

International Minerals Innovation Institute

Financial Statements

December 31, 2020

International Minerals Innovation Institute

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For the year ended December 31, 2020

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Management's Responsibility

To the Members of International Minerals Innovation Institute:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded, and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors and Finance and Audit Committee are composed entirely of Directors who are neither management nor employees of the Organization. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information. The Finance and Audit Committee has the responsibility of meeting with management and external auditors to discuss the internal controls over the financial reporting process, auditing matters and financial reporting issues. The Committee is also responsible for recommending the appointment of the Organization's external auditors.

Deloitte LLP is appointed by the members to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Finance and Audit Committee and management to discuss their audit findings.

March 25, 2021



Executive Director

Independent Auditor's Report

To the Members of
International Minerals Innovation Institute

Opinion

We have audited the financial statements of International Minerals Innovation Institute (the "Organization"), which comprise the statement of financial position as at December 31, 2020, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2020, and the results of its operations and its cash flows for the year then ended accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

The financial statements of the Organization for the year ended December 31, 2019 were audited by another auditor who expressed an unqualified opinion on those statements on March 26, 2020.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte LLP


Chartered Professional Accountants
Saskatoon, Saskatchewan


March 25, 2021

International Minerals Innovation Institute
Statement of Financial Position
As at December 31, 2020

	2020	2019
Assets		
Current		
Cash and cash equivalents (Note 3)	4,255,465	4,713,967
Accounts receivable (Note 4)	156,593	194,755
Goods and Services Tax receivable	8,201	2,672
Prepaid expenses and deposits	-	5,000
	4,420,259	4,916,394
Capital assets (Note 5)	4,476	465,962
	4,424,735	5,382,356
Liabilities		
Current		
Accounts payable and accruals	151,895	125,710
Funding repayable (Note 6)	-	171,428
Deferred revenue (Note 6)	43,144	-
Deferred contributions (Note 7)	284,736	743,340
Current portion of deferred contributions - corrosion project (Note 8)	-	70,823
	479,775	1,111,301
Deferred contributions - corrosion project (Note 8)	-	389,524
	479,774	1,500,825
Commitments (Note 11)		
Net Assets		
Internally restricted (Note 3), (Note 9)	3,916,008	3,775,051
Unrestricted	28,952	106,480
	3,944,960	3,881,531
	4,424,735	5,382,356

Approved on behalf of the Board of Directors


 Director


 Director

The accompanying notes are an integral part of these financial statements

International Minerals Innovation Institute

Statement of Operations

For the year ended December 31, 2020

	2020	2019
Revenue		
Grant revenue (Note 7)	734,819	492,797
Memberships (Note 7)	482,284	493,635
Sponsorship (Note 7), (Note 8)	680,125	463,756
Sponsorship funding returned (Note 6)	-	(171,428)
	1,897,228	1,278,760
Expenses		
Advertising	15,842	9,892
Amortization	1,140	1,425
Bank charges and interest	648	719
Contracted services	30,512	57,706
Insurance	3,210	3,160
Accounting fees	13,560	16,650
Meetings and conferences	127	2,037
Office supplies	5,720	6,001
Rent	39,192	38,970
Salaries and benefits	302,742	284,709
Telephone	3,121	3,094
Travel	5,293	12,400
Website development & IT support	2,980	2,386
	424,088	439,149
Program Expenses		
Education and Training Programs	2,650	24,055
Research and Development Programs	32,588	37,968
	35,238	62,023
Education and Training Expenses		
Expenses	328,931	272,104
Return of Education and Training Funding (Note 13)	(12,500)	-
	316,431	272,104
Research and Development Expenses		
Expenses (Note 5)	1,080,219	396,016
Return of Research and Development Funding (Note 14)	(14,172)	(111,015)
	1,066,047	285,001
Special Project Expenses		
	21,215	111,758
Total expenses	1,863,018	1,170,035
Excess of revenue over expenses before interest income	34,210	108,725
Interest income	29,219	89,197
Excess of revenue over expenses	63,429	197,921

The accompanying notes are an integral part of these financial statements

International Minerals Innovation Institute
Statement of Changes in Net Assets
For the year ended December 31, 2020

	<i>Internally restricted</i>	<i>Unrestricted</i>	<i>2020</i>	<i>2019</i>
Net assets beginning of year	3,775,051	106,480	3,881,531	3,683,610
Transfer to (from) the unrestricted fund (Note 9)	140,957	(140,957)	-	-
Excess of revenue over expenses	-	63,429	63,429	197,921
Net assets, end of year (Note 9)	3,916,008	28,952	3,944,960	3,881,531

The accompanying notes are an integral part of these financial statements

International Minerals Innovation Institute

Statement of Cash Flows

For the year ended December 31, 2020

	2020	2019
Cash provided by the following activities		
Operating		
<i>Adjustment for:</i>		
Excess of revenue over expenses	63,429	197,921
Amortization (Note 5)	1,140	1,425
Amortization of corrosion project equipment (Note 5)	68,087	70,823
Deferred contributions - corrosion project recognized (Note 8)	(68,087)	(70,823)
	64,569	199,346
Changes in working capital:		
Accounts receivable	38,161	(187,781)
Prepaid expenses and deposits	5,000	(4,000)
Accounts payable and accruals	26,185	(115,502)
Funding repayable	(128,284)	171,428
Deferred contributions	(458,604)	3,289
Goods and Services Tax receivable	(5,529)	3,001
	(458,502)	69,781
(Decrease) Increase in cash and cash equivalents	(458,502)	69,781
Cash and cash equivalents, beginning of year	4,713,967	4,644,186
Cash and cash equivalents, end of year	4,255,465	4,713,967

Non-cash transactions represent the corrosion project assets transferred in 2020 (2019: \$Nil) as disclosed in Note 5 and 8 respectively.

International Minerals Innovation Institute

Notes to the Financial Statements

For the year ended December 31, 2020

1. Incorporation and nature of the organization

International Minerals Innovation Institute (the "Organization") was incorporated under the authority of the Non-Profit Corporation Act, 1995 on January 27, 2012 and is registered as a not-for-profit organization and thus is exempt from income taxes under section 149(1) of the Income Tax Act ("the Act").

The Organization's purpose is to fund and facilitate the design of education and training programs and research and development projects for the mining and minerals industry in Saskatchewan.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Cash and cash equivalents

Cash and cash equivalents include balances with banks and savings deposits with no term to maturity.

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution if fair value can be reasonably determined.

Amortization is provided using the declining balance or straight-line methods at rates intended to amortize the cost of assets over their estimated useful lives. In the year of acquisition, amortization is taken at one-half of the annual rate.

	Method	Rate
Computer equipment	declining balance	55 %
Corrosion project equipment	straight-line	10 years
Furniture and fixtures	declining balance	20 %

Revenue recognition

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

The Organization recognizes interest on cash and cash equivalents over the term of the investment if the amount to be received can be reasonably estimated and collection is reasonably assured.

Other revenue streams from other memberships fees and projects are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Deferred contributions related to capital assets

Deferred contributions related to capital assets represent the unamortized portion of restricted contributions that were used to purchase the Organization's corrosion project equipment. Recognition of these amounts as revenue is deferred to periods when the related capital assets are amortized or transferred.

Long-lived assets

Long-lived assets consist of capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

When the Organization determines that a long-lived asset no longer has any long-term service potential to the Organization, the excess of its net carrying amount over any residual value is recognized as an expense in the statement operations. Write-downs will not be reversed.

International Minerals Innovation Institute
Notes to the Financial Statements
For the year ended December 31, 2020

2. Significant accounting policies *(Continued from previous page)*

Financial instruments

The Organization initially measures its financial assets and liabilities at fair value. The Organization subsequently measures all its financial assets and liabilities at amortized cost, except for investments which are measured at fair value. Changes in fair value are recognized in the statement of operations. Related party transactions are measured and their carrying amounts.

Transaction costs related to financial instruments measured at fair value subsequent to initial recognition are expensed as incurred. Transaction costs related to other financial instruments are added to the carrying value of the asset or netted against the carrying value of the liability and are then recognized over the expected life of the instrument using the effective interest method. Any premium or discount related to an instrument measured at amortized cost is amortized over the expected life of the item using the effective interest method and recognized in net earnings as interest income or expense.

Financial asset impairment

The Organization assesses impairment of all of its financial assets measured at amortized cost. The Organization groups assets for impairment testing when there are numerous assets affected by the same factors. When there is an indication of impairment, the Organization determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the Organization reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in current year excess of revenue over expenses.

The Organization reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in the excess of revenue over expenses in the year the reversal occurs.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets.

Management estimates grant revenue and member fees earned and deferred based on its best understanding of the terms and conditions that apply to the funding arrangements entered into by the Organization.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in excess of revenue over expenses in the periods in which they become known.

Foreign currency translation

These financial statements have been presented in Canadian dollars.

Transaction amounts denominated in foreign currencies are translated into their Canadian dollar equivalents at exchange rates prevailing at the transaction dates. Carrying values of monetary assets and monetary liabilities reflect the exchange rates at the statement of financial position date. Gains and losses on translation or settlement are included in the determination of excess of revenue over expenses for the current period.

International Minerals Innovation Institute
Notes to the Financial Statements
For the year ended December 31, 2020

2. Significant accounting policies *(Continued from previous page)*

Future accounting policies

The Organization has not yet adopted certain new standards, amendments and interpretations to existing standards, which have been published but are only effective for accounting periods beginning on or after January 1, 2021 or later periods. The following future standards relevant to the Organization are as noted:

ASNPO Section 4460 – Related party transactions

The Organization does not have any plans to early adopt this new standard. The extent of the impact on adoption of this standard is not known at this time.

3. Cash and cash equivalents

	2020	2019
Chequing account	190,375	152,131
Savings deposit – 0.2% (2019 – 1.8%)	3,854,917	4,431,837
Savings deposit – 0.2% (2019 – 1.6%)	210,173	129,999
	4,255,465	4,713,967

The Organization has internally restricted \$3,916,008 (2019 - \$3,775,051) of savings deposits held for the purposes of funding the internally restricted net assets and future project commitments as described in Note 9, Note 11 and Note 12.

4. Accounts receivable

	2020	2019
Funding receivable	155,456	194,249
Other receivables	1,137	506
	156,593	194,755

5. Capital assets

	Cost	Accumulated Amortization	2020 Net Book Value	2019 Net Book Value
Furniture and fixtures	24,014	19,538	4,476	5,616
Corrosion project equipment	-	-	-	460,346
	24,014	19,538	4,476	465,962

The Organization transferred the corrosion project equipment to the educational institutions in 2020. The net book value of the corrosion project equipment transferred amounted to \$392,260 (2019: \$ Nil). Amortization recognized during the year amounted to \$ 69,227 (2019: \$ 72,248). Both transactions are recorded in research and development expenses in the Statement of Operations.

6. Funding repayable and deferred revenue

	2020	2019
Funding Repayable		
Corrosion project	-	88,167
Hydrogeology project	-	83,261
	-	171,428
Deferred Revenue		
Deferred Revenue	43,144	-
	43,144	-

Deferred revenue relates to amounts received for specific projects specified by the funder that have not yet been spent.

International Minerals Innovation Institute
Notes to the Financial Statements
For the year ended December 31, 2020

7. Deferred contributions

Deferred contributions consist of unspent grant revenue and member fees externally restricted for operating expenses, education and training programs and research and development programs. Recognition of these amounts as revenue is deferred to periods when the specified expenditures are made. Changes in the deferred contribution balance are as follows:

	2020	2019
Deferred contribution – memberships		
Balance, beginning of year	121,806	115,441
Membership fees received during the year	502,500	500,000
Less: Membership fees recognized as revenue in current year	(482,284)	(493,635)
Balance, end of year	142,022	121,806

	2020	2019
Deferred contribution – grants and special projects		
Balance, beginning of year	621,534	558,331
Grants received during the year	256,000	556,000
Less: Grants and special projects funding recognized as revenue in current year	(734,819)	(492,797)
Balance, end of year	142,714	621,534

	2020	2019
Deferred contribution – pay to play projects		
Balance, beginning of year	-	66,279
Sponsorship contributions received during the year	219,778	210,454
Less: Contributions repayable to funders	-	(88,167)
Less: Sponsorships recognized as revenue in current year	(219,778)	(188,566)
Balance, end of year	-	-

Total Deferred contributions	284,736	743,340
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8. Deferred contributions – corrosion project

Deferred capital contributions consist of the unamortized amount of contributions received for the purchase of capital assets for the Corrosion Mining Minerals Research Cluster project. Recognition of these amounts as revenue is deferred to years when the related capital assets are amortized or disposed of. Changes in deferred capital contributions are as follows:

	2020	2019
Balance, beginning of year	460,347	531,170
Less: amounts recognized as sponsorship revenue during the year	(68,087)	(70,823)
	392,260	460,347
Less: current portion	-	70,823
	392,260	389,524
Less: amount recognized as sponsorship upon transfer of equipment	(392,260)	-
Balance, end of year	-	389,524

9. Restrictions on net assets

Internally restricted net assets

Windup reserve

The Organization's board of directors increased its internal restriction to \$210,000 (2019 - \$125,000) of net assets to be held for future severance, lease buyouts, legal and accounting services in the situation the Organization needs to wind down. This reserve is funded by a separate savings deposit held and described in Note 3 and is to be reviewed on an annual basis or in the event of a material change in the Organization.

Commitments

The Organization has internally restricted \$3,916,008 (2019 - \$3,650,051) to fund future project commitments as outline in Note 11 and 12, which includes projects that have been approved by the board of directors that are pending final agreements.

In total, the Organization's board of directors increased its internally restricted net assets to \$3,916,008 (2019 - \$3,775,051) to fund the above windup reserve and commitments. This resulted in a transfer of \$140,957 (2019 - \$2,035,123) to the restricted fund.

These restricted amounts are not available for other purposes without approval of the board of directors and are funded by \$3,916,008 (2019 - \$3,775,051) of cash and cash equivalents as outlined in Note 3.

10. Financial instruments

The Organization, as part of its operations, carries a number of financial instruments. It is management's opinion that the Organization is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Credit concentration

As of December 31, 2020, three (2019 - two) customers accounted for 91% (2019 - 94%) of the accounts receivable which is \$141,284 (2019 - \$183,640). The Organization believes that there is no unusual exposure associated with the collection of these receivables. The Organization performs regular credit assessments of its customers and provides allowances for potentially uncollectible accounts receivable. No allowances for doubtful debt have been recognized during the year ended December 31, 2020 (2019: \$ Nil).

The Organization has a concentration of risk because substantially all of its member fees are from organization in the mining and minerals industry. Therefore, impairment of this industry would inhibit the operations of the Organization.

Liquidity risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization's exposure to liquidity risk is dependent on the collection of accounts receivable, funding and purchasing commitments and obligations or raising funds to meet commitments and sustain operations.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

The Organization is exposed to interest rate price risk on its cash and cash equivalents as they are at fixed interest rates.

International Minerals Innovation Institute

Notes to the Financial Statements

For the year ended December 31, 2020

11. Commitments

The Organization has approved various funding proposals associated with Education and Training, Research and Development, and Special Projects. The Organization has approved the reallocation of previous year Special Projects associated with Education and Training and Research and Development projects. The approved funding commitments as a result have been provided in detail in the discussion below:

Education and Training ("E&T") Funding Commitments:

- 1)** MentorSTEP: the Organization committed to funding \$132,999 for the purposes of mentoring Indigenous female students in science, technology, engineering and math to step into careers in the mining industry in Saskatchewan. Of the total commitment, \$52,379 was paid up to 2020 and the remaining \$80,620 is to be paid in 2021.
- 2)** Transforming Experiences into Solutions: A Multiphase Interdisciplinary Study on Recruitment and Retention of Women in Saskatchewan Engineering and Mining: the Organization committed to funding \$84,000 for the purpose of producing practical communication and training tools to help Saskatchewan mining companies change their workplace culture to reflect the diverse communities in which they operate. The total commitment of \$84,000 is to be funded through the Mitacs Memorandum of Understanding included in Special Projects Commitments below. The \$84,000 is to be paid over 2021 to 2024.
- 3)** Innovative Digital Training: Tailored for Indigenous, Focused on Potash: the Organization committed to funding \$145,000 for the purpose of establishing a 10-week Information, Communication, and Technology (ICT) and digital skills training program specific to potash mining and potash supply chains. The total commitment of \$145,000 is to be paid in 2021 and is funded through the Diversity & Inclusion Initiative reserved in 2019.
- 4)** Diggin' Digital: Roving Discovery Centre and 2-day Bootcamp: the Organization committed to funding \$150,000 for the purpose of enabling a roving resource centre and provide a free of charge supplementary activities designed to improve basic ICT skills and STEM subject awareness among the residents of Saskatchewan's Indigenous communities. The total commitment of \$150,000 is to be paid in 2021 and 2022 and is funded through the Diversity & Inclusion Initiative reserved in 2019.
- 5)** Building Mineral Literacy with STEM: Teacher Training Project: the Organization committed to funding \$86,720 for this initiative which will provide valuable training and resources for on and off-reserve teachers and students. The total commitment of \$86,720 is to be paid in 2021 and 2022 and is funded through the Diversity & Inclusion Initiative reserved in 2019.
- 6)** Diggin' Digital Professional Development (PD): An Educator's Online ICT and Resource Hub: the Organization committed to funding \$150,000 for the purpose of equipping on and off-reserve teachers with the resources, materials and professional development opportunities to allow them to incorporate ICT and Science, Technology, Engineering, and Math (STEM) into lesson plans for Indigenous youth in culturally relevant and appropriate ways. The total commitment of \$150,000 is to be paid in 2021 and 2022 and is funded through the Diversity & Inclusion Initiative reserved in 2019.
- 7)** iMpowered Scholarship Award: the Organization committed to funding \$450,000 for this special project which focuses on supporting women and Indigenous students enrolled in science, technology, engineering, mathematics, and computer science post-secondary education programs of relevance to Saskatchewan's minerals industry to complete their education and enter careers in mining. Of the total commitment, \$150,000 was paid by the end of 2020 and the remaining \$300,000 is to be paid over 2021 to 2023.
- 8)** University of Saskatchewan iMii Mining Futures Award: the Organization committed to funding \$60,000 for this special project which focuses on recognizing undergraduate students in the mining option in the College of Engineering at the University of Saskatchewan who have developed a plan to succeed in the workplace following graduation. Of the total commitment, \$24,000 was paid by the end of 2020 and the remaining \$36,000 is to be paid over 2021 to 2023.
- 9)** Micro-credentialling: the Organization has committed to funding \$75,000 for the purpose of developing micro-credential courses related to digital skills for upskilling workers in the mining industry. The total commitment of \$75,000 is to be paid in 2021.

International Minerals Innovation Institute
Notes to the Financial Statements
For the year ended December 31, 2020

11. Commitments *(Continued from previous page)*

Research and Development ("R&D") Funding Commitments:

- 1)** Enhancing Mine Safety and Accuracy Through Underground UWB Positioning System: the Organization committed to funding \$260,780 for this research project which focuses on enhancing safety and accuracy in underground mines. \$239,030 was paid to the end of 2020 and the remaining \$21,750 is to be paid in 2021.
 - 2)** A Data Driven Based Approach for Fault Location Identification in Mines' Electrical System: Focus on Lines and Cables: the Organization committed to funding \$152,100 for the purposes of creating a bridge between available measurement data and the fault locating issue which regularly occurs in mines electrical system. The total commitment of \$152,100 is to be funded through the Mitacs Memorandum of Understanding included in Special Projects Commitments below. This is to be paid over 2021 to 2022.
 - 3)** Automatic Quantification of Scaling Bar Impacts: Phase 2: the Organization committed to funding \$98,125 for this research project which focuses on research into impacts on underground mine safety. The total commitment of \$98,125 is to be paid in 2021.
 - 4)** R600 Battery Powered Truck with Resin Injection Carousel Roof Bolter: the Organization committed to funding \$250,000 for this research project which focuses on developing a prototype electric bolter and validating the bolter in real-world trials. The total commitment of \$250,000 is to be paid over 2021 and 2022.
 - 5)** ISM Shared Data Repository: the Organization committed to funding \$300,000 for this research project which focuses on building a data platform that can be used to commission projects that solve common problems, disseminate knowledge, and advance the Organization's mandate. \$153,700 was paid to the end of 2020 and the remaining \$146,300 is to be paid in 2021.
 - 6)** Underground Dust Collection System: the Organization committed to funding \$147,670 for this research project which focuses on testing a dust collection system. The total commitment is to be paid in 2021.
 - 7)** Clean Power Generation Technologies: the Organization committed to funding \$60,000 for this research project to evaluate various cleaner and innovative options for power generation for a mining operation. The total commitment is to be paid in 2021.
 - 8)** Stress Monitoring in Potash: the Organization committed to funding \$25,000 for this research project to estimate stresses in underground mines. The total commitment is to be paid in 2021.
 - 9)** AI to Generate Mining Algorithms: the Organization committed to funding \$48,000 for this research project to develop algorithms and tools for optimization and automation projects in the mining industry. The total commitment of \$48,000 is to be funded through the Mitacs Memorandum of Understanding included in Special Projects Commitments below. \$30,000 was paid to the end of 2020 and the remaining \$18,000 is to be paid in 2021.
 - 10)** Microseismicity in Saskatchewan Potash Mines: the Organization committed to funding \$120,000 for this research project to derive a quantification of mining induced microseismicity in Saskatchewan potash mines. The total commitment of \$120,000 is to be funded through the Mitacs Memorandum of Understanding included in Special Projects Commitments below. The total commitment is to be paid over 2021 to 2022.
 - 11)** Innovation Challenge – Phase 1: the Organization committed to funding \$75,000 for the purpose of developing the Organization's first innovation challenge on alternative energy systems. \$47,075 was paid to the end of 2020 and the remaining \$27,925 is to be paid in 2021.
 - 12)** Innovation Challenge – Phase 2: the Organization committed to funding \$515,000 for the purpose of assisting the finalists from Phase 1 advance their potential solution for a chance to be chosen for field testing. The total commitment of \$515,000 will be paid in 2021.
 - 13)** Technology Landscaping Project: the Organization committed to funding \$50,000 for this research project to generate technology leads and project ideas for the mining industry. \$21,603 was paid to the end of 2020 and the remaining \$28,397 will be paid in 2021.
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International Minerals Innovation Institute
Notes to the Financial Statements
For the year ended December 31, 2020

11. Commitments (Continued from previous page)

Special Projects Commitments:

1) Communications / Branding Strategy: the Organization committed to funding \$55,215 for this special project which focuses on developing a communications strategy and tools to speak to digital mining and innovation. Of the total commitment, \$5,215 was paid by the end of 2020 and the remaining \$50,000 is to be paid in 2021.

Contributions towards E&T project 2 and R&D project 10 were approved by the Board of Directors on September 24, 2020. E&T project 3, 4, 5 and 6 were approved by the Board of Directors on December 17, 2020. R&D project 4 was approved by the Board of Directors on November 18, 2019. These project agreements are still in the process of being finalized.

E&T project 7 and 8 were previously recognized under Special Projects and was transferred upon approval by the Board of Directors.

A summary of expenditures committed as of December 31, 2020 include:

	2021	2022	2023	2024	Total
Total Education & Training Commitments	669,840	337,500	86,000	14,000	1,107,340
Total Research & Development Commitments	1,475,268	135,000	-	-	1,610,268
Total Special Project Commitments	50,000	-	-	-	50,000
Total per year	2,195,108	472,500	86,000	14,000	2,767,608

The Organization also occupies leased premises subject to minimum monthly rent of \$3,073 until January 31, 2022.

12. Reserves

Future Initiatives:

In some cases, the Organization has internally reserved funds for future initiatives being developed to ensure funds are available to commit. Funds reserved for future initiatives will be approved for commitment at future Board meetings.

1) Mitacs Memorandum of Understanding: the Organization committed to funding \$540,000 for this special project which focuses on creating a new model for increasing minerals sector research development, and demonstration capacities by partnering together under a collaborative multi-year framework to advance innovations that matter to mining in the Saskatchewan minerals, and to provide funding and training to technical students, graduate students, and post-doctoral fellows through industry-academic research collaboration. \$404,100 has been committed to four projects to date with the remaining commitment of \$135,900 is to be paid over 2021 to 2023.

2) Digital Mining Transformation Initiative: the Organization has reserved \$552,500 for this special initiative which focuses on transforming the mining industry into digital for the purpose of increasing productivity for mining in Saskatchewan. The total commitment of \$552,500 is to be paid over 2021 to 2022.

3) Innovation Challenge – Phase 3: the Organization has reserved \$250,000 for the field deployment of the winning technology from the Innovation Challenge – Phase 2 project. The total commitment of \$250,000 is to be paid over 2022 to 2023.

	2021	2022	2023	2024	Total
Total Future Initiatives	527,500	375,000	35,900	-	938,400
Total per year	527,500	375,000	35,900	-	938,400

13. Return of education and training funding

In some cases, the Organization has funded projects in prior years, of which the full amounts were not used by the recipient. In this case, funding is then returned to the Organization. During 2020, funding returned consisted of the following project:

- iMpowered Scholarship Award: The Organization awarded two scholarship awards for the 2019/2020 academic year for a total of \$50,000. One of the recipients was unable to continue their second semester and returned \$12,500 to the Organization.

14. Return of research and development funding

In some cases, the Organization has funded projects in prior years, of which the full amounts were not used by the recipient. In this case, funding is then returned to the Organization. During 2020, funding returned consisted of the following project:

- University of Saskatchewan: Mining Materials Research Cluster - Corrosion: Prior to 2020, the Organization committed to funding \$1,987,323 for the purposes of research. The final installment was paid out by the Organization during 2019 and expensed, however the funding was not fully spent for the project and the unspent amount of \$14,172 is to be refunded by the University.

15. Comparative information

Comparative information has been changed in order to conform to the current year presentation.