sales. The total cash outflow for leases was $19,234 for the year ended March 31, 2024 (March 31, 2023: $16,576).

16. Rehabilitation Obligation

		Year Ended March 31,	
	Note	**2024**	2023
Opening balance		**85,508**	86,021
Increase due to the reassessment of the rehabilitation obligation		**2,588**	8,649
Accretion expense	**22**	**1,294**	854
Effect of change in discount rate		**(4,797)**	(10,016)
Ending balance		**84,593**	85,508

The accretion of the rehabilitation obligation was evaluated as the amount of the expenditure required to settle the present obligation at the end of the reporting period, discounted by the number of years between the reporting date and the rehabilitation date using a discount rate of 1.50% as at March 31, 2024 (March 31, 2023: 1.34%). The undiscounted amount related to the rehabilitation obligation is estimated at $107,489 as at March 31, 2024 (March 31, 2023: $104,358).

17. Share Capital and Reserves

a) Authorized

The Company's share capital consists of authorized:

- Unlimited number of ordinary shares, without par value; and
- Unlimited number of preferred shares, without par value, issuable in series.

b) Ordinary shares

	Year Ended March 31,	
	2024	2023
	(in thousands)	(in thousands)
Opening balance	**517,193**	516,612
Shares issued for exercise of options - incentive plan	**1,050**	300
Shares issued for release of performance share units - incentive plan	**161**	—
Shares issued for exercise of warrants	**—**	281
Shares cancelled	**(333)**	—
Ending balance	**518,071**	517,193

c) Dividends

The following table details the dividends declared and paid on the Company's ordinary shares:

Results Period	**Montréal Declaration Date**	**Payment Date**	**Amount per Share**	**Year Ended March 31, 2024**	**2023**
Final - Mar-23	May 30, 2023	July 5, 2023	0.10	**51,686**	—
Interim - Sep-23	October 25, 2023	November 28, 2023	0.10	**51,762**	—
Final - Mar-22	May 25, 2022	June 28, 2022	0.10	**—**	51,658
Interim - Sep-22	October 26, 2022	November 29, 2022	0.10	**—**	51,686
				103,448	103,344

d) Share-based payments

The Company has various share-based compensation plans for eligible employees and directors. The objective of the Omnibus incentive plan is to enhance the Company's ability to attract and retain talented employees and to provide the alignment of interests between such employees and the shareholders of the Company. Under the Omnibus incentive plan, the Company grants stock option awards, RSU awards, PSU awards and DSU awards. If and when cash dividends are paid, the holders of RSUs, PSUs and DSUs are entitled to receive a dividend equivalent.

Stock option and RSU awards vest annually in three equal tranches from the date of grant. PSU awards vest i) at the end of three years from the date of grant or ii) over a 34-month period for Phase II construction. Vesting is subject to key performance indicators established by the Board. A portion of the PSUs granted with performance criteria based on Phase II milestones is settled in cash. DSU awards vest at the date of grant. The cash consideration for awards settled through cash payment is included in accounts payable and other under the changes in non-cash operating working capital in the consolidated statements of cash flows.

As at March 31, 2024, the Company is authorized to issue 51,807,000 stock options and share rights (March 31, 2023: 51,719,000) equal to 10% (March 31, 2023: 10%) of the issued and outstanding ordinary shares for issuance under the Omnibus incentive plan.

17. Share Capital and Reserves (continued)

d) Share-based payments (continued)

The following table summarizes the share-based payments expense:

	Year Ended March 31, 2024	2023
Stock option	**—**	403
RSU	**3,057**	1,675
PSU	**3,987**	6,236
DSU	**411**	348
	7,455	8,662

For the year ended March 31, 2024, the amount recognized as share-based payments related to equity-settled awards was a net recovery of $1,115 (year ended March 31, 2023: share-based payment expense of $1,935). The recovery was mainly related to the previously equity-settled awards granted to the Chief Executive Officer that were ultimately settled in cash, following Board approval, resulting in a reversal of the equity-settled share-based payment expense during the year ended March 31, 2024.

For the year ended March 31, 2024, the amount recognized as share-based payment related to cash-settled awards was an expense of $8,570 (year ended March 31, 2023: share-based payment expense of $6,727).

The following table summarizes the carrying amount of the Company's cash-settled share-based payment liability in the consolidated statements of financial position for PSUs, RSUs and DSUs.

	As at March 31, 2024	As at March 31, 2023
Accounts payable and other	**4,946**	9,138
Other long-term liabilities	**10,576**	8,234
	15,522	17,372

e) Stock options

The following table details the stock options activities of the share incentive plan:

	Year Ended March 31, 2024		2023	
	Number of Stock Options (in thousands)	Weighted Average Exercise Price	Number of Stock Options (in thousands)	Weighted Average Exercise Price
Opening balance	**1,200**	**5.00**	1,500	5.00
Exercised	**(1,050)**	**5.00**	(300)	5.00
Ending balance	**150**	**5.00**	1,200	5.00
Options exercisable - end of the year	**150**	**5.00**	1,200	5.00

During the year ended March 31, 2024, no stock options were granted and a total of 1,050,000 stock options were exercised at a weighted average share price at the exercise date of $6.82 (year ended March 31, 2023: no grant and exercise of 300,000 stock options at $6.84).

The weighted average remaining life for the 150,000 stock options exercisable as at March 31, 2024, was 0.85 year.

17. Share Capital and Reserves (continued)

f) Restricted share units

The following table details the RSU activities of the share incentive plan:

	Year Ended March 31,			
	2024		2023	
	Number of RSUs	Weighted Average Share Price	Number of RSUs	Weighted Average Share Price
	(in thousands)		(in thousands)	
Opening balance	**1,115**	**5.08**	1,142	3.37
Granted	**804**	**5.06**	488	6.31
Dividend equivalents	**43**	**6.23**	39	5.33
Settled through cash payment	**(382)**	**2.94**	(535)	2.50
Forfeited	**(70)**	**5.68**	(19)	6.71
Ending balance	**1,510**	**5.62**	1,115	5.08
Vested - end of the year	**341**	**6.17**	326	3.58

During the year ended March 31, 2024, 804,000 RSUs were granted to key management personnel (year ended March 31, 2023: 488,000 RSUs).

During the year ended March 31, 2024, 382,000 RSUs were settled in exchange for cash consideration based on a share price of $5.61 (year ended March 31, 2023: 535,000 RSUs settled based on a share price of $6.88).

g) Performance share units

The Company assesses each reporting period if performance criteria on share-based units will be achieved in measuring the share-based payments. The actual share-based payment and the period over which the expense is being recognized may vary from the estimate.

The following table details the PSU activities of the share incentive plan:

	Year Ended March 31,			
	2024		2023	
	Number of PSUs	Weighted Average Share Price	Number of PSUs	Weighted Average Share Price
	(in thousands)		(in thousands)	
Opening balance	**2,581**	**5.59**	2,842	4.55
Granted	**1,206**	**5.06**	610	6.89
Dividend equivalents	**86**	**6.07**	100	5.39
Settled through cash payment	**(1,108)**	**4.47**	(769)	2.51
Forfeited	**(208)**	**5.97**	(202)	7.02
Released through the issuance of ordinary shares	**(161)**	**6.16**	—	—
Withheld as payment of withholding taxes	**(184)**	**6.16**	—	—
Ending balance	**2,212**	**5.74**	2,581	5.59
Vested - end of the year	**—**	**—**	—	—

During the year ended March 31, 2024, 1,206,000 PSUs were granted to key management personnel (year ended March 31, 2023: 610,000 PSUs) and 161,000 ordinary shares were issued at a weighted average share price at the release date of $5.82. Withholding taxes of $1,071 were paid pursuant to the issuance of these aforementioned ordinary shares resulting in the Company not issuing an additional 184,000 PSUs.

During the year ended March 31, 2024, 1,108,000 PSUs were settled in exchange for cash consideration based on a share price of $5.71 (year ended March 31, 2023: 769,000 PSUs settled based on a share price of $6.88).

17. Share Capital and Reserves (continued)

h) Deferred share units

The following table details the DSU activities of the share incentive plan:

	Year Ended March 31,			
	2024		2023	
	Number of DSUs	**Weighted Average Share Price**	**Number of DSUs**	**Weighted Average Share Price**
	(in thousands)		(in thousands)	
Opening balance	**366**	**3.97**	285	3.56
Granted	**86**	**6.21**	69	5.40
Dividend equivalents	**11**	**6.27**	12	5.56
Settled through cash payment	**(125)**	**3.66**	—	—
Forfeited	**(2)**	**6.06**	—	—
Ending balance	**336**	**4.72**	366	3.97
Vested - end of the period	**336**	**4.72**	366	3.97

During the year ended March 31, 2024, 125,000 DSUs were settled in exchange for cash consideration based on a share price of $5.24 (year ended March 31, 2023: nil).

i) Warrants

The following table details the warrant activities:

	Year Ended March 31,			
	2024		2023	
	Number of Warrants	**Weighted Average Exercise Price**	**Number of Warrants**	**Weighted Average Exercise Price**
	(in thousands)		(in thousands)	
Opening balance	**15,000**	**2.45**	15,281	2.43
Exercised	**—**	**—**	(281)	1.13
Ending balance	**15,000**	**2.45**	15,000	2.45

During the year ended March 31, 2024, no warrants were exercised (year ended March 31, 2023: 281,000 warrants at a weighted average exercise price of $1.13).

The Company's outstanding and exercisable warrants as at March 31, 2024 and 2023 is presented below:

		Outstanding and Exercisable	
Exercise Price	**Expiry Date**	**As at March 31,**	As at March 31,
		2024	2023
		(in thousands)	(in thousands)
$2.45	August 16, 2026	**15,000**	15,000

All ordinary share warrants were classified as equity instruments.

(Expressed in thousands of Canadian dollars, except where otherwise indicated)

18. Revenues

	Year Ended March 31,	
	2024	2023
Iron ore revenue	**1,584,549**	1,422,567
Provisional pricing adjustments	**(60,255)**	(27,479)
	1,524,294	1,395,088

Quarterly provisional pricing adjustments represent subsequent changes to revenue attributable to iron ore concentrate sold in prior quarters based on the final settlement price. Annual provisional pricing adjustments represent the sum of the four quarterly provisional pricing adjustments. As at March 31, 2024, 1.8 million tonnes of iron ore sales remained subject to provisional pricing, with the final price to be determined in the subsequent reporting periods (March 31, 2023: 2.0 million tonnes).

19. Cost of Sales

	Year Ended March 31,	
	2024	2023
Mining and processing costs	**684,658**	551,378
Change in concentrate inventories	**(108,401)**	(19,261)
Land transportation and port handling	**307,765**	250,341
Incremental costs related to COVID-19	**—**	1,145
Bloom Lake Phase II start-up costs	**—**	39,159
	884,022	822,762

For the year ended March 31, 2024, the amount recognized as an expense for defined contribution plans was $13,735, of which $12,028 was recorded in Cost of sales (year ended March 31, 2023: $11,264, including $10,010 in Costs of sales) and is included in mining and processing costs.

Bloom Lake Phase II start-up costs were pre-commercial expenses incurred after the commissioning of the facility, during the year ended March 31, 2023, and mainly included abnormal operational costs attributable to the facility not having reached the normalized level of output.

20. General and Administrative Expenses

	Year Ended March 31,	
	2024	2023
Salaries, benefits and other employee expenses	**26,124**	20,484
Insurance	**11,118**	9,735
Other expenses	**13,615**	11,295
	50,857	41,514

21. Sustainability and Other Community Expenses

	Year Ended March 31,	
	2024	2023
Property and school taxes	**7,325**	7,116
Impact and benefits agreement	**7,375**	6,726
Salaries, benefits and other employee expenses	**1,360**	633
Other expenses	**1,778**	3,458
	17,838	17,933

(Expressed in thousands of Canadian dollars, except where otherwise indicated)

22. Net Finance Costs

	Year Ended March 31,	
	2024	2023
Interest on long-term debt	**35,009**	10,482
Amortization of transaction costs and accretion of long-term debt	**5,129**	4,677
Standby commitment fees on long-term debt	**2,049**	2,177
Interest expense on lease liabilities	**3,987**	3,606
Realized and unrealized foreign exchange loss	**855**	7,220
Amortization of deferred grant	**(817)**	—
Interest income	**(14,444)**	(6,291)
Accretion expense of rehabilitation obligation	**1,294**	854
Other finance costs	**3,076**	2,862
	36,138	25,587

During the development period of the DRPF Project and the Bloom Lake Phase II expansion project, borrowing costs were capitalized. Refer to note 10 - Property, Plant and Equipment.

23. Other Income (Expense)

		Year Ended March 31,	
	Note	**2024**	2023
Write-off of non-current investment	**26**	**(2,744)**	—
Change in fair value of non-current investments	**26**	**2,502**	593
Unrealized gain on derivative liabilities		**—**	176
Net gain on non-financial assets		**—**	53
		(242)	822

24. Income and Mining Taxes

a) Deferred tax assets and liabilities

	As at March 31,	As at March 31,
	2024	2023
Deferred tax assets	**62,648**	54,904
Deferred income tax liability	**(249,526)**	(199,152)
Deferred mining tax liability	**(94,264)**	(71,479)
	(343,790)	(270,631)
Net deferred tax liabilities	**(281,142)**	(215,727)

(Expressed in thousands of Canadian dollars, except where otherwise indicated)

24. Income and Mining Taxes (continued)

a) Deferred tax assets and liabilities (continued)

The movement in deferred tax assets during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred tax assets	Operating losses carried forward	Capital losses carried forward	Rehabilitation obligation	Transaction costs	Mining tax deduction and other	Total
As at March 31, 2022	8,575	1,952	22,795	143	15,911	49,376
Credited (charged) to statements of income	877	(1,952)	(136)	(143)	6,882	5,528
As at March 31, 2023	**9,452**	**—**	**22,659**	**—**	**22,793**	**54,904**
Credited (charged) to statements of income	3,530	—	(242)	—	4,456	7,744
As at March 31, 2024	**12,982**	**—**	**22,417**	**—**	**27,249**	**62,648**

The movement in deferred tax liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred tax liabilities	Property, plant and equipment	Mining tax	Exploration and evaluation assets	Other	Total
As at March 31, 2022	111,842	48,355	7,734	6,437	174,368
Charged (credited) to statements of income	74,511	23,124	262	(1,634)	96,263
As at March 31, 2023	**186,353**	**71,479**	**7,996**	**4,803**	**270,631**
Charged to statements of income	50,131	22,785	95	148	73,159
As at March 31, 2024	**236,484**	**94,264**	**8,091**	**4,951**	**343,790**

As at March 31, 2024, the Company had $11,658 (March 31, 2023: $8,648) of net deductible temporary differences, other than Canadian exploration expenses, cumulative Canadian development expenses and tax losses, for which no deferred tax assets have been recognized.

As at March 31, 2024, the Company had $27,952 (March 31, 2023: $18,230) of operating losses carried forward that were not recognized and that can be carried forward indefinitely against future taxable income. As at March 31, 2024, the Company also had $67,279 (March 31, 2023: $47,559) of operating losses that can be carried forward against future taxable income and that will expire from 2031 to 2044. Out of those losses, $16,445 (March 31, 2023: $11,786) were not recognized.

As at March 31, 2024, the Company had $15,947 (March 31, 2023: $21,752) of net capital losses that can be carried forward indefinitely against future capital gains. Out of those capital losses, $15,947 (March 31, 2023: $21,752) were not recognized.

As at March 31, 2024, the Company had cumulative Canadian exploration expenses of $39,953 (March 31, 2023: $35,339) and cumulative Canadian development expenses of $38,589 (March 31, 2023: $41,665) which may be carried forward indefinitely to reduce taxable income in future years. Out of those expenses, no amount was not recognized.

As at March 31, 2024, the Company had $1,778 (March 31, 2023: $1,778) of unrecognized investment tax credit that can be carried forward against future income tax payable and that will expire from 2033 to 2035.

As at March 31, 2024, the Company had $1,205,487 (March 31, 2023: $1,058,744) of taxable temporary differences related to investments in subsidiaries for which a deferred tax liability was partially recorded for an amount of $2,750 (March 31, 2023: $2,750). The deferred tax liabilities related to the remaining balance were not recognized as the Company controls the decisions affecting the realization of such liabilities and does not expect this temporary difference to be reversed in the foreseeable future. Upon distribution of these earnings in the form of dividends or otherwise, the Corporation may be subject to income taxes and/or withholding taxes.

(Expressed in thousands of Canadian dollars, except where otherwise indicated)

24. Income and Mining Taxes (continued)

b) Tax expense

The tax expense is applicable as follows:

	Year Ended March 31, 2024	2023
Current income and mining taxes		
Current income tax on profits for the year	**51,141**	24,146
Current mining tax on profits for the year	**42,080**	30,957
	93,221	55,103
Deferred income and mining taxes		
Deferred income tax for the year	**42,630**	67,613
Deferred mining tax for the year	**22,785**	23,122
	65,415	90,735
Total income and mining taxes expense	**158,636**	145,838

The tax on the Company's income before income and mining taxes differs from the theoretical amount that would arise using the weighted average tax rate applicable to the profits of the consolidated entities as follows:

	Year Ended March 31, 2024		2023	
	Amount	**%**	**Amount**	**%**
Income before income and mining taxes	**392,827**		346,545	
Canadian combined income tax rate for Champion		**26.50 %**		26.50 %
Expected income tax calculated at Canadian combined tax rate	**104,099**		91,834	
Increase (decrease) resulting from the tax effects of:				
Mining tax, net of tax benefit	**47,668**	**12.13 %**	38,661	11.16 %
Other taxes included in income tax expense, net of tax benefits	**5,541**	**1.41 %**	5,728	1.65 %
(Income) expenses not (taxable) deductible for tax purposes	**(473)**	**(0.12)%**	2,830	0.82 %
Unrecorded tax benefits	**4,012**	**1.02 %**	4,923	1.42 %
Non-deductible capital losses	**534**	**0.14 %**	503	0.15 %
Difference in tax rate	**270**	**0.07 %**	(222)	(0.06)%
Adjustment in respect of prior years	**(2,921)**	**(0.74)%**	1,677	0.48 %
Other	**(94)**	**(0.02)%**	(96)	(0.03)%
Income and mining taxes expense at effective tax rate	**158,636**	**40.38 %**	**145,838**	**42.08 %**

c) Income and mining taxes payable (receivable)

The reconciliation of income and mining taxes payable (receivable) is presented as follows:

	Mining Tax	**Income Tax**	**Total**
As at March 31, 2022	4,958	17,786	22,744
Current tax on profit for the year	30,957	24,146	55,103
Tax paid during the year	(49,500)	(68,316)	(117,816)
Reimbursement received during the year	—	2,057	2,057
As at March 31, 2023	**(13,585)**	**(24,327)**	**(37,912)**
Current tax on profit for the year	42,080	51,141	93,221
Tax paid during the year and transfer (i)	(11,770)	(4,778)	(16,548)
Reimbursement received during the year	—	1,471	1,471
As at March 31, 2024	**16,725**	**23,507**	**40,232**

(i) Tax paid during the year ended March 31, 2024 includes a non-cash tax transfer of $11,015 from Income Tax to Mining Tax.

25. Earnings per Share

Earnings per share amounts are calculated by dividing the net income for the year ended March 31, 2024 and 2023, by the weighted average number of shares outstanding during the period.

	Year Ended March 31,	
	2024	2023
Net income	**234,191**	200,707
	(in thousands)	(in thousands)
Weighted average number of common shares outstanding - Basic	**517,579**	517,046
Dilutive share options, warrants and equity settled awards	**9,946**	10,620
Weighted average number of outstanding shares - Diluted	**527,525**	527,666
Basic earnings per share	**0.45**	0.39
Diluted earnings per share	**0.44**	0.38

26. Financial Instruments

Measurement Categories
Financial assets and financial liabilities have been classified into categories that determine their basis of measurement and, for items measured at fair value, whether changes in fair value are recognized in the profit or loss or in other comprehensive income. These categories are financial assets and financial liabilities at FVTPL, financial assets at amortized cost, and financial liabilities at amortized cost. The following tables show the carrying values and the fair value of assets and liabilities for each of these categories as at March 31, 2024 and 2023:

As at March 31, 2024		Financial instruments at FVTPL	Financial Assets at Amortized Cost	Financial Liabilities at Amortized Cost	Total Carrying Amount and Fair Value
Assets					
Current					
Cash and cash equivalents	Level 1	—	400,061	—	400,061
Trade receivables	Level 2	46,487	25,073	—	71,560
Other receivables (excluding sales tax and grant)	Level 2	—	6,833	—	6,833
Non-current					
Equity investment in a publicly listed entity (included in non-current investments)	Level 1	9	—	—	9
Equity investment in a private entity (included in non-current investments)	Level 3	14,500	—	—	14,500
Other non-current financial assets	Level 1	—	760	—	760
		60,996	432,727	—	493,723
Liabilities					
Current					
Accounts payable and other (excluding current portion of lease liabilities and cash-settled share-based payment liability)	Level 2	—	—	240,503	240,503
Current portion of long-term debt	Level 3	—	—	31,061	31,061
		—	—	271,564	271,564
Non-current					
Long-term debt	Level 3	—	—	508,367	508,367
		—	—	779,931	779,931

(Expressed in thousands of Canadian dollars, except where otherwise indicated)

26. Financial Instruments (continued)

Measurement Categories (continued)

As at March 31, 2023		Financial instruments at FVTPL	Financial Assets at Amortized Cost	Financial Liabilities at Amortized Cost	Total Carrying Amount and Fair Value
Assets					
Current					
Cash and cash equivalents	Level 1	—	326,806	—	326,806
Short-term investments	Level 1	—	312	—	312
Trade receivables	Level 2	111,359	20,427	—	131,786
Other receivables (excluding sales tax and grant)	Level 2	—	2,117	—	2,117
Non-current					
Equity investment in a publicly listed entity (included in non-current investments)	Level 1	9	—	—	9
Convertible loans, derivative and equity investment in a private entity (included in non-current investments)	Level 3	14,742	—	—	14,742
		126,110	349,662	—	475,772
Liabilities					
Current					
Accounts payable and other (excluding the current portion of lease liabilities and cash-settled share-based payment liability)	Level 2	—	—	156,029	156,029
Current portion of long-term debt	Level 3	—	—	27,080	27,080
		—	—	183,109	183,109
Non-current					
Long-term debt	Level 3	—	—	448,201	448,201
		—	—	631,310	631,310

Current financial assets and financial liabilities are valued at their carrying amounts, which are reasonable estimates of their fair value due to their near-term maturities; this includes cash and cash equivalents, short-term investments, other receivables and accounts payable and other (excluding current portion of lease liabilities and cash-settled share-based payment liability). Long-term debt was accounted for at amortized cost using the effective interest method, and its fair value approximate its carrying value, given that it is subject to terms and conditions, including variable interest rates, similar to those available to the Company for instruments with comparable terms.

Fair Value Measurement Hierarchy

Subsequent to initial recognition, the Company uses a fair value hierarchy to categorize the inputs used to measure the financial instruments at fair value grouped into the following levels based on the degree to which the fair value is observable.

- Level 1: Inputs derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs derived from other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3: Inputs that are not based on observable market data (unobservable inputs).

There were no transfers between Level 1, Level 2 and Level 3 during the year ended March 31, 2024 (year ended March 31, 2023: nil)

(Expressed in thousands of Canadian dollars, except where otherwise indicated)

26. Financial Instruments (continued)

Financial Instruments Measured at FVTPL

Trade Receivables
The trade receivables are classified as Level 2 in the fair value hierarchy. Their fair values are a recurring measurement. The measurement of the trade receivables is impacted by the Company's provisional pricing arrangements, where the final sale price is determined based on iron ore prices subsequent to a shipment arriving at the port of discharge. The Company initially recognizes sales trade receivables at the contracted provisional price on the shipment date and re-estimates the consideration to be received using forecast iron ore prices at the end of each reporting period. The impact of iron ore price movements until the final settlement is recorded as an adjustment to sales trade receivables.

Equity Instruments Publicly Listed
Equity instruments publicly listed are classified as a Level 1 in the fair value hierarchy. Their fair values are a recurring measurement and are estimated using the closing share price observed on the relevant stock exchange. No fair value adjustment was recorded in the consolidated statements of income during the year ended March 31, 2024 (year ended March 31, 2023: nil).

Convertible Loan and Equity Instruments in Private Entity
The Company holds a convertible loan and equity instruments in an European-based private entity which collaborates with the Company in industrial trials related to cold pelletizing technologies. The loan is convertible at the discretion of the Company and automatically convertible at maturity on October 25, 2025. The Company also had the right to subscribe equity instruments of this European-based private entity at any time prior to June 2023 at a subscription price below the current market value.

During the year ended March 31, 2024, the Company wrote off the related derivative asset upon the expiry of the right to subscribe equity instruments amounting to $2,744 (fair value as at March 31, 2023: $2,971). During the year ended March 31, 2024, the Company converted the remaining loan into equity instruments, and recognized an increase in the fair value of the equity instruments, amounting to $2,896. As at March 31, 2024, the equity instruments totalled $14,500 (March 31, 2023: convertible loan and equity instrument totalled $11,771).

The fair value of the convertible loan and equity instruments is a recurring measurement and it is classified as Level 3. The determination of fair value is conducted on a quarterly basis and it is based on the entity's financial performance from the latest financial statements as well as enterprise values used in financing, if any. The change in fair value also reflects the foreign exchange gains or losses.

The change in fair value of the financial instruments for the year ended March 31, 2024 amounted to a gain of $2,502, which includes $2,709 associated with the increase in the enterprise value of the private entity, with the remainder attributable to the changes in exchange rates (year ended March 31, 2023: a gain of $593 only attributable to the changes in exchange rates).

The following table shows a breakdown of the changes in fair value recognized on non-current investments per fair value hierarchy.

		Year Ended March 31,	
		2024	2023
Change in fair value included in Other Income (Expense)			
Unrealized gain on private equity instrument	Level 3	**2,896**	287
Unrealized gain (loss) on convertible loans	Level 3	**(167)**	79
Realized loss on derivative asset	Level 3	**(227)**	—
Unrealized gain on derivative asset	Level 3	**—**	227
		2,502	593

26. Financial Instruments (continued)

Financial Risk Factors

a) Market

i. Interest Rate Risk

Interest risk is the risk that the value of assets and liabilities will change when the related interest rates change. The Company is exposed to interest rate risk primarily on its long-term debt bearing interest at variable rates and does not take any particular measures to protect itself against fluctuations in interest rates. With the exception of its long-term debt, the Company's current financial assets and financial liabilities are not significantly exposed to interest rate risk because either they are of a short-term nature or because they are non-interest bearing.

The long-term debt bearing interest at variable rates is subject to interest based on SOFR. The following table illustrates a SOFR sensitivity analysis calculating the impact on net income and equity over a 12-month horizon:

	Year Ended March 31,	
(in thousands of U.S. dollars)	**2024**	2023
Increase in net income and equity with a 1% decrease in the SOFR	**3,096**	2,576
Decrease in net income and equity with a 1% increase in the SOFR	**(3,096)**	(2,576)

ii. Commodity Price Risk

Commodity price risk arises from fluctuations in market prices of iron ore. The Company is exposed to the commodity price risk, as its iron ore sales are predominantly subject to prevailing market prices. The Company has limited ability to directly influence market prices of iron ore. The Company has sought to establish strategies that mitigate its exposure to iron ore price volatility in the short-term. The strategy of utilizing renowned brokers is aimed at providing some protection against decreases in the iron ore price while maintaining some exposure to pricing upside.

However, most of the Company's iron ore sale contracts are structured using the iron ore price indexes. These are provisionally priced sales volumes for which price finalization is referenced to the relevant index at a future date or the valuation is prescribed in some of the contracts. The estimated consideration in relation to the provisionally priced contracts is marked to market using the spot iron ore price at the end of each reporting period with the impact of the iron ore price movements recorded as an adjustment to revenue.

The following table details the Company's gross revenue exposure, as at March 31, 2024 and 2023, subject to the movements in iron ore prices for the provisionally invoiced sales volume:

	Year Ended March 31,	
(in thousands of U.S. dollars)	**2024**	2023
Dry metric tonnes subject to provisional pricing adjustments	**1,821,100**	1,987,800
10% increase in iron ore prices	**20,536**	28,047
10% decrease in iron ore prices	**(20,536)**	(28,047)

The sensitivities demonstrate the monetary impact on gross revenues in U.S. dollars, resulting from a 10% increase and 10% decrease in gross realized selling prices at each reporting date, while holding all other variables constant, including foreign exchange rates. The relationship between iron ore prices and exchange rates is complex, and movements in exchange rates can impact net realized selling price in Canadian dollars. The above sensitivities should therefore be used with caution.

26. Financial Instruments (continued)

a) Market (continued)

iii. Foreign Exchange Risk

Foreign currency risk is the risk that the Company financial performance could be affected by fluctuations in the exchange rates between currencies. The Company is exposed to foreign currency fluctuations as its sales, sea freight costs and the majority of its long-term debt and lease liabilities are denominated in U.S. dollars. The Company maintains a cash balance and has trade receivables in U.S. dollars, enabling it to mitigate foreign exchange exposure.

The Company has no hedging contracts in place and therefore has exposure to the foreign exchange rate fluctuations. The strengthening of the U.S. dollar would positively impact the Company's net income and cash flows while the strengthening of the Canadian dollar would reduce its net income and cash flows.

The following table indicates the foreign currency exchange risk as at March 31, 2024 and 2023:

(in thousands of U.S. dollars)	**As at March 31, 2024**	As at March 31, 2023
Current assets		
Cash and cash equivalents	**273,589**	162,905
Trade receivables	**52,812**	97,381
Non-current assets		
Non-current investments	**10,701**	10,893
Current liabilities		
Accounts payable and other	**(20,968)**	(11,217)
Current portion of long-term debt	**(18,200)**	(15,281)
Non-current liabilities		
Lease liabilities	**(44,696)**	(46,018)
Long-term debt	**(291,448)**	(242,351)
Total foreign currency net liabilities in U.S. dollars	**(38,210)**	(43,688)
Canadian dollar equivalents	**(51,775)**	(59,122)

The following table is a currency risk sensitivity analysis calculating the foreign exchange rate exposure of the Company's net liabilities denominated in U.S. dollars as at March 31, 2024 and 2023:

	As at March 31, 2024	As at March 31, 2023
Foreign exchange gain resulting from a 10% depreciation in the U.S. dollar	**5,177**	5,912
Foreign exchange loss resulting from a 10% appreciation in the U.S. dollar	**(5,177)**	(5,912)

The sensitivity analysis above assumes that all other variables remain constant. The Company's exposure to other currencies is not significant.

(Expressed in thousands of Canadian dollars, except where otherwise indicated)

26. Financial Instruments (continued)

b) Credit Risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Company's cash and cash equivalents, short-term investments, and trade and other receivables.

Cash and cash equivalents and short-term investments
With respect to credit risk arising from cash and cash equivalents and short-term investments, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure corresponding to the carrying amount of these instruments. The Company limits its counterparty credit risk on these assets by dealing only with financial institutions with credit ratings of at least A or equivalent.

Trade and other receivables
For the majority of its sales, the Company does business with two renowned brokers, who assume the credit risk associated with end customers. These brokers have similar activities and economic characteristics, representing a significant portion of sales with a maximum exposure corresponding to carrying value of trade receivables. The credit risk associated with these two brokers is mitigated through an annual credit check to monitor the credit worthiness of the brokers. For direct sales occurring from time to time, the Company conducts credit monitoring activities, including performing financial or other assessments to establish and monitor a customer's credit worthiness, setting credit limits and monitoring exposure by in relation to these limits. There is no guarantee that brokers or other customers will remain solvent over time and in the event that a significant customer is unable to accept contracted volumes, then volumes may be sold on a spot basis to traders, sold under renegotiated contractual volumes with existing customers, or sold under contracts with new customers.

Revenues from the sale of iron ore concentrate mainly arise from contracts with the Company's two brokers, who each represents more than 10% of total revenues in both 2024 and 2023 financial years.

For trade receivables subject to provisional pricing classified at FVTPL, the fair value measurement reflects the credit risk exposure. For trade receivables not subject to provisional pricing, an impairment analysis is performed at each reporting date. Loss allowance on receivables is based on actual credit loss experience over the past years and current economic conditions. Receivables are generally settled within six months and are historically collectable. The Company has no receivables past due as at March 31, 2024 (March 31, 2023: nil). For the year ended March 31, 2024, no provision was recorded on any of the Company's receivables (year ended March 31, 2023: nil).

The Company holds no collateral for any receivable amounts outstanding as at March 31, 2024 (March 31, 2023: nil).

c) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial liabilities and lease liabilities that are settled in cash or other financial assets. The Company's approach to managing liquidity risk is to ensure, as far as possible, through budgeting and cash forecasting, that it will have sufficient liquidity to meet its liabilities as they come due.

The following are the contractual maturities of financial liabilities and lease liabilities (non-financial liabilities) including estimated future interest payments as at March 31, 2024:

	Less than a year	1 to 5 years	More than 5 years	Total
Accounts payable and other (excluding current portion of lease liabilities and cash-settled share-based payment liability)	**240,503**	**—**	**—**	**240,503**
Long-term debt	**71,470**	**603,346**	**30,843**	**705,659**
Lease liabilities	**10,184**	**28,045**	**77,808**	**116,037**
	322,157	**631,391**	**108,651**	**1,062,199**

(Expressed in thousands of Canadian dollars, except where otherwise indicated)

27. Capital Risk Management

The Company's main objective when managing its capital is to maintain an adequate balance between having sufficient capital to invest in growth opportunities including exploring and developing mineral resource properties and investing in new product development as well as maintaining a satisfactory return on equity to ordinary shareholders.

The Company defines its capital as long-term debt, lease liabilities and share capital. The Company manages its capital structure and makes adjustments based on the funds available to the Company in light of changes in economic conditions. Dividend payments are discretionary and depends on financial circumstances. The Company is not subject to externally imposed capital requirements other than certain restrictions under the terms of its lending agreements for which the Company complied as at March 31, 2024. In order to facilitate the management of its capital requirements, the Company prepares long-term cash flow projections that consider various factors, including successful capital deployment, general industry conditions and economic factors. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company's capital for the years ended March 31, 2024 and 2023 was as follows:

	As at March 31, 2024	As at March 31, 2023
Long-term debt	**539,428**	475,281
Lease liabilities	**76,978**	86,841
Share capital	**409,785**	401,282
	1,026,191	963,404

28. Related Party Transactions

Key Management Compensation

The Company considers its directors and officers to be key management personnel. Transactions with key management personnel are set out as follows:

	Year Ended March 31,	
	2024	2023
Short-term benefits		
Salaries	**4,612**	4,115
Bonus	**3,084**	2,154
	7,696	6,269
Termination benefits	**—**	3,015
Share-based payments	**5,294**	7,126
Post-employment benefits	**707**	443
All other remuneration	**312**	190
	14,009	17,043

The Company has employment agreements with five executive officers, which include termination remuneration and benefits varying according to different scenarios. Had all these officers been terminated on March 31, 2024, the Company would have paid an amount of approximately $14,226 (March 31, 2023: $14,048), in addition to amounts in the table above.

Other Transactions

Following Board approval in May 2023, the Company issued a secured loan of Australian dollars 10 million to a company related to the Executive Chairman of the Board. This loan was bearing interest at 6.1% and was entirely repaid in September 2023, prior to the original maturity date of December 31, 2023.

(Expressed in thousands of Canadian dollars, except where otherwise indicated)

29. Commitments and Contingencies

The Company's future minimum payments of commitments as at March 31, 2024 are as follows:

	Less than a year	1 to 5 years	More than 5 years	Total
Impact and Benefits Agreement with the Innu community	**7,576**	**34,038**	**144,977**	**186,591**
Take-or-pay fees related to the Port Agreement	**7,870**	**35,360**	**118,948**	**162,178**
Capital expenditure obligations	**62,694**	**—**	**—**	**62,694**
Other obligations	**56,825**	**28,094**	**250**	**85,169**
	134,965	**97,492**	**264,175**	**496,632**

The Company has obligations for services related to fixed charges for the use of infrastructure over a defined contractual period of time. The service commitment is excluded in the above figure as the service is expected to be used by the Company. To the extent that this changes, the commitment amount may change.

In relation to the acquisition of the Kamistiatusset Project, and contingent upon it advancing to commercial production, the Company is subject to:

- A gross sales royalty on iron ore concentrate, refined copper, fine gold bullion, silver bullion, and other refined products;
- Finite production payments to the Receiver on future production;
- An education and training fund for the local communities; and
- Special tax payment to the Government of Newfoundland and Labrador's Department of Finance.

The Company is also subject to a limited production payment on its Consolidated Fire Lake North, Lac Lamêlée, Moiré Lake, O'Keefe-Purdy and Harvey-Tuttle properties.

As part of the Phase II expansion project, the Company is currently engaged with authorities to obtain all permits required to increase the capacity of its storage areas for tailings and waste rock. Due to the environmental impacts associated with its plan, the Company expects to realize over the next twelve years its compensation plans aiming to restore degraded fish habitats and improve access to spawning grounds to fulfill conditions associated with the authorizations. A financial obligation will be recorded when the Company completes a predetermined key step of the approval process.

30. Financial Information Included in the Consolidated Statements of Cash Flows

a) Changes in non-cash operating working capital

	Year Ended March 31,	
	2024	2023
Receivables	**36,939**	(34,123)
Prepaid expenses and advances	**(13,244)**	(22,779)
Inventories	**(151,346)**	(63,703)
Advance payments	**13,788**	12,070
Accounts payable and other	**83,439**	(19,275)
Income and mining taxes receivable or payable	**78,144**	(60,656)
Other long-term liabilities	**(11,005)**	(9,323)
	36,715	(197,789)

(Expressed in thousands of Canadian dollars, except where otherwise indicated)

30. Financial Information Included in the Consolidated Statements of Cash Flows (continued)

b) Reconciliation of additions presented in the property, plant and equipment schedule to the net cash flows used in investing activities

	Year Ended March 31, 2024	2023
Additions of property, plant and equipment as per note 10	**434,077**	324,341
Right-of-use assets (i)	**(98,306)**	(34,819)
Depreciation of property, plant and equipment allocated to stripping activity asset	**(440)**	(1,089)
Non-cash increase of the asset rehabilitation obligation	**(2,588)**	(8,649)
Government grant recognized	**663**	8,969
Government grant received (ii)	**(5,195)**	(5,195)
Capitalized amortization of transaction costs	**(67)**	(666)
Net cash flows used in investing activities - Purchase of property, plant and equipment	**328,144**	282,892

(i) The additions of right-of-use assets for the year ended March 31, 2024 comprised assets financed by advance payments of $83,464 and prepaid expenses and advances of $8,927. The additions of right-of-use assets for the year ended March 31, 2024 differ from those presented in note 10 - Property, Plant and Equipment, as they excluded $15,979 related to additional transshipment capacity that were not financed by advance payment.

(ii) The additions of property, plant and equipment for the year ended March 31, 2024 comprised government grants received of $5,195 (year ended March 31, 2023: $5,195).

c) Reconciliation of depreciation presented in the property, plant and equipment schedule to the consolidated statements of income

	Year Ended March 31, 2024	2023
Depreciation of property, plant and equipment as per note 10	**134,495**	124,105
Depreciation of property, plant and equipment allocated to stripping activity asset	**(440)**	(1,089)
Depreciation of intangible assets	**3,124**	3,134
Net effect of depreciation of property, plant and equipment allocated to inventory	**(13,595)**	(5,106)
Depreciation as per consolidated statements of income	**123,584**	121,044

d) Reconciliation of movements of liabilities to the net cash flows from (used in) financing activities

	Year Ended March 31, 2024	2023
Opening balance - Long-Term Debt	**475,281**	323,360
Cash from (used in) financing activities		
Issuance	**337,920**	219,167
Repayments	**(273,792)**	(100,126)
New transaction costs (i)	**(3,046)**	(703)
Non-cash changes		
Foreign exchange movement	**390**	25,435
Market value adjustment	**—**	(1,887)
Reclassification of transaction costs	**—**	6,958
Amortization of transaction costs and accretion	**2,675**	3,077
Ending balance - Long-Term Debt	**539,428**	475,281

(i) The transaction costs on the long-term debt for the year ended March 31, 2024 differ from those presented in the consolidated statement of cash-flows, as they excluded transaction costs of $1,755 (year ended March 31, 2023: $3,903) associated with the revolving facility that was recorded in Other non-current assets through the long-term debt refinancing.

(Expressed in thousands of Canadian dollars, except where otherwise indicated)

31. Segmented Information

The Company is conducting mining operations and exploration and evaluation activities in Canada. The operating segments reflect the management structure of the Company and are consistent with the internal reporting reviewed by the Company's chief operating decision-maker to assess the business performance and make strategic decisions. The Company evaluates the performance of its operating segments primarily based on segment operating income, as defined below. The Bloom Lake mine site, which is comprised of two facilities in operation, was identified as a segment, namely Iron Ore Concentrate. Exploration and Evaluation and Corporate were identified as separate segments due to their specific nature.

Year Ended March 31, 2024	**Iron Ore Concentrate**	**Exploration and Evaluation**	**Corporate**	**Total**
Revenues	**1,524,294**	**—**	**—**	**1,524,294**
Cost of sales	**(884,022)**	**—**	**—**	**(884,022)**
Depreciation	**(121,919)**	**(42)**	**(1,623)**	**(123,584)**
Gross profit (loss)	**518,353**	**(42)**	**(1,623)**	**516,688**
Share-based payments	**—**	**—**	**(7,455)**	**(7,455)**
General and administrative expenses	**—**	**—**	**(50,857)**	**(50,857)**
Sustainability and other community expenses	**(7,326)**	**—**	**(10,512)**	**(17,838)**
Innovation and growth initiative expenses	**—**	**—**	**(11,331)**	**(11,331)**
Operating income (loss)	**511,027**	**(42)**	**(81,778)**	**429,207**
Net finance costs, other income (expense) and tax expenses				**(195,016)**
Net income				**234,191**
Segmented total assets	**2,513,428**	**133,947**	**42,176**	**2,689,551**
Segmented total liabilities	**(1,265,468)**	**—**	**(27,573)**	**(1,293,041)**
Segmented property, plant and equipment	**1,534,315**	**2,120**	**9,526**	**1,545,961**

Year Ended March 31, 2023	**Iron Ore Concentrate**	**Exploration and Evaluation**	**Corporate**	**Total**
Revenues	1,395,088	—	—	1,395,088
Cost of sales	(822,762)	—	—	(822,762)
Depreciation	(120,759)	—	(285)	(121,044)
Gross profit (loss)	451,567	—	(285)	451,282
Share-based payments	—	—	(8,662)	(8,662)
General and administrative expenses	—	—	(41,514)	(41,514)
Sustainability and other community expenses	(7,113)	—	(10,820)	(17,933)
Innovation and growth initiative expenses	—	—	(11,863)	(11,863)
Operating income (loss)	444,454	—	(73,144)	371,310
Net finance costs, other income (expense) and tax expenses				(170,603)
Net income				200,707
Segmented total assets	2,165,413	117,127	32,729	2,315,269
Segmented total liabilities	(1,026,116)	—	(26,449)	(1,052,565)
Segmented property, plant and equipment	1,253,622	—	8,346	1,261,968

(Expressed in thousands of Canadian dollars, except where otherwise indicated)

32. Parent Entity Information

The following table is an AAS requirement and presents the information relating to Champion Iron Limited:

	As at March 31, 2024	As at March 31, 2023
Current assets	**9,868**	9,875
Non-current assets	**164,485**	169,833
Total assets	**174,353**	179,708
Current liabilities	**5,128**	9,515
Non-current liabilities	**9,053**	5,603
Total liabilities	**14,181**	15,118
Net assets	**160,172**	164,590
Share capital	**280,392**	271,889
Warrants	**22,288**	22,288
Contributed surplus	**8,387**	13,811
Accumulated deficit	**(150,895)**	(143,398)
Total equity	**160,172**	164,590
Net gain (loss) of the parent entity	**(12,857)**	10,282
Comprehensive gain (loss) of the parent entity	**(12,857)**	10,282

33. Auditor's Remuneration

The following table is an AAS requirement and presents the total remuneration received or receivable by the auditors in connection with:

	Year Ended March 31,	
	2024	2023
E&Y Canada		
Audit fees	**592**	667
Audit-related fees	**8**	8
Tax fees	**77**	97
All other non-audit fees	**164**	—
	841	772
E&Y Australia		
Audit fees	**81**	79
Tax fees	**3**	2
	84	81
	925	853

Other non-audit fees are mainly comprised of consulting services.

34. Subsequent Event

On May 30, 2024 (Montréal) / May 31, 2024 (Sydney), the Board declared a semi-annual dividend of $0.10 per ordinary share of the Company in connection with the annual results for the period ended March 31, 2024, payable on July 3, 2024, to registered shareholders at the close of business in Australia and Canada on June 14, 2024.