

**INTERNATIONAL MINERALS INNOVATION INSTITUTE**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2022**

## INDEPENDENT AUDITORS' REPORT



**VIRTUS  
GROUP**  
Chartered Professional Accountants  
& Business Advisors LLP

### To the Members, International Minerals Innovation Institute

#### *Opinion*

We have audited the financial statements of **International Minerals Innovation Institute**, which comprise the statement of financial position as at December 31, 2022, 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2022, and its financial performance and cash flows for the year then ended in 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. 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 Saskatchewan, 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, 2021, were audited by another auditor who expressed an unmodified opinion on those statements on March 24, 2022.

#### *Information Other than the Financial Statements and Auditors' Report Thereon*

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

#### *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.

## INDEPENDENT AUDITORS' REPORT continued

### *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 generally accepted auditing standards 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 generally accepted auditing standards, 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 significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

March 23, 2023  
Saskatoon, Saskatchewan

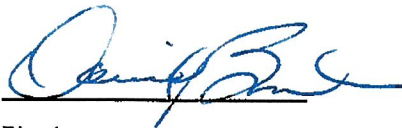
*Virtus Group LLP*  
Chartered Professional Accountants

**International Minerals Innovation Institute**  
**Statement of Financial Position**

*As at December 31, 2022*

|  | <b>2022</b>      | <b>2021</b>      |
|--|------------------|------------------|
| <b>Assets</b>                            |                  |                  |
| <b>Current</b>                           |                  |                  |
| Cash and cash equivalents (Note 3)       | 2,065,039        | 3,275,932        |
| Accounts receivable (Note 4)             | 5,652            | 731              |
| Goods and Services Tax receivable        | 2,421            | 9,711            |
|  | <b>2,073,112</b> | <b>3,286,374</b> |
| <b>Capital assets (Note 5)</b>           | <b>3,500</b>     | <b>5,047</b>     |
|  | <b>2,076,612</b> | <b>3,291,421</b> |
| <b>Liabilities</b>                       |                  |                  |
| <b>Current</b>                           |                  |                  |
| Accounts payable and accruals            | 214,603          | 334,552          |
| Deferred revenue (Note 6)                | -                | 43,144           |
| Deferred contributions (Note 7)          | 64,034           | 8,766            |
|  | <b>278,637</b>   | <b>386,462</b>   |
| <b>Commitments (Note 11), (Note 13)</b>  |                  |                  |
| <b>Net Assets</b>                        |                  |                  |
| Internally restricted (Note 3), (Note 8) | 1,586,248        | 2,726,154        |
| Unrestricted                             | 211,727          | 178,805          |
|  | <b>1,797,975</b> | <b>2,904,959</b> |
|  | <b>2,076,612</b> | <b>3,291,421</b> |

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, 2022*

|   | <b>2022</b>        | <b>2021</b>        |
|---|--------------------|--------------------|
| <b>Revenue</b>  |                    |                    |
| Grant revenue <i>(Note 7)</i>   | 256,000            | 398,714            |
| Memberships <i>(Note 7)</i>   | 402,500            | 544,522            |
| Sponsorship <i>(Note 7)</i>   | 59,732             | 131,278            |
|   | <b>718,232</b>     | <b>1,074,514</b>   |
| <b>Expenses</b>   |                    |                    |
| Advertising   | 14,260             | 10,863             |
| Amortization  | 1,546              | 913                |
| Bank charges and interest   | 609                | 682                |
| Contracted services   | 20,943             | 23,615             |
| Insurance   | 3,652              | 3,531              |
| Accounting fees   | 18,285             | 11,887             |
| Meetings and conferences  | 1,142              | -                  |
| Office supplies   | 14,861             | 8,010              |
| Rent  | 37,034             | 38,755             |
| Salaries and benefits   | 147,969            | 138,267            |
| Telephone   | 3,056              | 3,026              |
| Travel  | 8,282              | 2,374              |
| Website development & IT support  | 3,550              | 2,248              |
|   | <b>275,190</b>     | <b>244,171</b>     |
| <b>Program Expenses</b>   |                    |                    |
| Education and Training Programs   | 66,874             | 52,762             |
| Research and Development Programs                                       | 117,611            | 76,854             |
|   | <b>184,485</b>     | <b>129,616</b>     |
| <b>Education and Training Expenses</b>                                  |                    |                    |
| Expenses  | 696,579            | 714,093            |
| Return of Education and Training Funding <i>(Note 13)</i>               | (1,245)            | -                  |
|   | <b>695,334</b>     | <b>714,093</b>     |
| <b>Research and Development Expenses</b>                                |                    |                    |
| Expenses  | 693,302            | 1,015,183          |
| Return of Research and Development Funding                              | -                  | (1,531)            |
|   | <b>693,302</b>     | <b>1,013,652</b>   |
| <b>Special Project Expenses</b>   |                    |                    |
|   | -                  | 23,230             |
|   | <b>1,848,311</b>   | <b>2,124,762</b>   |
| <b>(Deficit) Excess of revenue over expenses before interest income</b> | <b>(1,130,079)</b> | <b>(1,050,248)</b> |
| <b>Interest income</b>  | <b>23,095</b>      | <b>10,246</b>      |
| <b>(Deficit) Excess of revenue over expenses</b>                        | <b>(1,106,984)</b> | <b>(1,040,002)</b> |

*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, 2022*

|  | <i>Internally<br/>restricted</i> | <i>Unrestricted</i> | <b>2022</b>        | <i>2021</i> |
|--|----------------------------------|---------------------|--------------------|-------------|
| <b>Net assets, beginning of year</b>                     | <b>2,726,154</b>                 | <b>178,805</b>      | <b>2,904,959</b>   | 3,944,961   |
| <b>Transfer to (from) the unrestricted fund (Note 8)</b> | <b>(1,139,906)</b>               | <b>1,139,906</b>    | -                  | -           |
| <b>(Deficit) Excess of revenue over expenses</b>         | -                                | <b>(1,106,984)</b>  | <b>(1,106,984)</b> | (1040,002)  |
| <b>Net assets, end of year (Note 8)</b>                  | <b>1,586,248</b>                 | <b>211,727</b>      | <b>1,797,975</b>   | 2,904,959   |

*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, 2022

|   | 2022        | 2021        |
|---|-------------|-------------|
| <b>Cash provided by the following activities</b>    |             |             |
| <b>Operating</b>                                    |             |             |
| <i>Adjustment for:</i>                              |             |             |
| (Deficit) excess of revenue over expenses           | (1,106,984) | (1,040,002) |
| Amortization  | 1,546       | 913         |
|   | (1,105,438) | (1,039,089) |
| <b>Changes in working capital:</b>                  |             |             |
| Accounts receivable                                 | (4,921)     | 155,862     |
| Prepaid expenses and deposits                       | -           | -           |
| Accounts payable and accruals                       | (119,948)   | 182,657     |
| Funding repayable                                   | (43,144)    | -           |
| Deferred contributions                              | 55,268      | (275,970)   |
| Goods and Services Tax receivable                   | 7,290       | (1,509)     |
| <b>Net cash outflow from operating activities</b>   | (1,210,893) | (978,049)   |
| <b>Investing activities:</b>                        |             |             |
| Additions to capital assets                         | -           | (1,484)     |
| <b>Decrease in cash and cash equivalents</b>        | (1,210,893) | (979,533)   |
| <b>Cash and cash equivalents, beginning of year</b> | 3,275,932   | 4,255,465   |
| <b>Cash and cash equivalents, end of year</b>       | 2,065,039   | 3,275,932   |

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, 2022

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**1. Incorporation and nature of the organization**

International Minerals Innovation Institute (the "Organization") was incorporated under the authority of the Non-Profit Corporations 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.

|                        | <b>Method</b>     | <b>Rate</b> |
|------------------------|-------------------|-------------|
| 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 of operations. Write-downs will not be reversed.

***Salaries and benefits allocation***

The Organization incurs salaries and benefits expenses that are shared between operations, research and development programs and projects, and education and training programs and projects. For the purposes of these financial statements, the Organization allocates these costs to the reporting areas based on the estimated time incurred in undertaking the activities involved in each area.



**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 at 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.

# International Minerals Innovation Institute

## Notes to the Financial Statements

For the year ended December 31, 2022

### 3. Cash and cash equivalents

|                                       | 2022      | 2021      |
|---------------------------------------|-----------|-----------|
| Chequing account                      | 119,712   | 200,341   |
| Savings deposit – 0.2% (2021 – 0.02%) | 1,733,522 | 2,864,998 |
| Savings deposit – 0.2% (2021 – 0.02%) | 211,805   | 210,593   |
|                                       | 2,065,039 | 3,275,932 |

The Organization has internally restricted \$1,586,248 (2021 - \$2,726,154) of savings deposits held for the purposes of funding the internally restricted net assets and future project commitments as described in Note 8, Note 11 and Note 12.

### 4. Accounts receivable

|                    | 2022  | 2021 |
|--------------------|-------|------|
| Funding receivable | -     | -    |
| Other receivables  | 5,652 | 731  |
|                    | 5,652 | 731  |

### 5. Capital assets

|                        | Cost   | Accumulated<br>Amortization | 2022 Net Book<br>Value | 2021 Net Book<br>Value |
|------------------------|--------|-----------------------------|------------------------|------------------------|
| Furniture and fixtures | 24,013 | 21,181                      | 2,832                  | 3,563                  |
| Computer equipment     | 1,484  | 816                         | 668                    | 1,484                  |
|                        | 25,497 | 21,997                      | 3,500                  | 5,047                  |

### 6. Deferred revenue

|                  | 2022 | 2021   |
|------------------|------|--------|
| 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.

### 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:

|   | 2022 | 2021      |
|---|------|-----------|
| <b>Deferred contribution – memberships</b>                                      |      |           |
| Balance, beginning of year  | -    | 142,022   |
| Membership fees received during the year  | -    | 402,500   |
| Less: Membership fees recognized as revenue in current year                     | -    | (544,522) |
| Balance, end of year  | -    | -         |
| <br>  |      |           |
| <b>Deferred contribution – grants and special projects</b>                      |      |           |
| Balance, beginning of year  | -    | 142,714   |
| Grants received during the year   | -    | 256,000   |
| Less: Grants and special projects funding recognized as revenue in current year | -    | (398,714) |
| Balance, end of year  | -    | -         |

# International Minerals Innovation Institute

## Notes to the Financial Statements

For the year ended December 31, 2022

**7. Deferred contributions** *(continued from previous page)*

|  | 2022            | 2021             |
|--|-----------------|------------------|
| <b>Deferred contribution – pay to play projects</b>      |                 |                  |
| Sponsorship contributions received during the year       | 123,766         | 140,044          |
| Less: Sponsorships recognized as revenue in current year | <u>(59,732)</u> | <u>(131,278)</u> |
| Balance, end of year                                     | <b>64,034</b>   | 8,766            |
| <br>   |                 |                  |
| <b>Total Deferred contributions</b>                      | <b>64,034</b>   | 8,766            |

**8. Restrictions on net assets**

***Internally restricted net assets***

*Windup reserve*

The Organization's board of directors maintained its internal restriction to \$210,000 (2021 - \$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 \$1,376,248 (2021 - \$2,516,154) to fund future project commitments as outlined in Notes 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 \$1,376,248 (2021 - \$2,516,154) to fund the commitments. This resulted in a transfer of \$1,139,906 (2021 - \$1,189,854) to the unrestricted fund for commitments recognized in 2022.

These restricted amounts are not available for other purposes without approval of the board of directors and are funded by \$1,586,248 (2021 - \$2,726,154) of cash and cash equivalents as outlined in Note 3.

**9. 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, 2022, zero (2021 - 0) customers accounted for 0% (2021 - 0%) of the accounts receivable which is \$ Nil (2021 - \$Nil). 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, 2022 (2021 - \$Nil). The Organization has a concentration of risk because substantially all of its member fees are from organizations 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.

# International Minerals Innovation Institute

## Notes to the Financial Statements

For the year ended December 31, 2022

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### 10. 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, \$48,000 was paid up to 2022 and the remaining \$36,000 is to be paid over 2023 to 2024.
- 2) 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, \$73,873 was paid up to 2022 and the remaining \$12,847 is to be paid in 2023.
- 3) STEM+ - Building STEM Career Capacity for Undergraduate Indigenous Students: the Organization committed to funding \$235,000 for the purpose of supporting the success of Indigenous students in STEM degree pathways with innovative, academically integrated programming. Of the total commitment, \$61,533 was paid up to 2022 and the remaining \$173,467 is to be paid in over 2023 to 2024.
- 4) 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, \$400,000 was paid by the end of 2022 and the remaining \$50,000 is to be paid in 2023.
- 5) 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, \$48,000 was paid by the end of 2022 and the remaining \$12,000 is to be paid in 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 systems. 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, \$144,600 was paid by the end of 2022 and the remaining \$7,500 is to be paid in 2023.
  - 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 2022 and the remaining \$25,000 is to be paid in 2023.
  - 3) 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, \$78,667 was paid to the end of 2022 and the remaining \$41,333 is to be paid in 2023.
  - 4) SafeBox Lockout System: the Organization committed to funding \$220,000 for the purpose of validating the SafeBox system user experience in a minerals environment in Saskatchewan. Of the total commitment, \$97,500 was paid to the end of 2022 and the remaining \$122,500 is to be paid in 2023.
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# International Minerals Innovation Institute

## Notes to the Financial Statements

For the year ended December 31, 2022

### 10. Commitments *(continued from previous page)*

- 5) 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, \$112,500 was paid to the end of 2022 and the remaining \$37,500 will be paid in 2023.
- 6) DICE IT Solutions: the Organization committed to funding \$150,000 to purchase equipment for applied research which focuses on innovative digital solutions. Of the total commitment, \$75,000 was paid to the end of 2022 and the remaining \$75,000 will be paid in 2023.
- 7) CCUS Minerals Hub: the Organization committed to funding \$50,000 for the purpose of preparing a preliminary assessment of storage, transportation and policy considerations. The total commitment of \$50,000 will be paid in 2023.
- 8) Controls on roof failure during potash mining in southern Saskatchewan: An investigation of the Shadowband Clay: the Organization committed to funding \$105,000 for the purpose of developing a better geological understanding of the salt beam feature to provide a basis for understanding the rock-mechanics behavior of the near salt-back. The total commitment of \$105,000 will be paid over 2023 to 2025.

Contributions towards R&D project 4 was approved by the Board of Directors on March 24, 2023. R&D project 7 was approved by the Board of Directors on June 23, 2022.

A summary of expenditures committed as of December 31, 2022 include:

|  | 2023           | 2024           | 2025          | Total          |
|--|----------------|----------------|---------------|----------------|
| Total Education & Training Commitments   | 218,789        | 65,525         | -             | 284,314        |
| Total Research & Development Commitments | 393,834        | 35,000         | 35,000        | 463,834        |
| <b>Total per year</b>                    | <b>577,622</b> | <b>100,525</b> | <b>35,000</b> | <b>748,147</b> |

### 11. 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. \$449,100 has been committed to five projects to date with the remaining commitment of \$90,900 is to be paid in 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 2023 to 2024.
- 3) E&T and R&D Programs and Projects – the Organization has reserved \$225,000 for new projects being developed in education and training and research, development, and deployment. The total commitment is to be paid in 2023.

**International Minerals Innovation Institute**  
**Notes to the Financial Statements**  
For the year ended December 31, 2022

**11. Reserves** (Continued from previous page)

*Future Initiatives: (Continued from previous page)*

|                          | 2023    | 2024    | 2025 | Total   |
|--------------------------|---------|---------|------|---------|
| Total Future Initiatives | 478,100 | 150,000 | -    | 628,100 |
| Total per year           | 478,100 | 150,000 | -    | 628,100 |

**12. 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 2022, funding returned consisted of the following project:

- University of Saskatchewan: Mining Engineering Options: Funding paid out during 2017 was not fully spent for the project and the unspent amount of \$1,245 was refunded.

**13. 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:

|      |          |
|------|----------|
| 2023 | \$38,690 |
| 2024 | \$3,237  |

**14. Salaries and benefits allocations**

Salaries and benefits have been allocated as follows:

|                                   | 2022             | 2021      |
|-----------------------------------|------------------|-----------|
| Operations Expenses               | <b>\$145,947</b> | \$134,182 |
| Program Expenses                  | <b>\$121,014</b> | \$108,307 |
| Education and Training Expenses   | <b>\$13,820</b>  | \$17,451  |
| Research and Development Expenses | <b>\$21,281</b>  | \$35,005  |

**15. Comparative figures**

The prior year comparative figures were audited by another firm of public accountants, who issued an unqualified report dated March 24, 2022.