

CHURCHILL FALLS (LABRADOR) CORPORATION LIMITED
CONDENSED INTERIM FINANCIAL STATEMENTS
March 31, 2017
(Unaudited)

CHURCHILL FALLS (LABRADOR) CORPORATION LIMITED
STATEMENT OF FINANCIAL POSITION
(Unaudited)

<i>As at (thousands of Canadian dollars)</i>	Notes	March 31 2017	December 31 2016
ASSETS			
Current assets			
Cash and cash equivalents		27,209	35,662
Short-term investments		22,084	-
Trade and other receivables		19,765	20,393
Inventories		19,473	19,232
Current portion of reserve fund		11,407	7,466
Prepayments		1,522	2,063
Total current assets		101,460	84,816
Non-current assets			
Property, plant and equipment	3	655,718	654,198
Intangible assets	4	642	681
Investment in joint venture	5	1,860	1,868
Long-term investments		51,600	51,600
Reserve fund		11,196	15,132
Total assets		822,476	808,295
LIABILITIES AND EQUITY			
Current liabilities			
Trade and other payables		21,542	26,069
Rental and royalty payable		3,010	7,540
Current portion of deferred contributions	6	748	748
Total current liabilities		25,300	34,357
Non-current liabilities			
Deferred contributions	6	11,309	11,496
Decommissioning liabilities	7	1,988	1,970
Employee future benefits	8	27,843	27,548
Total liabilities		66,440	75,371
Shareholders' equity			
Share capital	10	82,900	82,900
Contributed capital	10	5,554	5,550
Reserves		(4,285)	(4,274)
Retained earnings		671,867	648,748
Total equity		756,036	732,924
Total liabilities and equity		822,476	808,295

Commitments and contingencies (Note 16)

See accompanying notes

CHURCHILL FALLS (LABRADOR) CORPORATION LIMITED
STATEMENT OF PROFIT AND COMPREHENSIVE INCOME
(Unaudited)

<i>For the period ended March 31 (thousands of Canadian dollars)</i>	Notes	Three months ended	
		2017	2016
Power sales		25,671	36,574
Guaranteed winter availability		22,010	21,275
Other revenue	6	187	195
Revenue		47,868	58,044
Operating costs	11	16,874	18,359
Depreciation and amortization	3,4	6,191	5,627
Net finance income	12	(282)	(404)
Other income	13	(5)	(4)
Share of loss of joint venture	5	8	12
Profit for the period		25,082	34,454
Other comprehensive loss for the period			
Net fair value gain (loss) on available-for-sale financial instruments	9	5	(44)
Amounts reclassified to profit	9	(16)	(55)
Other comprehensive loss for the period		(11)	(99)
Total comprehensive income for the period		25,071	34,355

See accompanying notes

CHURCHILL FALLS (LABRADOR) CORPORATION LIMITED
STATEMENT OF CHANGES IN EQUITY
(Unaudited)

<i>(thousands of Canadian dollars)</i>	Notes	Share Capital	Contributed Capital	Fair Value Reserve	Employee Benefit Reserve	Retained Earnings	Total
Balance at January 1, 2017		82,900	5,550	226	(4,500)	648,748	732,924
Profit for the period		-	-	-	-	25,082	25,082
Other comprehensive income							
Net fair value gain on available-for-sale financial instruments	9	-	-	5	-	-	5
Amounts reclassified to profit or loss	9	-	-	(16)	-	-	(16)
Total comprehensive (loss) income for the period		-	-	(11)	-	25,082	25,071
Contributed capital	10	-	4	-	-	-	4
Preferred dividends	10	-	-	-	-	(1,963)	(1,963)
Balance at March 31, 2017		82,900	5,554	215	(4,500)	671,867	756,036
Balance at January 1, 2016		82,900	4,966	851	(5,785)	604,303	687,235
Profit for the period		-	-	-	-	34,454	34,454
Other comprehensive income							
Net fair value loss on available-for-sale financial instruments	9	-	-	(44)	-	-	(44)
Amounts reclassified to profit or loss	9	-	-	(55)	-	-	(55)
Total comprehensive (loss) income for the period		-	-	(99)	-	34,454	34,355
Contributed capital	10	-	31	-	-	-	31
Preferred dividends	10	-	-	-	-	(3,793)	(3,793)
Balance at March 31, 2016		82,900	4,997	752	(5,785)	634,964	717,828

See accompanying notes

CHURCHILL FALLS (LABRADOR) CORPORATION
STATEMENT OF CASH FLOWS
(Unaudited)

<i>For the period ended March 31 (thousands of Canadian dollars)</i>	Notes	Three months ended	
		2017	2016
Operating activities			
Profit for the period		25,082	34,454
Adjusted for items not involving a cash flow:			
Depreciation and amortization	3,4	6,191	5,627
Amortization of deferred contributions	6	(187)	(195)
Employee benefits	8	295	505
Loss on disposal of property, plant and equipment	13	-	15
Accretion of decommissioning liability	7, 12	18	11
Share of loss of joint venture	5	8	12
		31,407	40,429
Changes in non-cash working capital balances	17	(7,623)	(10,355)
Net cash provided from operating activities		23,784	30,074
Investing activities			
Additions to property, plant and equipment	3	(7,672)	(7,269)
Increase in short-term investments		(22,084)	-
Withdrawal from reserve fund		(16)	(55)
Changes in non-cash working capital balances	17	(506)	(2,932)
Net cash used in investing activities		(30,278)	(10,256)
Financing activities			
Decrease in long-term related party payable		-	7
Increase in contributed capital	10	4	31
Preferred dividends	10	(1,963)	(3,793)
Net cash used in financing activities		(1,959)	(3,755)
Net (decrease) increase in cash and cash equivalents		(8,453)	16,063
Cash and cash equivalents, beginning of period		35,662	54,924
Cash and cash equivalents, end of period		27,209	70,987
Interest received		272	450
Interest paid		6	22

See accompanying notes

CHURCHILL FALLS (LABRADOR) CORPORATION LIMITED
NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)

1. DESCRIPTION OF BUSINESS

Churchill Falls (Labrador) Corporation Limited (Churchill Falls) is incorporated under the laws of Canada and operates a hydroelectric generating plant and related transmission facilities in Labrador with a rated capacity of 5,428 megawatts (MW). Churchill Falls operates under rights leased from the Province of Newfoundland and Labrador (the Province) for 99 years, which are renewable for a further term of 99 years under the Churchill Falls (Labrador) Corporation Limited (Lease) Act, 1961 (the Lease) as amended, covering the water power potential of the Upper Churchill watershed. Energy from Churchill Falls is provided to two customers: Hydro-Québec and Newfoundland and Labrador Hydro (Hydro). Churchill Falls is 65.8% owned by Hydro, whose parent company is Nalcor Energy (Nalcor). The remaining 34.2% is owned by Hydro-Québec. Effective June 18, 1999, the two shareholders of Churchill Falls, Hydro and Hydro-Québec, entered into a Shareholders' Agreement which provided, among other matters, that certain of the strategic operating, financing and investing policies of Churchill Falls be subject to joint approval by representatives of Hydro and Hydro-Québec. The head and corporate office for Churchill Falls is located at 500 Columbus Drive, St. John's, Newfoundland and Labrador, A1B 3T5.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance and Basis of Measurement

These condensed interim financial statements have been prepared in accordance with International Accounting Standards (IAS) 34 Interim Financial Reporting and have been prepared using accounting policies consistent with those used in the preparation of the annual audited financial statements for the year ended December 31, 2016.

These condensed interim financial statements do not include all of the disclosures normally found in Churchill Falls' annual audited financial statements and should be read in conjunction with the annual audited financial statements.

These condensed interim financial statements have been prepared on a historical cost basis except for available-for-sale financial assets which have been measured at fair value. The condensed interim financial statements are presented in Canadian dollars and all values are rounded to the nearest thousand, except when otherwise noted. The condensed interim financial statements were approved by Churchill Falls' Audit Committee on May 9, 2017.

CHURCHILL FALLS (LABRADOR) CORPORATION LIMITED
NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)

3. PROPERTY, PLANT AND EQUIPMENT

<i>(thousands of Canadian dollars)</i>	Hydroelectric Generation Plant	Transmission and Terminals	Service Facilities and Other	Construction in Progress	Total
Cost					
Balance at January 1, 2016	776,739	249,807	190,037	22,818	1,239,401
Additions	(78)	-	33	62,170	62,125
Decommissioning liabilities and revisions	-	1,096	-	-	1,096
Disposals	(2,239)	(1,044)	(2,582)	-	(5,865)
Transfers	26,383	22,028	20,068	(68,479)	-
Balance at December 31, 2016	800,805	271,887	207,556	16,509	1,296,757
Additions	-	-	-	7,672	7,672
Disposals	-	-	(53)	-	(53)
Balance at March 31, 2017	800,805	271,887	207,503	24,181	1,304,376
Depreciation					
Balance at January 1, 2016	412,418	130,344	81,182	-	623,944
Depreciation	10,745	4,271	8,417	-	23,433
Disposals	(1,652)	(850)	(2,316)	-	(4,818)
Balance at December 31, 2016	421,511	133,765	87,283	-	642,559
Depreciation	2,813	1,190	2,149	-	6,152
Disposals	-	-	(53)	-	(53)
Balance at March 31, 2017	424,324	134,955	89,379	-	648,658
Carrying value					
Balance at January 1, 2016	364,321	119,463	108,855	22,818	615,457
Balance at December 31, 2016	379,294	138,122	120,273	16,509	654,198
Balance at March 31, 2017	376,481	136,932	118,124	24,181	655,718

CHURCHILL FALLS (LABRADOR) CORPORATION LIMITED
NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)

4. INTANGIBLE ASSETS

(thousands of Canadian dollars)

Software

Cost

Balance at January 1, 2016	1,238
Additions	161
Balance at December 31, 2016	1,399
Balance at March 31, 2017	1,399

Amortization

Balance at January 1, 2016	570
Amortization	148
Balance at December 31, 2016	718
Amortization	39
Balance at March 31, 2017	757

Carrying value

Balance at January 1, 2016	668
Balance at December 31, 2016	681
Balance at March 31, 2017	642

CHURCHILL FALLS (LABRADOR) CORPORATION LIMITED
NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)

5. INVESTMENT IN JOINT VENTURE

Churchill Falls holds a 33.33% equity shareholding and majority voting power in Twin Falls, subject to the provisions of the Participation Agreement. Twin Falls is incorporated under the laws of Canada and developed a 225 MW hydroelectric generating plant on the Unknown River in Labrador. The plant has been inoperative since 1974. There has been no change in Churchill Falls' ownership or voting interest during the period.

The following is summarized financial information with respect to Twin Falls:

	Three months ended	
	March 31	March 31
	2017	2016
<i>(thousands of Canadian dollars)</i>		
Current assets	5,573	5,835
Non-current assets	56	335
Current liabilities	35	596
Non-current liabilities	12	50
Net assets	5,582	5,524
Churchill Falls' share of net assets	1,860	1,841
Total loss	(26)	(37)
Churchill Falls' share of loss	(8)	(12)

The above amounts of assets and liabilities include the following:

Cash and cash equivalents	5,515	5,519
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6. DEFERRED CONTRIBUTIONS

Churchill Falls has received contributions from Transport Canada related to the airport. These contributions are deferred and amortized to other revenue over the life of the related item of property, plant and equipment.

	March 31	December 31
	2017	2016
<i>As at (thousands of Canadian dollars)</i>		
Deferred contributions, beginning of period	12,244	13,134
Disposals	-	(113)
Amortization	(187)	(777)
Deferred contributions, end of period	12,057	12,244
Less: current portion	(748)	(748)
	11,309	11,496

7. DECOMMISSIONING LIABILITIES

Churchill Falls has recognized liabilities associated with the disposal of Polychlorinated Biphenyls (PCB).

The reconciliation of the beginning and ending carrying amounts of decommissioning liabilities as at March 31, 2017 and December 31, 2016 are as follows:

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NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)

	March 31	December 31
	2017	2016
<i>As at (thousands of Canadian dollars)</i>		
Decommissioning liabilities, beginning of period	1,970	1,296
Accretion	18	45
Liabilities settled	-	(467)
Revisions	-	1,096
Decommissioning liabilities, end of period	1,988	1,970

8. EMPLOYEE FUTURE BENEFITS

8.1 Pension Plan

Employees participate in the Province's Public Service Pension Plan, a multi-employer defined benefit plan. The employer's contributions for the period ended March 31, 2017 of \$565,000 (December 31, 2016 - \$589,000) are expensed as incurred.

8.2 Other Benefits

Churchill Falls provides group life insurance and healthcare benefits on a cost shared basis to retired employees, and in certain cases, their surviving spouses, in addition to a severance payment upon retirement. For the period ended March 31, 2017, cash payments to beneficiaries for its unfunded other employee future benefits were \$281,000 (December 31, 2016 - \$199,000). An actuarial valuation was performed as at December 31, 2016.

	Three months ended	
	2017	2016
<i>For the period ended March 31 (thousands of Canadian dollars)</i>		
Component of benefit cost		
Current service cost	302	371
Interest cost	274	332
Total benefit expense for the period	576	703

9. ACCUMULATED OTHER COMPREHENSIVE INCOME

The components of, and changes in, accumulated other comprehensive income (loss) are as follows:

Items that will not be reclassified to profit or loss:

	Three months ended	
	2017	2016
<i>(thousands of Canadian dollars)</i>		
Employee benefits liability		
Balance at January 1	(4,500)	(5,785)
Net actuarial gain on defined benefit plan	-	-
Balance, at March 31	(4,500)	(5,785)

Items that may or have been reclassified to profit or loss:

	Three months ended	
	2017	2016
<i>(thousands of Canadian dollars)</i>		
Available-for-sale financial instruments		
Balance at January 1	226	851
Net fair value gain (loss)	5	(44)
Amounts reclassified to profit	(16)	(55)
Balance, at March 31	215	752

CHURCHILL FALLS (LABRADOR) CORPORATION LIMITED
NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)

10. SHAREHOLDERS' EQUITY

10.1 Share Capital

	March 31	December 31
	2017	2016
<i>As at (thousands of Canadian dollars)</i>		
Common shares without nominal or par value		
Authorized - unlimited		
Issued, fully paid and outstanding - 8,759,999	82,900	82,900
Preferred shares without nominal or par value		
Authorized - 3		
Issued, fully paid and outstanding - 3	-	-

10.2 Contributed Capital

	March 31	December 31
	2017	2016
<i>As at (thousands of Canadian dollars)</i>		
Labrador Transmission Corporation (Labrador Transco)	198	198
Churchill Falls (Labrador) Corporation Trust (the Trust)	5,356	5,352
Total contributed capital	5,554	5,550

During 2017, Labrador Transco contributed \$nil (2016 - \$198,000) related to property, plant and equipment and the Trust contributed \$4,000 (2016 - \$386,000).

10.3 Dividends Paid and Proposed

	Three months ended	
	2017	2016
<i>For the period ended March 31 (thousands of Canadian dollars)</i>		
Declared during the year		
Final preferred dividend for prior period	515	1,243
Interim preferred dividend for current period	1,448	2,550
	1,963	3,793

During the period, Churchill Falls did not pay any common dividends (2016 - \$nil).

11. OPERATING COSTS

	Three months ended	
	2017	2016
<i>For the period ended March 31 (thousands of Canadian dollars)</i>		
Salaries and benefits expense	10,377	11,527
Rental and royalty expense	3,010	3,800
Maintenance and materials	1,712	1,510
Professional services	494	640
Other operating costs	1,281	882
	16,874	18,359

CHURCHILL FALLS (LABRADOR) CORPORATION LIMITED
NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)

12. NET FINANCE INCOME

<i>For the period ended March 31 (thousands of Canadian dollars)</i>	Three months ended	
	2017	2016
Finance income		
Interest on related party payable / receivable	-	5
Interest on reserve fund	109	308
Interest on short-term investments	159	-
Other interest income	37	109
	305	422
Finance expense		
Accretion of decommissioning liability	18	11
Other interest expense	5	7
	23	18
Net finance income	(282)	(404)

13. OTHER INCOME

<i>For the period ended March 31 (thousands of Canadian dollars)</i>	Three months ended	
	2017	2016
Realized foreign exchange gain	(22)	(138)
Unrealized foreign exchange loss	17	117
Loss on disposal of property, plant and equipment	-	15
Other asset disposal costs	-	2
Other income	(5)	(4)

14. FINANCIAL INSTRUMENTS

Fair Value

The estimated fair values of financial instruments as at March 31, 2017 and December 31, 2016 are based on relevant market prices and information available at the time. Fair value estimates are based on valuation techniques which are significantly affected by the assumptions used including the amount and timing of future cash flows and discount rates reflecting various degrees of risk. As such, the fair value estimates below are not necessarily indicative of the amounts that Churchill Falls might receive or incur in actual market transactions.

As a significant number of Churchill Falls' assets and liabilities do not meet the definition of a financial instrument, the fair value estimates below do not reflect the fair value of Churchill Falls as a whole.

Establishing Fair Value

Financial instruments recorded at fair value are classified using a fair value hierarchy that reflects the nature of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

CHURCHILL FALLS (LABRADOR) CORPORATION LIMITED
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The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value. For assets and liabilities that are recognized at fair value on a recurring basis, Churchill Falls determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. There were no transfers between Level 1, 2 and 3 fair value measurement during the periods ended March 31, 2017 and December 31, 2016.

As at March 31, 2017 and December 31, 2016, Churchill Falls did not have any Level 3 instruments.

	Level	Carrying Value	Fair Value	Carrying Value	Fair Value
		March 31, 2017		December 31, 2016	
<i>(thousands of Canadian dollars)</i>					
Financial assets					
Reserve fund	2	22,603	22,603	22,598	22,598

The fair values of cash and cash equivalents, short-term investments, trade and other receivables, trade and other payables, and rental and royalty payable approximate their carrying values due to their short-term maturity. The fair value of long-term investments approximates its carrying value due to the underlying nature of the investment.

The fair values of Level 2 financial instruments are determined using quoted prices in active markets, which in some cases are adjusted for factors specific to the asset or liability. Level 2 fair values of other risk management assets and liabilities are determined using observable inputs other than unadjusted quoted prices, such as interest rate yield curves and currency rates.

15. RELATED PARTY TRANSACTIONS

Churchill Falls enters into various transactions with its shareholders and other affiliates. These transactions occur within the normal course of operations and are measured at the exchange amount, which is the amount of consideration agreed to by the related parties. Related parties with which Churchill Falls transacts are as follows:

Related Party	Relationship
Hydro	65.8% shareholder of Churchill Falls
Hydro-Québec	34.2% shareholder of Churchill Falls
Nalcor	100% shareholder of Hydro
The Province	100% shareholder of Nalcor
Twin Falls	Jointly controlled by Churchill Falls
Labrador Transco	100% owned subsidiary of Nalcor
The Trust	Churchill Falls (Labrador) Corporation Trust was created by the Province with Churchill Falls as the beneficiary

CHURCHILL FALLS (LABRADOR) CORPORATION LIMITED
NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)

Routine operating transactions with related parties are settled at prevailing market prices under normal trade terms. Outstanding balances due to or from related parties are non-interest bearing with no set terms of repayment, unless otherwise stated.

The amounts included in the financial statements for related party transactions are as follows:

<i>As at (thousands of Canadian dollars)</i>	Related party	March 31 2017	December 31 2016
Trade and other receivables:			
Power sales	Hydro-Québec	13,407	13,267
Power sales and other	Hydro	4,519	4,384
Engineering, technical, management, and administrative services	Other	3	12
Property, plant and equipment	Labrador Transco	198	198
CF Trust receivable	The Trust	4	13
Engineering, technical, management, and administrative services	Hydro-Québec	152	521
Trade and other payables:			
Other	Hydro-Québec	2,244	2,244
Engineering, technical, management, and administrative services	Nalcor	642	845
Rental and royalty payable	The Province	3,010	7,540
		Three months ended 2017	2016
<i>For the period ended March 31 (thousands of Canadian dollars)</i>			
Power sales:			
Long-term power contract	Hydro-Québec	14,287	25,019
Long-term power contract	Hydro	11,384	11,555
Guaranteed winter availability:			
Guaranteed winter availability contract	Hydro-Québec	22,010	21,275
Operating (recovery) costs:			
Engineering, technical, management, and administrative services	Hydro-Québec	(142)	(198)
Engineering, technical, management, and administrative services	Hydro	(119)	496
Rental and royalty expense	The Province	3,010	3,800
Engineering, technical, management, and administrative services	Other	716	546
Net finance income:			
Interest on related party payable/receivable	Hydro-Québec	-	(5)

Churchill Falls has entered into long-term power contracts with its shareholders for the sale of substantially all of the power produced by the generating plant. The 1969 Power Contract, replaced by a Renewal Contract that commenced September 1, 2016 and expiring August 31, 2041, and a Guaranteed Winter Availability Contract, provide for the sale of electricity from this facility to Hydro-Québec. In addition, two power purchase agreements effective March 9, 1998 and January 1, 2015, provide for the sale of electricity to Hydro for use domestically and for resale in export markets.

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The rate per the expired 1969 Power Contract was predetermined to be 2.5426 mills per kWh until August 31, 2016 and was recognized based upon the energy delivered to Hydro-Québec. The rate during the term of the Renewed Power Contract is 2.0 mills per kWh and revenue is recognized based upon an interim Annual Energy Base agreed upon by Churchill Falls and Hydro-Québec that may be different than the energy delivered. During 2017, revenue from Hydro-Quebec and Hydro was \$36,297,000 (2015 - \$46,294,000) and \$11,384,000 (2015 - \$11,555,000) respectively.

16. COMMITMENTS AND CONTINGENCIES

- (a) Outstanding commitments for capital projects total approximately \$29.8 million as at March 31, 2017 (December 31, 2016 - \$13.2 million).
- (b) Churchill Falls is subject to various legal proceedings and claims in the normal course of business. Although the outcome of such actions cannot be predicted with certainty, Management currently believes Churchill Falls' exposure to such claims and litigation, to the extent not covered by insurance policies or otherwise provided for, will not materially affect its financial position.
- (c) The arrangements under which Churchill Falls supplies the 225 MW Twinco Block to Twin Falls expired on December 31, 2014. As a result, a new power purchase agreement (PPA) between Churchill Falls and Hydro for the sale of up to 225 MW of power produced by the Churchill Falls Generating Station was signed by Churchill Falls and Hydro and was effective January 1, 2015 and is in effect to August 31, 2041.

The Sub-lease between Twin Falls and Churchill Falls dated November 15, 1961 giving Twin Falls the right to develop hydroelectric power on the Unknown River expired on December 31, 2014. A sub-lease was signed between Hydro, Churchill Falls and Twin Falls naming Hydro as the sub-lessee of the transmission lines and related assets from Churchill Falls to Labrador West, covering the period of January 1 to June 30, 2015. The term of this Sub-lease between Hydro and Churchill Falls has been extended to October 31, 2017.

17. SUPPLEMENTARY CASH FLOW INFORMATION

	Three months ended	
<i>For the period ended March 31 (thousands of Canadian dollars)</i>	2017	2016
Trade and other receivables	628	(2,635)
Inventories	(241)	(135)
Prepayments	541	466
Trade and other payables	(4,527)	(7,028)
Rental and royalty payable	(4,530)	(3,955)
Change in non-cash working capital balances	(8,129)	(13,287)
Related to:		
Operating activities	(7,623)	(10,355)
Investing activities	(506)	(2,932)
	(8,129)	(13,287)

18. SUBSEQUENT EVENTS

In August 2016, Churchill Falls received judgment from the Québec Court of Appeal upholding the 2014 Québec Superior Court ruling on the motion filed by Churchill Falls to address the inequities of the pricing terms of the 1969 Power Contract between Churchill Falls and Hydro-Québec. The Court ruled against Churchill Falls and the ruling requires Churchill Falls to pay court costs of \$1.4 million to Hydro- Québec. On April 20, 2017 Churchill Falls was granted leave to appeal the case to the Supreme Court of Canada. A hearing date is anticipated to be scheduled within 12 months.