CANADA MINING INNOVATION COUNCIL

NON-CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2024

TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT

To: The Members of Canada Mining Innovation Council

Opinion
We have audited the non-consolidated financial statements of **Canada Mining Innovation Council**, which comprise the non-consolidated statement of financial position as at **December 31, 2024**, and the non-consolidated statements of operations, changes in net assets and cash flows for the year then ended, and notes to the non-consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the non-consolidated financial position of the Organization as at **December 31, 2024**, and the non-consolidated results of its operations and its non-consolidated cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO").

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 Non-Consolidated 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 non-consolidated 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 Non-Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of the non-consolidated financial statements in accordance with ASNPO, and for such internal control as management determines is necessary to enable the preparation of non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated 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 Non-Consolidated Financial Statements
Our objectives are to obtain reasonable assurance about whether the non-consolidated 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 non-consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT, continued

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 non-consolidated 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 non-consolidated financial statements, including the disclosures, and whether the non-consolidated 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.

Andrews & Co.

Ottawa, Ontario
May 28, 2025

CHARTERED PROFESSIONAL ACCOUNTANTS
PROFESSIONAL CORPORATION

AUTHORIZED TO PRACTISE PUBLIC ACCOUNTING BY THE CHARTERED PROFESSIONAL ACCOUNTANTS OF ONTARIO

Andrews & Co.
Chartered Professional Accountants • Professional Corporation

CANADA MINING INNOVATION COUNCIL
NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2024

	2024	2023
ASSETS		
CURRENT		
Cash	**$ 4,491,523**	$ 6,427,923
Accounts receivable	**210,420**	816,568
Prepaid expenses	**-**	8,775
Sales tax receivable	**27,393**	-
	4,729,336	7,253,266
INVESTMENT	**100**	100
PROPERTY, PLANT AND EQUIPMENT - Note 4	**1,678,349**	2,285,635
	$ 6,407,785	$ 9,539,001
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	**$ 477,394**	$ 817,886
Sales tax payable	**-**	38,890
	477,394	856,776
DEFERRED REVENUE - Note 5	**5,030,662**	7,619,086
	5,508,056	8,475,862
NET ASSETS	**899,729**	1,063,139
	$ 6,407,785	$ 9,539,001

The accompanying notes are an integral part of these non-consolidated financial statements

Approved on behalf of the board

Chair of the Board Luke Mahony

Chair of the Finance Committee Tina Coetzer

CANADA MINING INNOVATION COUNCIL
NON-CONSOLIDATED STATEMENT OF OPERATIONS
Year ended December 31, 2024

	2024	2023
REVENUE		
Government grants	$ 16,170	$ -
Memberships	1,003,000	1,065,237
Project support and initiatives	5,167,647	5,685,462
	6,186,817	6,750,699
DIRECT PROJECT COSTS		
Consulting fees - Note 6	4,150,938	4,373,972
Independent contractors	350,401	455,148
Salaries	-	8,400
Supplies	78,923	104,103
Travel	9,927	16,171
	4,590,189	4,957,794
REVENUE LESS DIRECT PROJECT COSTS	1,596,628	1,792,905
EXPENDITURES		
Advertising and promotion	179,050	144,419
Amortization	437,206	570,326
Bad debts - Note 3	284,138	536,346
Board expenditures	361	1,248
Business development	107,074	23,108
Insurance	11,964	10,608
Interest and bank charges	7,845	6,005
Office and general	14,198	14,411
Professional fees	320,446	267,958
Rent	6,818	9,950
Salaries and related benefits	358,729	274,919
Travel	38,723	90,268
	1,766,552	1,949,566
DEFICIENCY OF REVENUE OVER EXPENDITURES FROM OPERATIONS	(169,924)	(156,661)
OTHER INCOME (EXPENSES)		
Gain (loss) on foreign exchange	1,749	(19,949)
Interest income	93,593	46,552
Loss on sale of property, plant and equipment	(88,828)	-
	6,514	26,603
DEFICIENCY OF REVENUE OVER EXPENDITURES	$ (163,410)	$ (130,058)

The accompanying notes are an integral part of these non-consolidated financial statements

CANADA MINING INNOVATION COUNCIL
NON-CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS
Year ended December 31, 2024

	2024	2023
NET ASSETS, BEGINNING OF YEAR	**$ 1,063,139**	$ 1,193,197
DEFICIENCY OF REVENUE OVER EXPENDITURES	**(163,410)**	(130,058)
NET ASSETS, END OF YEAR	**$ 899,729**	$ 1,063,139

The accompanying notes are an integral part of these non-consolidated financial statements

CANADA MINING INNOVATION COUNCIL
NON-CONSOLIDATED STATEMENT OF CASH FLOWS
Year ended December 31, 2024

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Deficiency of revenue over expenditures	**$ (163,410)**	$ (130,058)
Items not affecting cash		
Amortization	**437,206**	570,326
Loss on sale of property, plant and equipment	**88,828**	-
Allowance for related party receivables	**284,138**	536,346
	646,762	976,614
Change in non-cash working capital items		
Decrease in accounts receivable	**606,148**	796,923
Decrease (increase) in prepaid expenses	**8,775**	(2,264)
(Increase) decrease in sales tax receivable	**(27,393)**	74,847
Decrease in accounts payable and accrued liabilities	**(340,492)**	(133,096)
(Decrease) increase in sales tax payable	**(38,890)**	38,890
	854,910	1,751,914
CASH FLOWS FROM INVESTING ACTIVITIES		
Advances to related parties	**(284,138)**	(364,318)
Purchase of property, plant and equipment	**(3,748)**	(8,662)
Proceeds on disposal of property, plant and equipment	**85,000**	-
	(202,886)	(372,980)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of Canada Emergency Business Account loan	**-**	(30,000)
Deferred revenue	**(2,588,424)**	1,520,564
	(2,588,424)	1,490,564
(DECREASE) INCREASE IN CASH	**(1,936,400)**	2,869,498
CASH, BEGINNING OF YEAR	**6,427,923**	3,558,425
CASH, END OF YEAR	**$ 4,491,523**	$ 6,427,923

The accompanying notes are an integral part of these non-consolidated financial statements

CANADA MINING INNOVATION COUNCIL
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
Year ended December 31, 2024

1. **NATURE OF OPERATIONS**

Canada Mining Innovation Council (the "Organization") is a Canadian not-for-profit organization and is governed by the Canada Not-for-profit Corporations Act. Its mission is to enhance the competitiveness of the Canadian mining industry through excellence in research, innovation, education and commercialisation.

The Organization is not subject to income taxes under subsection 149(1)(l) of the Canada Income Tax Act.

2. **SIGNIFICANT ACCOUNTING POLICIES**

These non-consolidated financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO"). The significant accounting policies are detailed as follows:

(a) **Non-consolidation**
The Organization owns 100% of the share capital of ReThinkMining Ventures Inc. which is recorded in these non-consolidated financial statements at a cost of $100.

(b) **Revenue recognition**
Contribution revenue from grants and project support is recognized using the deferral method of accounting for contributions. Restricted contributions related to expenses of future years are deferred and recognized as revenue in the year in which the related expenses are incurred. Expenses incurred ahead of the contributions to be received on these projects are included in work in process. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received is reasonably estimable and collection is reasonably assured.

Membership revenue is recorded on an accrual basis and recognized over the period to which it relates.

Interest income is recognized on an accrual basis.

(c) **Cash**
Cash represents cash on hand and cash in the bank.

(d) **Property, plant and equipment**
Property, plant and equipment are recorded at cost. Amortization of property, plant and equipment are based on their useful lives using the declining balance method and following rates:

Equipment	20%
Furniture and fixtures	20%
Funded equipment	20%

One-half the normal rate of amortization is recorded in the year of acquisition.

2. **SIGNIFICANT ACCOUNTING POLICIES, continued**

(e) **Deferred revenue**

Deferred revenue restricted to specific projects consists of project contributions received relating to expenditures to be incurred in a future period.

Deferred revenue associated with equipment is for funding received or receivable to purchase and/or develop property, plant and equipment. This funding will be recognized as revenue over the amortization period of the related assets.

(f) **Allocated expenses**

The Organization allocates certain of its general support expenses by identifying the appropriate basis of allocating each component of expense, and applies that basis consistently each year. An element of salaries and related benefits may be allocated to direct project costs based on an estimate of management time spent on specific projects. Administrative expenses are allocated to direct project costs at a rate of 23% of independent contractor costs.

(g) **Accounting estimates**

The preparation of non-consolidated financial statements in accordance with ASNPO requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the non-consolidated financial statements, and the reported amount of revenues and expenses during the reported period. The Organization's significant estimates include allowance for doubtful accounts, useful lives of property, plant and equipment, deferred revenue and certain accrued liabilities. These estimates are reviewed periodically and any changes are reported in the statement of operations in the period in which they become known. Actual results could differ from these estimates.

(h) **Financial instruments**

(i) **Measurement of financial instruments**

The Organization initially measures its financial assets and liabilities at fair value. The Organization subsequently measures all its financial assets and financial liabilities at cost or amortized cost.

(ii) **Impairment**

For financial assets measured at cost or amortized cost, the Organization determines whether there are indications of possible impairment. When there is an indication of impairment and the Organization determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in deficiency of revenue over expenditures. A previously recognized impairment loss may be reversed to the extent of any subsequent improvement. The carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in deficiency of revenue over expenditures.

2. SIGNIFICANT ACCOUNTING POLICIES, continued

(h) **Financial instruments, continued**

(iii) **Transaction costs**

Transaction costs related to financial instruments that will be subsequently measured at fair value are recognized in deficiency of revenue over expenditures in the period incurred. Transaction costs related to financial instruments subsequently measured at amortized cost are included in the original cost of the asset or liability and recognized in deficiency of revenue over expenditures over the life of the instrument using the straight-line method.

3. DUE TO RELATED PARTIES

(a) During the year, the Organization entered into transactions with the following related parties:

ReThinkMining Ventures Inc., a wholly owned subsidiary of the Organization.
ReThink Milling Inc., a company related through common management.

(b) These transactions all occur in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

(c) Due from related parties

	2024	2023
ReThinkMining Ventures Inc.	**$ 630,759**	$ 343,011
ReThink Milling Inc.	**189,725**	193,335
Less: Allowance for doubtful intercompany receivables	**(820,484)**	(536,346)
Total	**$ -**	$ -

4. PROPERTY, PLANT AND EQUIPMENT

	2024			2023
	Cost	**Accumulated amortization**	**Net**	Net
Equipment	**$ 3,024**	**$ 1,282**	**$ 1,742**	$ 2,178
Furniture and fixtures	**3,749**	**375**	**3,374**	-
Funded equipment	**2,757,624**	**1,084,391**	**1,673,233**	2,283,457
Total property, plant and equipment	**$ 2,764,397**	**$ 1,086,048**	**$ 1,678,349**	$ 2,285,635

5. DEFERRED REVENUE

	2024	2023
Restricted to specific projects	**$ 3,357,429**	$ 5,335,629
Equipment	**1,673,233**	2,283,457
Total	**$ 5,030,662**	$ 7,619,086

6. CONSULTING FEES

Included within consulting fees are costs associated with engineering and testing services.

7. FINANCIAL INSTRUMENTS

There is no significant change in the risk profile for the financial instruments of the Organization compared to the prior year.

The Organization's main financial risk exposures and its financial risk management policies are as follows:

(a) Liquidity risk
Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to liquidity risk in the accounts payable and accrued liabilities. Management consider that sufficient liquidity is maintained by regular monitoring of cash flow requirements to ensure that it has the necessary funds to meet its obligations. As a result, in the opinion of management, the liquidity risk exposure to the Organization is low.

(b) Credit risk
Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge its obligations. The Organization is exposed to credit risk associated with its holdings of cash with a financial institution, its accounts receivable and amounts due from related parties. To mitigate this risk, the Organization places its cash with Canadian chartered banks and as a result, management considers the credit risk to be low. The Organization manages its accounts receivable by having set credit policies and by its review and follow up of aged receivables. Management believes that all accounts receivable at the year-end will be collected and has not deemed it necessary to establish an allowance for doubtful accounts. At December 31, 2024, receivables from 3 (2023 - 3) customers comprised approximately 92% (2023 - 89%) of the total outstanding receivables. The Organization assesses the recoverability of the amounts due from related parties with an allowance for doubtful amounts being recorded where uncertainty exists. At December 31, 2024, an allowance of $820,484 (2023 - $536,346) was recorded, being the full amount of the related party receivables.

8. COMPARATIVE FIGURES

The non-consolidated financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.