# Champion Iron Limited

**(ACN: 119 770 142)**

## Condensed Interim Consolidated Financial Statements
## For the Three and Nine-Month Periods Ended December 31, 2023 and 2022

(Expressed in thousands of Canadian dollars - unaudited)

## Champion Iron Limited

Interim Consolidated Statements of Financial Position

(Expressed in thousands of Canadian dollars - unaudited)

| | Notes | As at December 31, 2023 | As at March 31, 2023 |
|---|---|---|---|
| **Assets** | | | |
| Current | | | |
| Cash and cash equivalents | | **387,373** | 326,806 |
| Short-term investments | | **—** | 312 |
| Receivables | **3** | **181,208** | 162,268 |
| Income and mining taxes receivable | | **—** | 37,912 |
| Prepaid expenses and advances | **4** | **47,441** | 43,051 |
| Inventories | **5** | **284,094** | 167,670 |
| | | **900,116** | 738,019 |
| Non-current | | | |
| Non-current investments | | **14,162** | 14,751 |
| Advance payments | **6** | **83,150** | 166,943 |
| Intangible assets | | **5,749** | 7,866 |
| Property, plant and equipment | **7** | **1,492,200** | 1,261,968 |
| Exploration and evaluation assets | | **130,199** | 117,127 |
| Other non-current assets | **8** | **9,120** | 8,595 |
| **Total assets** | | **2,634,696** | 2,315,269 |
| **Liabilities** | | | |
| Current | | | |
| Accounts payable and other | **9** | **244,301** | 178,578 |
| Income and mining taxes payable | | **40,433** | — |
| Current portion of long-term debt | **10** | **31,393** | 27,080 |
| | | **316,127** | 205,658 |
| Non-current | | | |
| Long-term debt | **10** | **504,595** | 448,201 |
| Deferred grant | **10** | **10,147** | 10,614 |
| Lease liabilities | | **69,321** | 73,430 |
| Rehabilitation obligation | **11** | **85,041** | 85,508 |
| Other long-term liabilities | **12** | **14,576** | 13,427 |
| Deferred tax liabilities | | **264,923** | 215,727 |
| **Total liabilities** | | **1,264,730** | 1,052,565 |
| **Shareholders' equity** | | | |
| Share capital | **12** | **408,713** | 401,282 |
| Contributed surplus | | **17,663** | 22,796 |
| Warrants | **12** | **22,288** | 22,288 |
| Foreign currency translation reserve | | **457** | 430 |
| Retained earnings | | **920,845** | 815,908 |
| **Total equity** | | **1,369,966** | 1,262,704 |
| **Total liabilities and equity** | | **2,634,696** | 2,315,269 |
| Commitments and contingencies | **18** | | |

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

Approved on January 31, 2024 on behalf of the Directors

/s/ Michael O'Keeffe
Executive Chairman

/s/ Gary Lawler
Lead Director

# Champion Iron Limited
## Interim Consolidated Statements of Income
(Expressed in thousands of Canadian dollars, except per share amounts - unaudited)

| | | Three Months Ended December 31, | | Nine Months Ended December 31, | |
|---|---|---|---|---|---|
| | **Notes** | **2023** | 2022 | **2023** | 2022 |
| **Revenues** | **13** | **506,891** | 351,233 | **1,191,621** | 931,175 |
| Cost of sales | **14** | **(235,457)** | (209,070) | **(656,526)** | (578,318) |
| Depreciation | **19** | **(32,881)** | (30,719) | **(94,009)** | (78,566) |
| **Gross profit** | | **238,553** | 111,444 | **441,086** | 274,291 |
| **Other expenses** | | | | | |
| Share-based payments | **12** | **(6,154)** | (7,112) | **(7,070)** | (5,071) |
| General and administrative expenses | | **(11,206)** | (9,212) | **(36,884)** | (30,048) |
| Sustainability and other community expenses | | **(4,699)** | (4,668) | **(12,983)** | (11,871) |
| Innovation and growth initiative expenses | | **(5,160)** | (2,788) | **(10,119)** | (9,234) |
| **Operating income** | | **211,334** | 87,664 | **374,030** | 218,067 |
| Net finance costs | **15** | **(8,747)** | (1,858) | **(27,307)** | (16,813) |
| Other income (expense) | **17** | **2,394** | (177) | **(589)** | 834 |
| **Income before income and mining taxes** | | **204,981** | 85,629 | **346,134** | 202,088 |
| Current income and mining taxes | | **(53,868)** | (10,051) | **(88,538)** | (29,344) |
| Deferred income and mining taxes | | **(24,651)** | (24,172) | **(49,196)** | (60,254) |
| **Net income** | | **126,462** | 51,406 | **208,400** | 112,490 |
| **Earnings per share** | | | | | |
| Basic | **16** | **0.24** | 0.10 | **0.40** | 0.22 |
| Diluted | **16** | **0.24** | 0.10 | **0.40** | 0.21 |
| **Weighted average number of ordinary shares outstanding** | | | | | |
| Basic | | **517,761,000** | 517,193,000 | **517,405,000** | 516,997,000 |
| Diluted | | **527,969,000** | 526,901,000 | **527,033,000** | 526,954,000 |

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

# Champion Iron Limited

## Interim Consolidated Statements of Comprehensive Income

(Expressed in thousands of Canadian dollars - unaudited)

| | Three Months Ended December 31, | | Nine Months Ended December 31, | |
|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 |
| **Net income** | **126,462** | 51,406 | **208,400** | 112,490 |
| **Other comprehensive income (loss)** | | | | |
| Item that may be reclassified subsequently to the consolidated statements of income: | | | | |
| Net movement in foreign currency translation reserve | **26** | 4 | **27** | (106) |
| **Total other comprehensive income (loss)** | **26** | 4 | **27** | (106) |
| **Total comprehensive income** | **126,488** | 51,410 | **208,427** | 112,384 |

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

# Champion Iron Limited

## Interim Consolidated Statements of Changes in Equity

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

| | | Attributable to Champion Shareholders | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | Share Capital | | | | | | |
| | | Ordinary Shares | | | | | | |
| | Note | Shares[1] | $ | Contributed Surplus | Warrants | Foreign Currency Translation | Retained Earnings | Total |
| Balance - March 31, 2023 | | **517,193,000** | **401,282** | **22,796** | **22,288** | **430** | **815,908** | **1,262,704** |
| Net income | | **—** | **—** | **—** | **—** | **—** | **208,400** | **208,400** |
| Other comprehensive income | | **—** | **—** | **—** | **—** | **27** | **—** | **27** |
| Total comprehensive income | | **—** | **—** | **—** | **—** | **27** | **208,400** | **208,427** |
| Exercise of stock options | **12** | **900,000** | **6,435** | **(1,935)** | **—** | **—** | **—** | **4,500** |
| Release of performance share units | **12** | **161,000** | **996** | **(2,132)** | **—** | **—** | **66** | **(1,070)** |
| Dividends on ordinary shares | **12** | **—** | **—** | **—** | **—** | **—** | **(103,448)** | **(103,448)** |
| Dividend equivalents | **12** | **—** | **—** | **81** | **—** | **—** | **(81)** | **—** |
| Share-based payments | **12** | **—** | **—** | **(1,147)** | **—** | **—** | **—** | **(1,147)** |
| Balance - December 31, 2023 | | **518,254,000** | **408,713** | **17,663** | **22,288** | **457** | **920,845** | **1,369,966** |
| | | | | | | | | |
| Balance - March 31, 2022 | | 516,612,000 | 398,635 | 21,339 | 22,473 | 539 | 718,712 | 1,161,698 |
| Net income | | — | — | — | — | — | 112,490 | 112,490 |
| Other comprehensive loss | | — | — | — | — | (106) | — | (106) |
| Total comprehensive income (loss) | | — | — | — | — | (106) | 112,490 | 112,384 |
| Exercise of stock options | **12** | 300,000 | 2,145 | (645) | — | — | — | 1,500 |
| Exercise of warrants | **12** | 281,000 | 502 | — | (185) | — | — | 317 |
| Dividends on ordinary shares | **12** | — | — | — | — | — | (103,344) | (103,344) |
| Dividend equivalents | **12** | — | — | 167 | — | — | (167) | — |
| Share-based payments | **12** | — | — | 1,836 | — | — | — | 1,836 |
| Balance - December 31, 2022 | | 517,193,000 | 401,282 | 22,697 | 22,288 | 433 | 727,691 | 1,174,391 |

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

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

# Champion Iron Limited

Interim Consolidated Statements of Cash Flows

(Expressed in thousands of Canadian dollars - unaudited)

| | Notes | Three Months Ended December 31, 2023 | 2022 | Nine Months Ended December 31, 2023 | 2022 |
|---|---|---|---|---|---|
| **Cash provided by (used in)** | | | | | |
| **Operating Activities** | | | | | |
| Net income | | **126,462** | 51,406 | **208,400** | 112,490 |
| Adjustments for non-cash items | | | | | |
| Depreciation | **19** | **32,881** | 30,719 | **94,009** | 78,566 |
| Share-based payments | **12** | **6,154** | 7,112 | **7,070** | 5,071 |
| Accretion expense of rehabilitation obligation | **11** | **402** | 248 | **998** | 623 |
| Write-off of a non-current investment | **17** | **—** | — | **2,744** | — |
| Change in fair value of non-current investments | **17** | **(2,394)** | 177 | **(2,155)** | (606) |
| Unrealized gain on derivative liabilities | | **—** | — | **—** | (176) |
| Unrealized foreign exchange (gain) loss | | **(55)** | (2,005) | **353** | 9,039 |
| Deferred income and mining taxes | | **24,651** | 24,172 | **49,196** | 60,254 |
| Amortization of transaction costs | | **1,301** | 1,328 | **3,870** | 3,317 |
| Amortization of deferred grant | **10** | **(350)** | — | **(467)** | — |
| Other | | **(50)** | — | **(50)** | (3) |
| | | **189,002** | 113,157 | **363,968** | 268,575 |
| Changes in non-cash operating working capital | **19** | **(26,379)** | (99,717) | **10,150** | (200,313) |
| **Net cash flows from operating activities** | | **162,623** | 13,440 | **374,118** | 68,262 |
| **Investing Activities** | | | | | |
| Decrease in short-term investments | | **—** | 250 | **312** | 31,070 |
| Purchase of property, plant and equipment | **7, 19** | **(96,676)** | (56,317) | **(242,732)** | (257,515) |
| Increase in non-current advance payments | **6** | **(3,360)** | — | **(11,549)** | (30,001) |
| Purchase of intangible assets | | **(126)** | (231) | **(284)** | (1,323) |
| Decrease in restricted cash | | **—** | — | **—** | 43,736 |
| Increase in other non-current financial assets | **8** | **(758)** | — | **(758)** | — |
| Investment in exploration and evaluation assets | | **(5,777)** | (3,786) | **(13,072)** | (6,838) |
| **Net cash flows used in investing activities** | | **(106,697)** | (60,084) | **(268,083)** | (220,871) |
| **Financing Activities** | | | | | |
| Issuance of long-term debt | **10** | **321,060** | 77,726 | **337,920** | 188,098 |
| Repayment of long-term debt | **10** | **(248,777)** | (85,271) | **(266,331)** | (95,911) |
| Transaction costs on long-term debt | **10** | **(4,801)** | — | **(4,801)** | (3,903) |
| Exercise of warrants | **12** | **—** | — | **—** | 317 |
| Exercise of stock options | **12** | **4,500** | — | **4,500** | 1,500 |
| Withholding taxes paid pursuant to the settlement of PSUs | **12** | **(354)** | — | **(1,070)** | — |
| Dividends paid on ordinary shares | **12** | **(51,762)** | (51,686) | **(103,448)** | (103,344) |
| Payment of lease liabilities | | **(2,045)** | (2,134) | **(6,762)** | (4,363) |
| **Net cash flows from (used in) financing activities** | | **17,821** | (61,365) | **(39,992)** | (17,606) |
| **Net increase (decrease) in cash and cash equivalents** | | **73,747** | (108,009) | **66,043** | (170,215) |
| Cash and cash equivalents, beginning of the period | | **316,530** | 276,858 | **326,806** | 321,892 |
| Effects of exchange rate changes on cash and cash equivalents | | **(2,904)** | (2,863) | **(5,476)** | 14,309 |
| **Cash and cash equivalents, end of the period** | | **387,373** | 165,986 | **387,373** | 165,986 |
| Interest paid | | **7,632** | 6,169 | **25,525** | 13,353 |
| Interest received | | **3,547** | 1,948 | **9,945** | 4,099 |
| Net income and mining taxes paid (received) | | **8,306** | (2,011) | **10,193** | 115,641 |

Should be read in conjunction with the notes to the condensed interim 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) and the Australian Securities Exchange (ASX: CIA) and trades on the OTCQX Best Market (OTCQX: CIAFF). The Company is domiciled in Australia and its principle 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 sold its iron ore concentrate to customers 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. Summary of Significant Accounting Policies and Future Accounting Changes

#### A. Basis of preparation

The Company's condensed interim consolidated financial statements ("financial statements") are for the group consisting of Champion Iron Limited and its subsidiaries. These financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial assets and financial liabilities recorded 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, 2023.

#### B. Statement of compliance

These financial statements have been prepared for a for-profit enterprise in accordance with AASB 134/IAS 34, Interim Financial Reporting. These financial statements do not include certain information and disclosures normally included in the audited annual consolidated financial statements prepared in accordance with Australian Accounting Standards ("AAS") and International Financial Reporting Standards ("IFRS") and should be read in conjunction with the Company's audited annual consolidated financial statements for the year ended March 31, 2023.

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

#### C. Significant accounting policies

The accounting policies used in these financial statements are consistent with those disclosed in the Company's audited consolidated financial statements for the year ended March 31, 2023, except for new accounting standards issued and adopted by the Company, which are described below.

#### D. Significant accounting judgments, estimates and assumptions

The preparation of financial statements in conformity with AAS and 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 reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

## 2. Summary of Significant Accounting Policies and Future Accounting Changes (continued)

**E. 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.

***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")***
The amendments 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.

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

**F. 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.

***Amendments to AASB 112 (IAS 12), Income Taxes ("IAS 12")***
Within the International Tax Reform, the amendments 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) global rules to prevent tax base erosion ("Pillar Two" Model).

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

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

## 3. Receivables

| | Note | As at December 31, 2023 | As at March 31, 2023 |
|---|---|---|---|
| Trade receivables | | **134,067** | 131,786 |
| Sales tax | | **39,729** | 21,290 |
| Grant receivable | **7** | **2,543** | 7,075 |
| Other receivables | | **4,869** | 2,117 |
| | | **181,208** | 162,268 |

As at December 31, 2023, the trade receivables, associated with revenues subject to provisional pricing, amounted to a total balance of $54,782 (March 31, 2023: $76,984).

## 4. Prepaid Expenses and Advances

| | Note | As at December 31, 2023 | As at March 31, 2023 |
|---|---|---|---|
| Railway transportation and terminal logistic | **6** | **37,806** | 35,665 |
| Port handling services | **6** | **3,732** | 3,685 |
| Insurance | | **4,011** | 1,794 |
| Other | | **1,892** | 1,907 |
| | | **47,441** | 43,051 |

As at December 31, 2023, the railway transportation and terminal logistic prepaid included the current portion of railway and port facilities agreements of $14,583 (March 31, 2023: $14,469) and monthly prepayments pursuant to service agreements. At year-end the railway transportation and terminal logistic prepaid includes credits on monthly payments based on estimated costs and projected quantities of material transported exceeding actual costs and tonnage.

## 5. Inventories

| | As at December 31, 2023 | As at March 31, 2023 |
|---|---|---|
| Stockpiled ore | **36,292** | 37,955 |
| Concentrate inventories | **140,001** | 51,704 |
| Supplies and spare parts | **107,801** | 78,011 |
| | **284,094** | 167,670 |

For the three and nine-month periods ended December 31, 2023, the amount of inventories recognized as an expense totalled $268,338 and $750,535, respectively (three and nine-month periods ended December 31, 2022: $235,497 and $617,725, respectively).

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

## 6. Advance Payments

| | Notes | **As at December 31, 2023** | As at March 31, 2023 |
|---|---|---|---|
| Advance payments related to transshipment infrastructure[i] | **7** | **—** | 83,464 |
| Advance payments related to railway transportation and terminal logistic[ii] | | **44,907** | 53,709 |
| Prepaid future port handling services[iii] | | **20,627** | 22,226 |
| Other long-term advance[iv] | | **35,931** | 25,698 |
| | | **101,465** | 185,097 |
| Less current portion classified in "Prepaid expenses and advances" | **4** | **(18,315)** | (18,154) |
| | | **83,150** | 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 nine-month period ended December 31, 2023, to property, plant and equipment as a right-of-use asset concurrent with the completion of the work and the availability of 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 December 31, 2023, the related advance payments amounted to $9,926 (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, remaining advance payments totalled $34,981 as at December 31, 2023 (March 31, 2023: $42,441). The current portion of the railway transportation and stockpiling advance payments totalled $14,583 as at December 31, 2023 and is included under Prepaid expenses and advances in the consolidated statements of financial position (March 31, 2023: $14,469).

(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 $20,627 as at December 31, 2023 (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 $3,732 as at December 31, 2023 (March 31, 2023: $3,685).

(iv) The other long-term advance totalled $35,931 as at December 31, 2023 (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 third-party major replacement parts, transshipment and rail assets improvement expenditures, which are amortized in the cost of sales based on the expected useful life.

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 three and nine-month periods ended December 31, 2023, the increase in non-current advance payments totalled $3,360 and $11,549, respectively (three and nine-month periods ended December 31, 2022: nil and $30,001, respectively).

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

## 7. 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 (iv) | 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 | **41,822** | **—** | **—** | **176,597** | **13,766** | **1,254** | **233,439** | **109,894** | **343,333** |
| Transfers, disposals and lease termination | **16,518** | **—** | **78,658** | **(100,343)** | **—** | **1,681** | **(3,486)** | **(11,881)** | **(15,367)** |
| Foreign exchange and other | **—** | **(1,048)** | **—** | **—** | **—** | **(3,311)** | **(4,359)** | **—** | **(4,359)** |
| **December 31, 2023** | **884,223** | **63,691** | **280,800** | **105,518** | **146,121** | **123,987** | **1,604,340** | **195,975** | **1,800,315** |
| **Accumulated depreciation** | | | | | | | | | |
| March 31, 2023 | **100,085** | **12,175** | **21,790** | **—** | **60,340** | **10,220** | **204,610** | **10,130** | **214,740** |
| Depreciation | **63,330** | **2,110** | **8,699** | **—** | **11,178** | **4,490** | **89,807** | **10,661** | **100,468** |
| Transfers, disposals and lease termination | **(2,434)** | **—** | **—** | **—** | **—** | **—** | **(2,434)** | **(4,373)** | **(6,807)** |
| Foreign exchange and other | **—** | **(286)** | **—** | **—** | **—** | **—** | **(286)** | **—** | **(286)** |
| **December 31, 2023** | **160,981** | **13,999** | **30,489** | **—** | **71,518** | **14,710** | **291,697** | **16,418** | **308,115** |
| **Net book value - December 31, 2023** | **723,242** | **49,692** | **250,311** | **105,518** | **74,603** | **109,277** | **1,312,643** | **179,557** | **1,492,200** |

| | Mining and Processing Equipment | Locomotives, Railcars and Rails | Tailings Dikes | Assets under Construction (i)(ii)(v) | 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 |
| Transfers, disposals and lease termination | 508,652 | 6,725 | 58,210 | (664,724) | — | 48,627 | (42,510) | (3,225) | (45,735) |
| 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 |
| Transfers, 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 three and nine-month periods ended December 31, 2023 was $853 and $1,305, respectively (three and nine-month periods ended December 31, 2022: $4,808 and $14,367, respectively, 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 10 — Long-Term Debt.

The capitalization rate used to determine the amount of borrowing costs eligible for capitalization for the three and nine-month periods ended December 31, 2023 was 7.7% and 7.6%, respectively (three and nine-month periods ended December 31, 2022: 5.8% and 5.0%, respectively).

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

## 7. 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 emissions 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 December 31, 2023, the Company has completed the construction. The additions of property, plant and equipment for the three and nine-month periods ended December 31, 2023 are net of government grants of nil and $663, respectively; and a total grant of $2,543 was receivable as at December 31, 2023 (for the three and nine-month periods ended December 31, 2022: $2,863 and $8,026, respectively, were recognized as grants and $7,075 was receivable as at March 31, 2023). Refer to note 3 — Receivables.

(iii) For the three and nine-month periods ended December 31, 2023, the addition to the stripping asset includes: i) production expenses capitalized amounting to $1,558 and $1,822, respectively (three and nine-month periods ended December 31, 2022: nil and $6,126, respectively) and ii) allocated depreciation of property, plant and equipment amounting to $253 and $308, respectively (three and nine-month periods ended December 31, 2022: nil and $961, respectively).

(iv) The addition of right-of-use assets for the nine-month period ended December 31, 2023 included $99,443 related to additional transshipment capacity, of which $83,464 was financed by advance payments (refer to note 6 - Advance Payments), as well as $6,770 for additional locomotives paid in part by credits resulting from overpaid monthly services and classified as prepaid expenses.

(v) 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.

## 8. Other Non-Current Assets

| | Note | **As at December 31, 2023** | As at March 31, 2023 |
|---|---|---|---|
| Transaction costs related to revolving facility | **10** | **8,362** | 8,595 |
| Other | | **758** | — |
| | | **9,120** | 8,595 |

Transaction costs are amortized on a straight-line basis over the term of the revolving facility. During the three-month period ended December 31, 2023, $1,755 of transaction costs associated with the revolving facility were recorded in Other non-current assets following the refinancing of the debt. Refer to note 10 — Long-Term Debt.

## 9. Accounts Payable and Other

| | Note | **As at December 31, 2023** | As at March 31, 2023 |
|---|---|---|---|
| Trade payable and accrued liabilities | | **203,390** | 135,318 |
| Wages and benefits | | **29,960** | 20,711 |
| Cash-settled share-based payment liability | **12** | **5,400** | 9,138 |
| Current portion of lease liabilities | | **5,551** | 13,411 |
| | | **244,301** | 178,578 |

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

## 10. Long-Term Debt

| | **As at December 31, 2023** | As at March 31, 2023 |
|---|---|---|
| Term loan | **301,212** | — |
| Revolving Facility | **—** | 243,593 |
| IQ Loan | **50,241** | 55,369 |
| FTQ Loan | **73,746** | 73,537 |
| CAT Financing | **110,789** | 102,782 |
| | **535,988** | 475,281 |
| Less current portion | **(31,393)** | (27,080) |
| | **504,595** | 448,201 |

| | **As at December 31, 2023** | As at March 31, 2023 |
|---|---|---|
| Face value of long-term debt | **549,524** | 487,654 |
| Unamortized transaction costs and other | **(13,536)** | (12,373) |
| **Long-term debt, net of transaction costs** | **535,988** | 475,281 |

***Senior Credit Facilities***

In December 2020, QIO entered into a lending arrangement with various lenders to fund the completion of Phase II, which was comprised of a US$350,000,000 non-revolving credit facility and a US$50,000,000 revolving credit facility (collectively the "Senior Debt"), maturing on December 23, 2025 and December 23, 2023, respectively.

On May 24, 2022, the Company refinanced the Senior Debt 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 8 — Other Non-Current Assets.

On November 29, 2023, the Company borrowed US$230,000,000 ($310,661) pursuant to a five years term loan, maturing on November 29, 2028 and extended the maturity of the US$400,000,000 Revolving Facility until November 29, 2027 (collectively the "Senior Credit Facilities"), with the same syndicate of lenders. The Company used the proceeds from the term loan to repay the US$180,000,000 ($243,125) 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.

The interest rate of the Senior Credit Facilities is based on Secured Overnight Financing Rate ("SOFR"), plus a credit spread adjustment and a financial margin that fluctuates from 2.00% to 3.00% for the revolving facility and from 2.25% to 3.25% for the term loan, depending on whether the net debt to EBITDA ratio is below 0.5 or greater than 2.5.

As at December 31, 2023, 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 maturing on April 1, 2032. 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.

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

## 10. Long-Term Debt (continued)

***IQ Loan*** (continued)
The loan bearing interest at 3.70% 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 life of mine starting in September 2023 when SFPPN's new infrastructure became available for use. The remaining deferred grant as at December 31, 2023 totalled $10,147 (March 31, 2023: $10,614).

During the nine-month period ended December 31, 2023, the Company repaid $6,400 of the IQ Loan (nine-month period ended December 31, 2022: drew $10,000 and repaid $6,000). The remaining balance was $57,600 as at December 31, 2023 (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, maturing on May 21, 2028. The remaining balance was $75,000 as at December 31, 2023 (March 31, 2023: $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.

***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 three and nine-month periods ended December 31, 2023, the Company drew $10,399 (US$7,590,000) and $27,259 (US$20,073,000), respectively, and repaid $5,652 (US$4,112,000) and $16,806 (US$12,474,000), respectively, resulting in a balance of $112,728 (US$85,232,000) as at December 31, 2023 (March 31, 2023: $105,061 (US$77,633,000)). The CAT Financing matures between 3 and 6 years depending on the equipment and is collateralized by all of the financed equipment. The CAT Financing includes an option to prepay the loan without penalty at any time. The carrying value of the financed equipment was $110,167 as at December 31, 2023 (March 31, 2023: $101,650).

During the three and nine-month periods ended December 31, 2023, the weighted average interest rate for all long-term debt was 7.5% and 7.3%, respectively (three and nine-month periods ended December 31, 2022: 6.2% and 5.1%, respectively).

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 December 31, 2023. 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%.

## 11. Rehabilitation Obligation

| | **As at December 31, 2023** (nine-month period) | As at March 31, 2023 (twelve-month period) |
|---|---|---|
| **Opening balance** | **85,508** | 86,021 |
| Increase due to reassessment of the rehabilitation obligation | **1,846** | 8,649 |
| Accretion expense | **998** | 854 |
| Effect of change in discount rate | **(3,311)** | (10,016) |
| **Ending balance** | **85,041** | 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 1.40% as at December 31, 2023 (March 31, 2023: 1.34%). The undiscounted amount related to the rehabilitation obligation is estimated at $106,563 as at December 31, 2023 (March 31, 2023: $104,358).

## 12. 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 share issuances and dividends

| | Nine Months Ended December 31, | |
|---|---|---|
| | **2023** | 2022 |
| | (in thousands) | (in thousands) |
| **Shares** | | |
| **Opening balance** | **517,193** | 516,612 |
| Shares issued for exercise of warrants | **—** | 281 |
| Shares issued for exercise of options - incentive plan | **900** | 300 |
| Shares issued for release of performance share units - incentive plan | **161** | — |
| **Ending balance** | **518,254** | 517,193 |

In May 2023, the Company declared a dividend of $0.10 per ordinary share of the Company in connection with the semi-annual results for the period ended March 31, 2023, paid on July 5, 2023, to registered shareholders for a total amount of $51,686. In October 2023, the Company declared a dividend of $0.10 per ordinary share of the Company in connection with the semi-annual results for the period ended September 30, 2023, paid on November 28, 2023, to registered shareholders for a total amount of $51,762.

In June 2022, the Company paid a dividend of $0.10 per ordinary share of the Company in respect to the semi-annual results for the period ended March 31, 2022, to registered shareholders for a total amount of $51,658. In November 2022, the Company paid a dividend of $0.10 per ordinary share of the Company in respect to the semi-annual results for the period ended September 30, 2022, to registered shareholders for a total amount of $51,686.

### c) 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, restricted share unit ("RSU") awards, performance share unit ("PSU") awards and deferred share unit ("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 December 31, 2023, the Company is authorized to issue 51,825,000 stock options and share rights (December 31, 2022: 51,719,000) equal to 10% (December 31, 2022: 10%) of the issued and outstanding ordinary shares for issuance under the Omnibus incentive plan.

## 12. Share Capital and Reserves (continued)

**c) Share-based payments** (continued)

A summary of the share-based payments expense is detailed as follows:

| | Three Months Ended December 31, | | Nine Months Ended December 31, | |
|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 |
| Stock option | **—** | 107 | **—** | 403 |
| RSU | **2,652** | 2,150 | **2,956** | 1,173 |
| PSU | **2,886** | 4,037 | **3,679** | 3,301 |
| DSU | **616** | 818 | **435** | 194 |
| | **6,154** | 7,112 | **7,070** | 5,071 |

For the nine-month period ended December 31, 2023, the amount recognized as share-based payment related to equity-settled awards was a recovery of $1,147 (nine-month period ended December 31, 2022: share-based payment expense of $1,836). For the nine-month period ended December 31, 2023, the amount recognized as share-based payment related to cash-settled awards was an expense of $8,217 (nine-month period ended December 31, 2022: share-based payment expense of $3,235).

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 December 31, | As at March 31, |
|---|---|---|
| | **2023** | 2023 |
| Accounts payable and other | **5,400** | 9,138 |
| Other long-term liabilities | **9,645** | 8,234 |
| | **15,045** | 17,372 |

**d) Stock options**

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

| | Nine Months Ended December 31, | | Nine Months Ended December 31, | |
|---|---|---|---|---|
| | | **2023** | | 2022 |
| | **Number of Stock Options** | **Weighted Average Exercise Price** | **Number of Stock Options** | **Weighted Average Exercise Price** |
| | (in thousands) | | (in thousands) | |
| **Opening balance** | **1,200** | **5.00** | 1,500 | 5.00 |
| Exercised | **(900)** | **5.00** | (300) | 5.00 |
| **Ending balance** | **300** | **5.00** | 1,200 | 5.00 |
| **Options exercisable - end of the period** | **300** | **5.00** | 800 | 5.00 |

During the nine-month period ended December 31, 2023, no stock options were granted and a total of 900,000 stock options were exercised at a weighted average share price at the exercise date of $6.80. During the nine-month period ended December 31, 2022, no stock options were granted and a total of 300,000 stock options were exercised at a weighted average share price at the exercise date of $6.84.

The weighted average remaining life for the 300,000 stock options exercisable as at December 31, 2023, was 1.1 years.

## 12. Share Capital and Reserves (continued)

### e) Restricted share units

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

| | Nine Months Ended December 31, | | Nine Months Ended December 31, | |
|---|---|---|---|---|
| | | **2023** | | 2022 |
| | **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 | 5.32 |
| Settled through cash payment | **(349)** | **2.67** | (535) | 2.50 |
| Forfeited | **(29)** | **5.30** | (17) | 6.69 |
| **Ending balance** | **1,584** | **5.63** | 1,117 | 5.09 |
| **Vested - end of the period** | **360** | **6.18** | 326 | 3.58 |

During the nine-month period ended December 31, 2023, 804,000 RSUs were granted to key management personnel (nine-month period ended December 31, 2022: 488,000 RSUs).

During the nine-month period ended December 31, 2023, 349,000 RSUs were settled in exchange for cash consideration based on a share price of $5.49 (nine-month period ended December 31, 2022: 535,000 RSUs settled based on a share price of $6.88).

### f) 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:

| | Nine Months Ended December 31, | | Nine Months Ended December 31, | |
|---|---|---|---|---|
| | | **2023** | | 2022 |
| | **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 | **1,205** | **5.06** | 610 | 6.89 |
| Dividend equivalents | **86** | **6.07** | 100 | 5.39 |
| Settled through cash payment | **(1,058)** | **4.38** | (769) | 2.51 |
| Forfeited | **(144)** | **6.22** | (28) | 6.64 |
| Released through the issuance of ordinary shares | **(161)** | **6.16** | — | — |
| Withheld as payment of withholding taxes | **(184)** | **6.16** | — | — |
| **Ending balance** | **2,325** | **5.74** | 2,755 | 5.63 |
| **Vested - end of the period** | **—** | **—** | — | — |

During the nine-month period ended December 31, 2023, 1,205,000 PSUs were granted to key management personnel (nine-month period ended December 31, 2022: 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 $1,070 were paid pursuant to the issuance of these aforementioned ordinary shares resulting in the Company not issuing an additional 184,000 PSUs.

During the nine-month period ended December 31, 2023, 1,058,000 PSUs were settled in exchange for cash consideration based on a share price of $5.17 (nine-month period ended December 31, 2022: 769,000 PSUs settled based on a share price of $6.88).

## 12. Share Capital and Reserves (continued)

### g) Deferred share units

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

| | Nine Months Ended December 31, | | Nine Months Ended December 31, | |
|---|---|---|---|---|
| | | **2023** | | 2022 |
| | **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 | **43** | **5.55** | 34 | 4.54 |
| Dividend equivalents | **10** | **6.27** | 11 | 5.56 |
| Settled through cash payment | **(125)** | **3.66** | — | — |
| Forfeited | **(2)** | **6.06** | — | — |
| **Ending balance** | **292** | **4.40** | 330 | 3.73 |
| **Vested - end of the period** | **292** | **4.40** | 330 | 3.73 |

During the nine-month period ended December 31, 2023, 125,000 DSUs were settled in exchange for cash consideration based on a share price of $5.24 (nine-month period ended December 31, 2022: nil).

### h) Warrants

The following table details the warrants activities:

| | Nine Months Ended December 31, | | Nine Months Ended December 31, | |
|---|---|---|---|---|
| | | **2023** | | 2022 |
| | **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 nine-month period ended December 31, 2023, no warrants were exercised (nine-month period ended December 31, 2022: 281,000 warrants at a weighted average exercise price of $1.125).

The Company's outstanding and exercisable warrants as at December 31, 2023 and 2022 is presented below:

| | | Outstanding and Exercisable | |
|---|---|---|---|
| **Exercise Price** | **Expiry Date** | **As at December 31,** | As at December 31, |
| | | **2023** | 2022 |
| | | (in thousands) | (in thousands) |
| $2.45 | August 16, 2026 | **15,000** | 15,000 |

All ordinary share warrants were accounted for as warrants in the consolidated statements of equity. There has been no change to the details of the warrants as disclosed in the Company's audited annual consolidated financial statements for the year ended March 31, 2023.

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

## 13. Revenues

| | Three Months Ended December 31, | | Nine Months Ended December 31, | |
|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 |
| Iron ore revenue | **490,894** | 356,438 | **1,220,871** | 972,979 |
| Provisional pricing adjustments | **15,997** | (5,205) | **(29,250)** | (41,804) |
| | **506,891** | 351,233 | **1,191,621** | 931,175 |

Provisional pricing adjustments represent any difference between the revenue recognized at the end of the previous quarter and the final settlement price. Previous periods sales that were subject to provisional pricing as at September 30, 2023, and for which the final price was determined during the current quarter, were recorded within the ''provisional pricing adjustments'' line in the current period. Current period sales subject to provisional pricing as at December 31, 2023, were recorded within the ''iron ore revenue'' line in the current period and the adjustment upon determining the final price will be recorded as ''provisional pricing adjustments'' in the future periods.

During the three-month period ended December 31, 2023, a final price was established for the 1.3 million tonnes of iron ore that were in transit as at September 30, 2023, resulting in a positive provisional pricing adjustments of $15,997 recorded as an increase of revenues. As at December 31, 2023, 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 (December 31, 2022: 1.7 million tonnes).

## 14. Cost of Sales

| | Three Months Ended December 31, | | Nine Months Ended December 31, | |
|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 |
| Mining and processing costs | **177,497** | 157,342 | **501,673** | 384,776 |
| Change in concentrate inventories | **(20,873)** | (21,055) | **(75,795)** | (31,642) |
| Land transportation and port handling | **78,833** | 68,491 | **230,648** | 184,880 |
| Incremental costs related to COVID-19 | **—** | — | **—** | 1,145 |
| Bloom Lake Phase II start-up costs | **—** | 4,292 | **—** | 39,159 |
| | **235,457** | 209,070 | **656,526** | 578,318 |

For the three and nine-month periods ended December 31, 2023, the amount recognized as an expense for defined contribution plans was $2,914 and $8,421, respectively (three and nine-month periods ended December 31, 2022: $2,404 and $7,000, respectively) and is included in mining and processing costs.

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

## 15. Net Finance Costs

| | Three Months Ended December 31, | | Nine Months Ended December 31, | |
|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 |
| Interest on long-term debt | **8,809** | 2,605 | **25,873** | 2,605 |
| Amortization of transaction costs | **1,301** | 1,328 | **3,870** | 3,317 |
| Standby commitment fees on long-term debt | **478** | 366 | **1,346** | 1,687 |
| Interest expense on lease liabilities | **983** | 896 | **2,963** | 2,616 |
| Realized and unrealized foreign exchange loss (gain) | **(266)** | (2,416) | **475** | 8,111 |
| Amortization of deferred grant | **(350)** | — | **(467)** | — |
| Interest income | **(3,547)** | (1,948) | **(9,945)** | (4,099) |
| Other finance costs | **1,339** | 1,027 | **3,192** | 2,576 |
| | **8,747** | 1,858 | **27,307** | 16,813 |

During the development period of the DRPF Project and the Bloom Lake Phase II expansion project, borrowing costs were capitalized. Refer to note 7 - Property, Plant and Equipment.

## 16. Earnings per Share

Earnings per share amounts are calculated by dividing the net income attributable to Champion shareholders, for the three and nine-month periods ended December 31, 2023 and 2022, by the weighted average number of shares outstanding during the period.

| | Three Months Ended December 31, | | Nine Months Ended December 31, | |
|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 |
| Net income | **126,462** | 51,406 | **208,400** | 112,490 |
| Weighted average number of common shares outstanding - Basic | **517,761,000** | 517,193,000 | **517,405,000** | 516,997,000 |
| Dilutive share options, warrants and equity settled awards | **10,208,000** | 9,708,000 | **9,628,000** | 9,957,000 |
| Weighted average number of outstanding shares - Diluted | **527,969,000** | 526,901,000 | **527,033,000** | 526,954,000 |
| Basic earnings per share | **0.24** | 0.10 | **0.40** | 0.22 |
| Diluted earnings per share | **0.24** | 0.10 | **0.40** | 0.21 |

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

## 17. 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 fair value through profit of loss ("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 December 31, 2023 and March 31, 2023:

| As at December 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 | — | 387,373 | — | 387,373 |
| Trade receivables | Level 2 | 134,067 | — | — | 134,067 |
| Other receivables (excluding sales tax and grant) | Level 2 | — | 4,869 | — | 4,869 |
| 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 | 14,153 | — | — | 14,153 |
| Other non-current financial assets | Level 1 | — | 758 | — | 758 |
| | | 148,229 | 393,000 | — | 541,229 |
| **Liabilities** | | | | | |
| Current | | | | | |
| Accounts payable and other (excluding current portion of lease liabilities and cash-settled share-based payment liability) | Level 2 | — | — | 233,350 | 233,350 |
| Cash-settled share-based payment liability (included in accounts payable and other) | Level 1 | 5,400 | — | — | 5,400 |
| Current portion of long-term debt | Level 3 | — | — | 31,393 | 31,393 |
| | | 5,400 | — | 264,743 | 270,143 |
| Non-current | | | | | |
| Long-term debt | Level 3 | — | — | 504,595 | 504,595 |
| Cash-settled share-based payment liability (included in other long-term liabilities) | Level 1 | 9,645 | — | — | 9,645 |
| | | 15,045 | — | 769,338 | 784,383 |

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

## 17. 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 | 131,786 | — | — | 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 |
| | | 146,537 | 329,235 | — | 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 |
| Cash-settled share-based payment liability (included in accounts payable and other) | Level 1 | 9,138 | — | — | 9,138 |
| Current portion of long-term debt | Level 3 | — | — | 27,080 | 27,080 |
| | | 9,138 | — | 183,109 | 192,247 |
| Non-current | | | | | |
| Long-term debt | Level 3 | — | — | 448,201 | 448,201 |
| Cash-settled share-based payment liability (included in other long-term liabilities) | Level 1 | 8,234 | — | — | 8,234 |
| | | 17,372 | — | 631,310 | 648,682 |

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 values approximate its carrying values.

**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 three and nine-month periods ended December 31, 2023 (three and nine-month periods ended December 31, 2022: nil).

## 17. 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 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 three and nine-month periods ended December 31, 2023 (three and nine-month periods ended December 31, 2022: 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 nine-month period ended December 31, 2023, 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 three-month period ended December 31, 2023, the Company converted the remaining loan into equity instruments and recognized an increase in the fair value of the equity instruments, amounting to $2,709, presented as an unrealized gain on investments in Other income (expense) in the consolidated statements of income. As at December 31, 2023, the equity instruments totalled $14,153 (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 three and nine-month periods ended December 31, 2023 amounted to a gain of $2,394 and $2,155, respectively, mainly attributable to the $2,709 increase in the fair value of the equity instrument; the difference being attributable to the changes in exchange rates (three and nine-month periods ended December 31, 2022: a loss of $177 and a gain of $606, respectively, only attributable to changes in exchange rates).

**Cash-Settled Share-Based Payment Liability**

Cash-settled share-based liability is classified as a Level 1 in the fair value hierarchy. The fair value of the cash-settled share-based payment liability is measured based on the closing share price of the Company on the TSX at each reporting date until the liability is settled with any changes in the fair value measurement of the liability recognized under share-based payments in the consolidated statements of income.

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

## 18. Commitments and Contingencies

The Company's future minimum payments of commitments as at December 31, 2023 are as follows:

| | Less than a year | 1 to 5 years | More than 5 years | Total |
|---|---|---|---|---|
| Impact and Benefits Agreement with the Innu community | **7,176** | **32,119** | **140,530** | **179,825** |
| Take-or-pay fees related to the Port Agreement | **7,779** | **34,949** | **121,395** | **164,123** |
| Capital expenditure obligations | **16,149** | **—** | **—** | **16,149** |
| Other obligations | **63,592** | **31,936** | **250** | **95,778** |
| | **94,696** | **99,004** | **262,175** | **455,875** |

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;
- 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.

## 19. Financial Information Included in the Consolidated Statements of Cash Flows

**a) Changes in non-cash operating working capital**

| | Three Months Ended December 31, | | Nine Months Ended December 31, | |
|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 |
| Receivables | **(62,468)** | (82,708) | **(26,559)** | (33,939) |
| Prepaid expenses and advances | **(10,209)** | 3,150 | **(11,160)** | (27,439) |
| Inventories | **(30,552)** | (37,104) | **(107,872)** | (63,798) |
| Advance payments | **3,556** | 2,978 | **11,878** | 11,186 |
| Accounts payable and other | **28,870** | 4,863 | **76,326** | 8,585 |
| Income and mining taxes receivable or payable | **45,562** | 12,062 | **78,345** | (86,377) |
| Other long-term liabilities | **(1,138)** | (2,958) | **(10,808)** | (8,531) |
| | **(26,379)** | (99,717) | **10,150** | (200,313) |

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

## 19. 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 from investing activities

| | Three Months Ended December 31, | | Nine Months Ended December 31, | |
|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 |
| **Additions of property, plant and equipment as per note 7** | **98,895** | 67,862 | **343,333** | 287,506 |
| Right-of-use assets[i] | **(372)** | (14,330) | **(93,915)** | (30,175) |
| Depreciation of property, plant and equipment allocated to stripping activity asset | **(253)** | — | **(308)** | (961) |
| Non-cash increase of the asset rehabilitation obligation | **(1,594)** | (78) | **(1,846)** | (1,020) |
| Government grant recognized | **—** | 2,863 | **663** | 8,026 |
| Government grant received[ii] | **—** | — | **(5,195)** | (5,195) |
| Capitalized amortization of transaction costs | **—** | — | **—** | (666) |
| **Net cash flows from investing activities - Purchase of property, plant and equipment** | **96,676** | 56,317 | **242,732** | 257,515 |

(i) The additions of right-of-use assets for the nine-month period ended December 31, 2023 comprised assets financed by advance payments of $83,464 and prepaid expenses and advances of $6,770. The additions of right-of-use assets for the nine-month period ended December 31, 2023 differ from those presented in note 7 - Property, Plant and Equipment, as they excluded Phase II cost overruns of $15,979 related to additional transshipment capacity that were not financed by advance payment.

(ii) The additions of property, plant and equipment for the nine-month period ended December 31, 2023 comprised government grants received of $5,195 (nine-month period ended December 31, 2022: $5,195).

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

| | Three Months Ended December 31, | | Nine Months Ended December 31, | |
|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 |
| **Depreciation of property, plant and equipment as per note 7** | **33,050** | 36,183 | **100,468** | 88,712 |
| Depreciation of property, plant and equipment allocated to stripping activity asset | **(253)** | — | **(308)** | (961) |
| Depreciation of intangible assets | **810** | 777 | **2,401** | 2,338 |
| Net effect of depreciation of property, plant and equipment allocated to inventory | **(726)** | (6,241) | **(8,552)** | (11,523) |
| **Depreciation as per consolidated statements of income** | **32,881** | 30,719 | **94,009** | 78,566 |

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

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

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

| | Three Months Ended December 31, | | Nine Months Ended December 31, | |
|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 |
| **Opening balance - Long-Term Debt** | **475,328** | 462,696 | **475,281** | 323,360 |
| Cash from (used in) financing activities | | | | |
| Issuance | **321,060** | 77,726 | **337,920** | 188,098 |
| Repayments | **(248,777)** | (85,271) | **(266,331)** | (95,911) |
| New transaction costs[i] | **(3,046)** | — | **(3,046)** | — |
| Non-cash changes | | | | |
| Foreign exchange movement | **(9,248)** | (4,708) | **(9,718)** | 26,187 |
| Market value adjustment | **—** | (1,887) | **—** | (1,887) |
| Reclassification of transaction costs | **—** | — | **—** | 6,958 |
| Amortization of transaction costs and other | **671** | 650 | **1,882** | 2,401 |
| **Ending balance - Long-Term Debt** | **535,988** | 449,206 | **535,988** | 449,206 |

(i) The transaction costs on the long-term debt for the three and nine-month periods ended December 31, 2023 differ from those presented in the consolidated statement of cash-flows, as they excluded transaction costs of $1,755 associated with the revolving facility that was recorded in Other non-current assets through the long-term debt refinancing.

| | Three Months Ended December 31, | | Nine Months Ended December 31, | |
|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 |
| **Opening balance - Lease liabilities** | **85,339** | 72,714 | **86,841** | 53,979 |
| Cash used in financing activities | | | | |
| Repayments | **(2,045)** | (2,134) | **(6,762)** | (4,363) |
| Non-cash changes | | | | |
| Foreign exchange movement | **(1,356)** | (923) | **(1,450)** | 4,676 |
| New lease liabilities | **373** | 14,244 | **3,682** | 29,849 |
| Lease termination | **(7,439)** | — | **(7,439)** | (240) |
| **Ending balance - Lease liabilities** | **74,872** | 83,901 | **74,872** | 83,901 |

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

## 20. Segmented Information

The Company is conducting mining operations and exploration and evaluation activities in Canada. The business segments presented reflect the management structure of the Company and the way in which the Company's chief operating decision maker reviews business performance. 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.

| **Three Months Ended December 31, 2023** | **Iron Ore Concentrate** | **Exploration and Evaluation** | **Corporate** | **Total** |
|---|---|---|---|---|
| **Revenues** | **506,891** | **—** | **—** | **506,891** |
| Cost of sales | **(235,457)** | **—** | **—** | **(235,457)** |
| Depreciation | **(32,576)** | **—** | **(305)** | **(32,881)** |
| **Gross profit (loss)** | **238,858** | **—** | **(305)** | **238,553** |
| Share-based payments | **—** | **—** | **(6,154)** | **(6,154)** |
| General and administrative expenses | **—** | **—** | **(11,206)** | **(11,206)** |
| Sustainability and other community expenses | **(1,936)** | **—** | **(2,763)** | **(4,699)** |
| Innovation and growth initiative expenses | **—** | **—** | **(5,160)** | **(5,160)** |
| **Operating income (loss)** | **236,922** | **—** | **(25,588)** | **211,334** |
| Net finance costs, other income (expense) and tax expenses | | | | **(84,872)** |
| **Net income** | | | | **126,462** |
| | | | | |
| **Segmented total assets** | **2,471,923** | **130,199** | **32,574** | **2,634,696** |
| **Segmented total liabilities** | **(1,240,683)** | **—** | **(24,047)** | **(1,264,730)** |
| **Segmented property, plant and equipment** | **1,483,449** | **—** | **8,751** | **1,492,200** |

| **Three Months Ended December 31, 2022** | **Iron Ore Concentrate** | **Exploration and Evaluation** | **Corporate** | **Total** |
|---|---|---|---|---|
| **Revenues** | 351,233 | — | — | 351,233 |
| Cost of sales | (209,070) | — | — | (209,070) |
| Depreciation | (30,688) | — | (31) | (30,719) |
| **Gross profit (loss)** | 111,475 | — | (31) | 111,444 |
| Share-based payments | — | — | (7,112) | (7,112) |
| General and administrative expenses | — | — | (9,212) | (9,212) |
| Sustainability and other community expenses | (1,633) | — | (3,035) | (4,668) |
| Innovation and growth initiative expenses | — | — | (2,788) | (2,788) |
| **Operating income (loss)** | 109,842 | — | (22,178) | 87,664 |
| Net finance costs, other income (expense) and tax expenses | | | | (36,258) |
| **Net income** | | | | 51,406 |
| | | | | |
| **Segmented total assets** | 2,048,990 | 114,648 | 25,709 | 2,189,347 |
| **Segmented total liabilities** | (995,221) | — | (19,735) | (1,014,956) |
| **Segmented property, plant and equipment** | 1,263,139 | — | — | 1,263,139 |

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

## 20. Segmented Information (continued)

| Nine Months Ended December 31, 2023 | Iron Ore Concentrate | Exploration and Evaluation | Corporate | Total |
|---|---|---|---|---|
| **Revenues** | **1,191,621** | **—** | **—** | **1,191,621** |
| Cost of sales | **(656,526)** | **—** | **—** | **(656,526)** |
| Depreciation | **(93,090)** | **—** | **(919)** | **(94,009)** |
| **Gross profit (loss)** | **442,005** | **—** | **(919)** | **441,086** |
| Share-based payments | **—** | **—** | **(7,070)** | **(7,070)** |
| General and administrative expenses | **—** | **—** | **(36,884)** | **(36,884)** |
| Sustainability and other community expenses | **(5,108)** | **—** | **(7,875)** | **(12,983)** |
| Innovation and growth initiative expenses | **—** | **—** | **(10,119)** | **(10,119)** |
| **Operating income (loss)** | **436,897** | **—** | **(62,867)** | **374,030** |
| Net finance costs, other income (expense) and tax expenses | | | | **(165,630)** |
| **Net income** | | | | **208,400** |
| | | | | |
| **Segmented total assets** | **2,471,923** | **130,199** | **32,574** | **2,634,696** |
| **Segmented total liabilities** | **(1,240,683)** | **—** | **(24,047)** | **(1,264,730)** |
| **Segmented property, plant and equipment** | **1,483,449** | **—** | **8,751** | **1,492,200** |

| Nine Months Ended December 31, 2022 | Iron Ore Concentrate | Exploration and Evaluation | Corporate | Total |
|---|---|---|---|---|
| **Revenues** | 931,175 | — | — | 931,175 |
| Cost of sales | (578,318) | — | — | (578,318) |
| Depreciation | (78,424) | — | (142) | (78,566) |
| **Gross profit (loss)** | 274,433 | — | (142) | 274,291 |
| Share-based payments | — | — | (5,071) | (5,071) |
| General and administrative expenses | — | — | (30,048) | (30,048) |
| Sustainability and other community expenses | (4,952) | — | (6,919) | (11,871) |
| Innovation and growth initiative expenses | — | — | (9,234) | (9,234) |
| **Operating income (loss)** | 269,481 | — | (51,414) | 218,067 |
| Net finance costs, other income (expense) and tax expenses | | | | (105,577) |
| **Net income** | | | | 112,490 |
| | | | | |
| **Segmented total assets** | 2,048,990 | 114,648 | 25,709 | 2,189,347 |
| **Segmented total liabilities** | (995,221) | — | (19,735) | (1,014,956) |
| **Segmented property, plant and equipment** | 1,263,139 | — | — | 1,263,139 |