

- (3) Mineral Reserves are estimated at a cut-off grade of 27% weight recovery for all subunits except subunit 52 which is 30%. In addition, subunit 34 must have a ratio of weight recovery to iron of at least 1.
- (4) Mineral Reserves are estimated using a long-term iron reference price (Platts 62%) of \$60/dmt and an exchange rate of 1.25 C\$/\$. A Fe concentrate price adjustment of \$9/dmt was added as an iron grade premium.
- (5) Bulk density of ore is variable but averages 3.33 t/m³.
- (6) The average strip ratio is 0.87:1.
- (7) The Mineral Reserve includes a 3.4% mining dilution and a 97% ore recovery.
- (8) The number of metric tonnes was rounded to the nearest thousand. Any discrepancies in the totals are due to rounding effects; rounding followed the recommendations in NI 43101.
- (9) Reference points are, for the crude ore tonnage, at the mill feed and for the concentrate tonnage, at the concentrate silo loadout.

Depletion

The table below summarizes the actual production tonnages mined and concentrate produced through March 31, 2021.

Time Period	Crude Ore Tonnage (dry)	Fe	Mn	Conc. Tonnage	Fe Conc.	Mn Conc.	SiO ₂ Conc.	Total Weight Recovery	Total Fe Recovery
	k dmt	%	%	k dmt	%	%	%	%	%
Start-up through December 31, 2019 Year ended	3,491	34.98	3.18	936	65.70	1.72	2.71	26.80	50.33
December 31, 2020 Three months ended	10,469	34.73	3.42	3,009	65.51	1.93	2.66	28.74	54.21
March 31, 2021	2,943	37.1	3.55	808	65.6	1.93	2.41	28.20	49.80

Environmental rehabilitation

Decommissioning and restoration costs are a normal consequence of mining. The majority of these expenditures are incurred at the end of the mine's life. In determining the provision, consideration is given to the future costs to be incurred, the timing of these future costs, and estimated cost of inflation. The cost of decommissioning and restoration is uncertain and can vary in response to many factors including changes to the relevant legal and regulatory requirements. The expected timing of expenditures can change in response to changes in the life of mine. These estimates are reviewed annually and adjusted where necessary to ensure that the most current data is used.

Significant accounting policies

The Company's significant accounting policies used to prepare the Company's financial statements as at and for the period ended March 31, 2021 are included in Note 2 of the annual audited consolidated financial statements and Note 1 of the Company's financial statements for the three months ended March 31, 2021.

Subsequent events

Subsequent to the preparation of the Company's financial statements for the three months ended March 31, 2021, certain subsequent events have had an impact on the Company, including the refinance of our senior secured debt. Further details with respect to these subsequent events are included in Note 19 of the unaudited consolidated financial statements included elsewhere in this MD&A.