

International Minerals Innovation Institute

Financial Statements

December 31, 2021

International Minerals Innovation Institute

Contents

For the year ended December 31, 2021

Page

Management's Responsibility

Independent Auditor's Report

Financial Statements

Statement of Financial Position	1
Statement of Operations	2
Statement of Changes in Net Assets	3
Statement of Cash Flows	4
Notes to the Financial Statements	5

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 24, 2022



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, 2021, 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, 2021, 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.

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 24, 2022

International Minerals Innovation Institute
Statement of Financial Position

As at December 31, 2021

	<i>2021</i>	<i>2020</i>
Assets		
Current		
Cash and cash equivalents <i>(Note 3)</i>	3,275,932	4,255,465
Accounts receivable <i>(Note 4)</i>	731	156,593
Goods and Services Tax receivable	9,711	8,201
	3,286,374	4,420,259
Capital assets <i>(Note 5)</i>	5,047	4,476
	3,291,421	4,424,735
Liabilities		
Current		
Accounts payable and accruals	334,552	151,895
Deferred revenue <i>(Note 6)</i>	43,144	43,144
Deferred contributions <i>(Note 7)</i>	8,766	284,736
	386,462	479,775
Commitments <i>(Note 11), (Note 14)</i>		
Net Assets		
Internally restricted <i>(Note 3), (Note 9)</i>	2,726,154	3,916,008
Unrestricted	178,805	28,952
	2,904,959	3,944,960
	3,291,421	4,424,735

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, 2021

	2021	2020
<hr/>		
Revenue		
Grant revenue <i>(Note 7)</i>	398,714	734,819
Memberships <i>(Note 7)</i>	544,522	482,284
Sponsorship <i>(Note 7), (Note 8)</i>	131,278	680,125
	1,074,514	1,897,228
<hr/>		
Expenses		
Advertising	10,863	15,842
Amortization	913	1,140
Bank charges and interest	682	648
Contracted services	23,615	30,512
Insurance	3,531	3,210
Accounting fees	11,887	13,560
Meetings and conferences	-	127
Office supplies	8,010	5,720
Rent	38,755	39,192
Salaries and benefits <i>(Note 15)</i>	138,267	118,162
Telephone	3,026	3,121
Travel	2,374	5,293
Website development & IT support	2,248	2,980
	244,171	239,507
<hr/>		
Program Expenses		
Education and Training Programs <i>(Note 15)</i>	52,762	47,819
Research and Development Programs <i>(Note 15)</i>	76,854	109,566
	129,617	157,386
<hr/>		
Education and Training Expenses		
Expenses <i>(Note 15)</i>	714,093	350,444
Return of Education and Training Funding	-	(12,500)
	714,093	337,944
<hr/>		
Research and Development Expenses		
Expenses <i>(Note 15)</i>	1,015,183	1,121,138
Return of Research and Development Funding <i>(Note 13)</i>	(1,531)	(14,172)
	1,013,652	1,106,966
<hr/>		
Special Project Expenses	23,230	21,215
<hr/>		
Total expenses	2,124,763	1,863,018
<hr/>		
(Deficit) Excess of revenue over expenses before interest income	(1,050,248)	34,210
Interest income	10,246	29,219
<hr/>		
(Deficit) Excess of revenue over expenses	(1,040,002)	63,429
<hr/>		

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, 2021

	<i>Internally restricted</i>	<i>Unrestricted</i>	<i>2021</i>	<i>2020</i>
Net assets beginning of year	3,916,008	28,953	3,944,960	3,881,531
Transfer to (from) the unrestricted fund (Note 9)	(1,189,854)	1,189,854	-	-
Excess of revenue over expenses	-	(1,040,002)	63,429	63,429
Net assets, end of year (Note 9)	2,726,154	178,805	2,904,959	3,944,960

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, 2021

	2021	2020
Cash provided by the following activities		
Operating		
<i>Adjustment for:</i>		
(Deficit) excess of revenue over expenses	(1,040,002)	63,429
Amortization	913	1,140
Amortization of corrosion project equipment	-	68,087
Deferred contributions - corrosion project recognized	-	(68,087)
	(1,039,089)	64,569
Changes in working capital:		
Accounts receivable	155,862	38,161
Prepaid expenses and deposits	-	5,000
Accounts payable and accruals	182,657	26,185
Funding repayable	-	(128,284)
Deferred contributions	(275,970)	(458,604)
Goods and Services Tax receivable	(1,509)	(5,529)
	(978,049)	(458,502)
Net cash outflow from operating activities		
	(978,049)	(458,502)
Investing activities:		
Additions to capital assets	(1,484)	-
	(979,533)	(458,502)
Decrease in cash and cash equivalents	(979,533)	(458,502)
Cash and cash equivalents, beginning of year	4,255,465	4,713,967
Cash and cash equivalents, end of year	3,275,932	4,255,465

The accompanying notes are an integral part of these financial statements

International Minerals Innovation Institute
Notes to the Financial Statements
For the year ended December 31, 2021

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 %
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.

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 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.

Accounting policies in issue and effective

The Organization has applied the new standard ASNPO Section 4460 – Related party transactions which have been published and effective for accounting periods beginning on or after January 1, 2021 or later periods. There is no impact on the financial statements of the Organization.

International Minerals Innovation Institute

Notes to the Financial Statements

For the year ended December 31, 2021

3. Cash and cash equivalents

	2021	2020
Chequing account	200,341	190,375
Savings deposit – 0.2% (2020 – 0.2%)	2,864,998	3,854,917
Savings deposit – 0.2% (2020 – 0.2%)	210,593	210,173
	3,275,932	4,255,465

The Organization has internally restricted \$2,726,154 (2020 - \$3,916,008) 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

	2021	2020
Funding receivable	-	155,456
Other receivables	731	1,137
	731	156,593

5. Capital assets

	Cost	Accumulated Amortization	2021 Net Book Value	2020 Net Book Value
Furniture and fixtures	24,014	20,451	3,563	4,476
Computer equipment (<i>In Progress</i>)	1,484	-	1,484	-
	25,498	20,451	5,047	4,476

6. Deferred revenue

	2021	2020
Deferred Revenue	43,144	43,144
	43,144	43,144

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

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:

	2021	2020
Deferred contribution – memberships		
Balance, beginning of year	142,022	121,806
Membership fees received during the year	402,500	502,500
Less: Membership fees recognized as revenue in current year	(544,522)	(482,284)
Balance, end of year	-	142,022
Deferred contribution – grants and special projects		
Balance, beginning of year	142,714	621,534
Grants received during the year	256,000	256,000
Less: Grants and special projects funding recognized as revenue in current year	(398,714)	(734,819)
Balance, end of year	-	142,714

International Minerals Innovation Institute
Notes to the Financial Statements
For the year ended December 31, 2021

7. Deferred contributions <i>(Continued from previous page)</i>	2021	2020
Deferred contribution – pay to play projects		
Sponsorship contributions received during the year	140,044	219,778
Less: Sponsorships recognized as revenue in current year	(131,278)	(219,778)
Balance, end of year	-	-
Total Deferred contributions	8,766	284,736

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:

	2021	2020
Balance, beginning of year	-	460,347
Less: amounts recognized as sponsorship revenue during the year	-	(68,087)
		392,260
Less: amount recognized as sponsorship upon transfer of equipment	-	(392,260)
Balance, end of year	-	-

9. Restrictions on net assets

Internally restricted net assets

Windup reserve

The Organization's board of directors maintained its internal restriction to \$210,000 (2020 - \$210,000) 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 \$2,516,154 (2020 - \$3,706,008) 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 decreased its internally restricted net assets to \$2,516,154 (2020 - \$3,706,008) to fund the commitments. This resulted in a transfer of \$1,189,854 (2020 - \$140,957) to the unrestricted fund for commitments recognized in 2021.

These restricted amounts are not available for other purposes without approval of the board of directors and are funded by \$2,726,154 (2020 - \$3,916,008) 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.

International Minerals Innovation Institute

Notes to the Financial Statements

For the year ended December 31, 2021

10. Financial Instruments *(Continued from previous page)*

Credit concentration

As of December 31, 2021, zero (2020 - 3) customers accounted for 0% (2020 - 91%) of the accounts receivable which is \$ Nil (2020 - \$141,284). 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, 2021 (2020: \$ 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 not exposed to interest rate price risk on its cash and cash equivalents as they are at fixed interest rates.

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)** 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. Of the total commitment, \$30,000 was paid up to 2021 and the remaining \$54,000 is to be paid over 2022 to 2024.
- 2)** 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. Of the total commitment, \$47,597 was paid up to 2021 and the remaining \$102,403 is to be paid in 2022.
- 3)** 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. Of the total commitment, \$37,052 was paid up to 2021 and the remaining \$49,668 is to be paid in 2022.
- 4)** 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. Of the total commitment, \$52,893 was paid up to 2021 and the remaining \$97,107 is to be paid in 2022.

International Minerals Innovation Institute
Notes to the Financial Statements
For the year ended December 31, 2021

11. Commitments *(Continued from previous page)*

Education and Training ("E&T") Funding Commitments: (Continued from previous page)

- 5)** Innovative Digital Training Phase 2: the Organization committed to funding \$287,411 for the purpose of piloting a 10-week Information, Communication, and Technology (ICT) and digital skills training program specific to potash mining and potash supply chains. Of the total commitment, \$138,795 was paid up to 2021 and the remaining \$148,616 is to be paid in 2022.
- 6)** 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, \$200,000 was paid by the end of 2021 and the remaining \$250,000 is to be paid over 2022 to 2023.
- 7)** 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, \$36,000 was paid by the end of 2021 and the remaining \$24,000 is to be paid over 2022 to 2023.

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

- 1)** 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. Of the total commitment, \$77,100 was paid by the end of 2021 and the remaining \$75,000 is to be paid in 2022.
- 2)** Underground Dust Collection System: the Organization committed to funding \$159,840 for this research project which focuses on testing a dust collection system. Of the total commitment, \$134,840 was paid by the end of 2021 and the remaining \$25,000 is to be paid in 2022.
- 3)** 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. Of the total commitment, \$42,000 was paid to the end of 2021 and the remaining \$6,000 is to be paid in 2022.
- 4)** 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. Of the total commitment, \$34,667 was paid to the end of 2021 and the remaining \$85,333 is to be paid over 2022 and 2023.
- 5)** Roof Geology for Safety: the Organization committed to funding \$92,000 for this research project to improve their ability to locate and understand roof stability issues during mining of a portion of the Prairie Evaporite Formation in Saskatchewan. The total commitment of \$92,000 is to be funded through the Mitacs Memorandum of Understanding included in Special Projects Commitments below. The total commitment is to be paid over 2022 to 2023.
- 6)** Data Collection for Stress Monitoring: the Organization committed to funding \$35,625 for the purpose of to enhance instrumentation for the collection of data to on estimating stresses in underground mines. Of the total commitment, \$12,248 was paid to the end of 2021 and the remaining \$23,377 is to be paid in 2022.
- 7)** Innovation Challenge – Phase 2: the Organization committed to funding \$500,000 for the purpose of assisting the finalists from Phase 1 advance their potential solution for a chance to be chosen for field testing. Of the total commitment, \$244,750 was paid to the end of 2021 and the remaining \$255,250 will be paid in 2022.

International Minerals Innovation Institute
Notes to the Financial Statements
For the year ended December 31, 2021

11. Commitments (Continued from previous page)

Research and Development ("R&D") Funding Commitments: (Continued from previous page)

8) Industrial Concierge: the Organization committed to funding \$150,000 for this two-year pilot project for SIMSA to hire an Industrial Concierge to support digital innovation, carbon reduction, and ESG initiatives in the supply chain for IMII's minerals industry members. Of the total commitment, \$37,500 was paid to the end of 2021 and the remaining \$112,500 will be paid in 2022 and 2023.

9) DICE IT Solutions: the Organization committed to funding \$150,000 to purchase equipment for applied research focuses on innovative digital solutions. The total commitment is paid in 2022.

Contributions towards R&D project 5 was approved the Board of Directors on March 25, 2021. E&T project 5 and R&D projects 6, 8 and 9 were approved by the Board of Directors on June 17, 2021.

A summary of expenditures committed as of December 31, 2021 include:

	2022	2023	2024	Total
Total Education & Training Commitments	608,794	111,000	6,000	725,794
Total Research & Development Commitments	684,293	140,167	-	824,460
Total per year	1,293,087	251,167	6,000	1,550,254

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. \$496,100 has been committed to five projects to date with the remaining commitment of \$43,900 is to be paid over 2022 to 2023.

2) 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.

3) Innovation Summit – the Organization has reserved \$72,000 to host a summit in the fall of 2022. The total commitment is to be paid in 2022.

4) E&T and R&D Programs and Projects – the Organization has reserved \$600,000 for new projects being developed in education and training and research, development, and deployment. The total commitment is to be paid in 2022.

	2022	2023	2024	Total
Total Future Initiatives	915,900	50,000	-	965,900
Total per year	915,900	50,000	-	965,900

International Minerals Innovation Institute
Notes to the Financial Statements
For the year ended December 31, 2021

13. 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 2021, funding returned consisted of the following project:

- University of Saskatchewan: Mining Materials Research Cluster - Corrosion: Funding paid out during 2019 was not fully spent for the project and the unspent amount of \$1,531 (2020 - \$14,172) was refunded.

14. Lease Commitment

The Organization leases its office from Innovation Place under an operating lease that expires on January 31, 2024. Future lease payments next two years are as follows:

2022	\$37,200
2023	\$38,690
2024	\$3,237

15. Comparative information

Comparative information for salaries have been reclassified to conform with the current year presentation.