



Condensed Interim Financial Statements  
(Unaudited)

**March 31, 2020 and December 31,  
2019**

**To the Shareholders of  
Titanium Corporation Inc.**

The condensed interim financial statements of Titanium Corporation Inc. (the “Company”) as at and for the three-month period ended March 31, 2020 have been compiled by management.

No audit or review of this information has been performed by the Company’s auditors.

**Titanium Corporation Inc.**  
**Statement of Financial Position - Unaudited**

---

(expressed in Canadian dollars)

	<b>March 31, 2020</b>	<b>December 31, 2019</b>
	<b>\$</b>	<b>\$</b>
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	2,142,641	3,055,270
Short term investments	2,019,935	2,011,458
Goods and services tax receivable	12,627	7,947
Prepaid expenses	67,364	24,096
	<u>4,248,207</u>	<u>5,098,771</u>
<b>Equipment</b>	<u>5,640</u>	<u>6,009</u>
<b>Total assets</b>	<u>4,248,207</u>	<u>5,104,780</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade payables and other accrued liabilities	216,113	442,634
Deferred compensation (note 5)	410,529	344,903
<b>Total liabilities</b>	<u>626,642</u>	<u>787,537</u>
<b>Shareholders' Equity</b>		
<b>Share capital</b> (note 6)	75,686,611	75,686,611
<b>Contributed surplus</b>	18,955,316	18,742,991
<b>Deficit</b>	<u>(91,020,362)</u>	<u>(90,112,359)</u>
<b>Total shareholders' equity (deficit)</b>	<u>3,621,565</u>	<u>4,317,243</u>
<b>Total liabilities and shareholders' equity</b>	<u>4,248,207</u>	<u>5,104,780</u>

The accompanying notes are an integral part of these financial statements.

# Titanium Corporation Inc.

## Statements of (Loss) Income and Comprehensive (Loss) Income - Unaudited

For the three month periods ended March 31, 2020 and 2019

---

(expressed in Canadian dollars)

	Three-month period ended	
	March 31, 2020	March 31, 2019
	\$	\$
<b>Expenses and losses</b>		
General and administrative (note 9)	530,321	555,091
Research and development expense (recovery) (note 4 and 9)	395,251	(977,826)
Amortization	369	546
	925,941	(422,189)
<b>Other income</b>		
Interest	(17,937)	(3,406)
<b>Net (loss) income and comprehensive (loss) income</b>	<u>(908,003)</u>	<u>425,595</u>
<b>Basic and diluted (loss) income per share</b> (note 7)	<u>(\$0.010)</u>	<u>\$0.005</u>

The accompanying notes are an integral part of these financial statements.

# Titanium Corporation Inc.

## Statements of Changes in Shareholders' Equity (Deficit) - Unaudited

For the three month periods ended March 31, 2020 and 2019

(expressed in Canadian dollars)

	Share capital \$	Contributed surplus \$	Deficit \$	Shareholders' equity \$
<b>Balance – January 1, 2020</b>	75,686,611	18,742,991	(90,112,359)	4,317,243
Comprehensive (loss) for the period	-	-	(908,003)	(908,003)
Equity-based compensation	-	131,201	-	131,201
Deferred Compensation settled with DSUs	-	81,124	-	81,124
<b>Balance – March 31, 2020</b>	<b>75,686,611</b>	<b>18,955,316</b>	<b>(91,020,362)</b>	<b>3,621,565</b>
	Share capital \$	Contributed surplus \$	Deficit \$	Shareholders' equity \$
<b>Balance – January 1, 2019</b>	71,998,590	17,332,100	(90,115,609)	(784,919)
Comprehensive income for the period	-	-	425,595	425,595
Equity-based compensation	-	155,329	-	155,329
Deferred Compensation settled with RSUs/DSUs	-	250,214	-	250,213
<b>Balance – March 31, 2019</b>	<b>71,998,590</b>	<b>17,737,643</b>	<b>(89,690,014)</b>	<b>46,218</b>

The accompanying notes are an integral part of these financial statements.

# Titanium Corporation Inc.

## Statements of Cash Flows - Unaudited

For the three month periods ended March 31, 2020 and 2019

---

(expressed in Canadian dollars)

	<u>Three-month period ended</u>	
	<u>March 31, 2020</u>	<u>March 31, 2019</u>
	<u>\$</u>	<u>\$</u>
<b>Cash (used in) provided by</b>		
<b>Operating activities</b>		
Net (loss) income for the period	(908,003)	425,595
Items not affecting cash		
Amortization	369	546
Accrued interest income	(8,477)	-
Equity-based compensation	131,201	155,329
	<u>(784,910)</u>	<u>581,471</u>
Net change in non-cash working capital items		
Deferred compensation expense (note 5)	146,750	165,279
Goods and services tax receivable	(4,680)	82,953
Prepaid expenses	(43,268)	(44,367)
Trade payables and other accrued liabilities	(226,521)	(1,311,696)
	<u>(912,629)</u>	<u>(526,360)</u>
<b>Investing activities</b>	-	-
<b>Financing activities</b>	-	-
<b>(Decrease) in cash and cash equivalents</b>	(912,629)	(526,360)
<b>Cash and cash equivalents – beginning of period</b>	<u>3,055,270</u>	<u>841,357</u>
<b>Cash and cash equivalents – end of period</b>	<u>2,142,641</u>	<u>314,997</u>

The accompanying notes are an integral part of these financial statements.

# Titanium Corporation Inc.

## Notes to Condensed Interim Financial Statements

For the three month periods ended March 31, 2020 and 2019

---

### 1 Reporting entity and recoverability

Titanium Corporation Inc. (the “Company” or “Titanium”) is a public company domiciled in and governed by the laws of Canada. Titanium was formed upon the amalgamation of Titanium Corporation of Canada Limited and NAR Resources Ltd. under the *Business Corporations Act* (Ontario) on July 24, 2001. On March 19, 2009, the Company was continued under the *Canada Business Corporations Act*. The Company does not have any subsidiaries.

The Company’s principal business office is 736 8th Avenue, SW, Calgary, Alberta, T2P 1H4 and the Company’s registered office is located at Suite 2400, 525 8th Avenue, SW, Calgary, Alberta, T2P 1G1. The Company’s common shares are listed on the TSX Venture Exchange under the ticker symbol “TIC”.

Titanium’s mission is “Creating Value from Waste™” (“CVW™”). The Company has developed innovative CVW™ technologies to recover valuable heavy minerals, bitumen, solvent and water from oil sands waste tailings. The recovery of bitumen, associated solvents and water from froth treatment tailings streams enables important and timely environmental improvements for the oil sands industry. The Company has completed demonstration piloting which culminated several years of progressive research and development (“R&D”) of its proprietary technology and is working towards the first commercial implementation of the CVW™ technology at an oil sands site.

The financial statements are prepared using International Financial Reporting Standards (“IFRS”) that are applicable to a going concern which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. The Company is considered to be a development stage enterprise as it has yet to earn any revenues from its planned operations. The Company is devoting substantially all of its efforts toward commercializing its proprietary technology. The recoverability of amounts expended on R&D is dependent on the ability of the Company to complete pre-commercialization activities, commercialization at oil sands sites, and achieve future profitable operations. Until commercial operations are established, the Company will continue to incur losses and is dependent on raising funds through the issuance of shares, loans, government grants and/or attracting partners in order to undertake further development and commercialization of its technology. While the Company has been successful in obtaining the necessary financing to develop the business to this point, there are no assurances that the Company will be successful in these endeavours in the future.

### 2 Basis of presentation

These financial statements of the Company have been approved by the Board of Directors on May 28, 2020. The financial statements are presented in Canadian dollars, which is the Company’s functional currency and follow the same accounting policies and methods of application as the most recent annual audited financial statements.

The condensed interim financial statements of the Company have been prepared in accordance with IFRS as issued by the International Accounting Standards Board and IFRIC interpretations. These financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the Company’s audited financial statements for the year ended December 31, 2019. The financial statements have been prepared under the historical cost convention except as detailed in the Company’s accounting policies disclosed in note 3 in the annual financial statements.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company’s

# Titanium Corporation Inc.

## Notes to Condensed Interim Financial Statements

For the three month periods ended March 31, 2020 and 2019

---

accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

### 3 Significant accounting policies

These condensed interim financial statements have been prepared following the same accounting policies and methods of computation as described in note 3 of the most recent audited financial statements for the year ended December 31, 2019.

#### Critical accounting estimates and judgements

The preparation of financial statements in accordance with IFRS requires management to make critical accounting estimates and judgements that affect the amounts reported in the financial statements and accompanying notes. These estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events, that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the actual results. Management considers the following areas to be those where critical accounting policies affect the significant estimates and judgements used in the preparation of the Company's financial statements.

a) Government Assistance

- i) The recovery of government grants and partner project contributions requires judgement to determine when reasonable assurance exists that the Company has complied with conditions contained in the applicable contribution agreements.
- ii) The research tax credits are not certain until received; as such judgement is applied to determine when receipt is delivered prior to recording the credit.

b) Recognition of intangible assets

Determining the commencement of capitalization of development costs requires judgement to determine when conditions exist to capitalize costs related to the development of intangible assets.

c) Fair value of stock options

Determining the fair value of stock-based compensation requires judgement related to the choice of a pricing model, the estimation of stock price volatility, the expected term of the underlying instruments and the estimation of the risk-free interest rate.

d) Fair value of warrants

Determining the fair value of warrants requires judgement related to the choice of a pricing model, the estimation of stock price volatility, the expected term of the underlying instruments and the estimation of the risk-free interest rate.

# Titanium Corporation Inc.

## Notes to Condensed Interim Financial Statements

For the three month periods ended March 31, 2020 and 2019

---

### 4 Government Assistance

#### Government Grants and Project Cost Recovery

On October 19, 2017, the Company entered into a contribution agreement with Emissions Reduction Alberta (“ERA”) to fund a portion of the cost of the Front End Engineering and Design (“FEED”) project for the implementation of Titanium's CVW™ technology at Canadian Natural Resources Limited’s (“Canadian Natural”) Horizon site. The contribution agreement provided for funding up to the lesser of \$5.0 million or 50% of the cost of the FEED project. In addition, the Company had an agreement with Canadian Natural to fund up to \$3.7 million of the project costs. The Company was the lead proponent and overall project manager, responsible for contracting with engineering and other firms required for the project, managing and funding these contracts, project controls, reporting progress against agreed milestones and collecting partner funding contributions upon milestone achievement from ERA and Canadian Natural. Eligible costs related to the project were recognized as R&D expenses when incurred and recovery of project costs were recognized with the collection of ERA and Canadian Natural contributions. During 2019, the Company received a total of \$3,475,800 of cash contributions towards project costs consisting of milestones 4 and 5 and ERA’s 20% holdback payment. The FEED project was formally completed in May 2019. Overall project costs were \$9,927,070 of eligible and in-kind contributions with ERA contributing \$4,961,706, Canadian Natural \$3,539,369 and Titanium \$1,425,995.

### 5 Deferred Compensation

The Company has arrangements with its directors and officers to receive all or part of their cash compensation in the form of either Restricted Share Units (“RSUs”) or Deferred Share Units (“DSUs”). During the three-month period ended March 31, 2020, \$146,750 (March 31, 2019 \$165,279) and was recognized as deferred compensation expense. The deferred compensation liability of \$334,056 at March 31, 2020 (December 31, 2019 \$344,903) represents an accrual for deferred compensation that has been or will be approved and settled in the future through the issuance of RSUs or DSUs. The number of RSUs available for issuance under the RSU plan was almost depleted and there were no DSUs available for issuance at March 31, 2020. Earned compensation intended to be settled with DSUs or RSUs is being recorded as deferred compensation until such time as additional DSUs and RSUs may be issuable pursuant for the applicable plans given the limits on issuances provided. Upon settlement, the outstanding liability will be reclassified to contributed surplus.

# Titanium Corporation Inc.

## Notes to Condensed Interim Financial Statements

For the three month periods ended March 31, 2020 and 2019

### 6 Share capital

Authorized

Unlimited number of common shares without par value have been authorized. Details of share capital balances are as follows:

	Three-month period March 31, 2020		Year Ended December 31, 2019	
	Common shares #	Amount \$	Common shares #	Amount \$
Opening Balance – Jan 1,	88,480,791	75,686,611	82,076,874	70,418,766
Proceeds on issuance of common shares, net of issue costs	-	-	6,089,485	4,056,474
Fair value of warrants issued in connection with common share issuance	-	-	-	(610,330)
Fair value of DSUs released	-	-	314,432	241,877
Closing Balance –	88,480,791	75,686,611	88,480,791	75,686,611

On May 9 and 30, 2019, the Company closed in two tranches, a non-brokered private placement with the issuance of 6,089,485 units for gross aggregate proceeds of \$4,262,640 (\$0.70 per share). Each unit consisted of one common share of the Company and one half of one common share purchase warrant. The Company issued an aggregate of 3,044,742 common share purchase warrants exercisable to purchase one common share at a price of \$1.40 per common share. Related to the offering, the Company incurred \$206,165 of costs for the offering consisting of legal, selling commissions, exchange listing, and other fees. The share issue costs were recorded as a charge against share capital.

#### Warrants

In connection with the private placement noted above, the Company issued 3,044,742 common share purchase warrants exercisable at \$1.40 per common share for a period of three years expiring May 9 (2,913,242) and May 30 (131,500), 2022. A value of \$610,330 was attributed to the warrants issued to investors in connection with the private placement based on the Black-Scholes pricing model and was recorded as part of contributed surplus on the statement of financial position. If the warrants are exercised before expiry, the fair value will be reclassified as share capital. The assumptions used in the Black-Scholes pricing model for the fair value of the warrants were as follows:

Risk free interest rate	1.57%
Expected life	3.0
Expected volatility	74.58%
Fair value per whole warrant	\$0.20

#### Equity-based compensation

The Company has equity plans for its directors, officers, employees and consultants to encourage ownership of common shares and align with the longer-term interest of Company shareholders. The equity plans are designed to advance the Company's interests by providing additional incentives for plan participants and to retain and

# Titanium Corporation Inc.

## Notes to Condensed Interim Financial Statements

For the three month periods ended March 31, 2020 and 2019

---

attract valued directors, officers, employees and consultants. The Company grants equity-based awards at the discretion of the Board of Directors. The associated equity-based compensation expenses are recognized as components of general and administrative or research and development expenses. The Company adopted “rolling” equity-based plans that include stock options, DSUs and RSUs. The number of common shares issuable under all such plans at any time is limited to 10% (rolling) of the issued and outstanding common shares of the Company in the aggregate. The plans are subject to annual approval by the Company’s shareholders.

The equity plans are comprised of the following components:

a) Stock options

Once a stock option is granted, the compensation costs for options granted is based on the estimated fair value of the options at the time of grant. The cost is recognized as a component of general and administrative or research and development expenses over the vesting periods of the options with a corresponding increase to contributed surplus within shareholders’ equity. Upon exercise of the stock option, both the consideration received and the fair value of the option are recognized as share capital.

b) DSUs

As part of the Company’s long-term incentives for non-executive directors, a deferred share unit plan was established representing a component of director compensation. DSU awards vest immediately upon grant and are settled with the issuance of one common share for one DSU when a director’s service ceases. The compensation expense for DSUs awarded to non-executive directors is based on the fair value at the time the award is granted. The fair value means, at any date, the higher of (i) the weighted average price per share at which the common shares have traded on the TSXV during the last five (5) trading days prior to the relevant date and (ii) the closing price of the common shares on the date prior to the relevant date. The expense is recognized as a component of general and administration expense with a corresponding increase to contributed surplus within shareholders’ equity. Upon redemption, the fair value of the award is reclassified from contributed surplus to share capital.

c) RSUs

As part of the Company’s long-term incentives for officers and other key employees of the Company, a restricted share unit plan was established representing a component of compensation. The RSU plan provides participants with the opportunity to acquire RSUs in order to participate in the long-term success of the Company. The vesting schedule for RSU awards is specified by the Board of Directors on the grant date. Once the award is vested, the RSU can be settled, at the option of the holder, with the issuance of one common share in exchange for one RSU and a nominal cash payment. The compensation expense for RSUs awarded is based on the fair value of the award at the time of grant and amortized over the specified vesting period. The fair value means, at any date, the higher of (i) the weighted average price per share at which the common shares have traded on the TSXV during the last five (5) trading days prior to the relevant date and (ii) the closing price of the common shares on the date prior to the relevant date. The cost is recognized as a component of general and administration and/or research and development expense with a corresponding increase to contributed surplus, within shareholders’ equity. Upon redemption, the fair value of the award is reclassified from contributed surplus to share capital.

### Summary of equity plan awards

The number of common shares issuable under all plans at any time is limited to 10% (rolling) of the issued and outstanding common shares of the Company in the aggregate. A summary of the equity plans as at March 31, 2020 and December 31, 2019 are as follows:

# Titanium Corporation Inc.

## Notes to Condensed Interim Financial Statements

For the three month periods ended March 31, 2020 and 2019

	March 31, 2020 #	December 31, 2019 #
Equity Award Pool (10% of common shares outstanding)	8,848,079	8,848,079
Less Awards Granted:		
Stock Options	(4,755,000)	(4,755,000)
DSUs	(1,769,616)	(1,659,989)
RSUs	(1,639,520)	(1,639,520)
Available Pool	<u>683,943</u>	<u>793,570</u>

### Summary of stock options

A summary of the Company's stock option activity for the period ended March 31, 2020 and December 31, 2019 is as follows:

	March 31, 2020		December 31, 2019	
	Number of common stock options #	Weighted average exercise price \$	Number of common stock options #	Weighted average exercise price \$
Outstanding – Jan 1, 2020 and 2019	4,755,000	\$ 0.73	3,875,000	\$ 0.74
Granted	-	-	880,000	\$ 0.69
Options exercised	-	-	-	-
Options expired	-	-	-	-
Options outstanding	<u>4,755,000</u>	<u>\$ 0.73</u>	<u>4,755,000</u>	<u>\$ 0.73</u>
Options exercisable	<u>2,725,000</u>	<u>\$0.67</u>	<u>2,691,668</u>	<u>\$ 0.67</u>

The following table summarizes the options outstanding at March 31, 2020:

Range of exercise price	Number of common shares #	Weighted average remaining contractual life years	Weighted average exercise price \$	Number of options exercisable #	Weighted average exercise price \$
0.00 – 0.49	1,550,000	0.88	\$0.41	1,550,000	\$0.41
0.50 – 0.99	2,005,000	3.57	\$0.75	375,002	\$0.80
1.00 – 1.50	1,200,000	2.16	\$1.12	766,666	\$1.12
	<u>4,755,000</u>	<u>2.34</u>	<u>\$0.73</u>	<u>2,691,668</u>	<u>\$0.67</u>

Stock-based compensation expense has been presented in the statement of (loss)/income and comprehensive (loss)/income as a non-cash component of research and development and/or general and administrative expense (note 9). The fair value of each stock option is accounted for in the statement of (loss)/income and comprehensive (loss)/income over the vesting period of the options, and the related credit is recorded in contributed surplus.

# Titanium Corporation Inc.

## Notes to Condensed Interim Financial Statements

For the three month periods ended March 31, 2020 and 2019

The weighted average assumptions used in the Black-Scholes pricing model for the fair value of stock option grants were as follows:

	March 31, 2020	December 31, 2019
Exercise price of stock option	-	\$0.69
Risk free interest rate	-	1.41%
Expected life (years)	-	4.3
Expected volatility	-	93.14%
Fair value per stock option	-	\$0.46

### Summary of DSUs

A summary of the DSU activity for the periods ended March 31, 2020 and December 31, 2019 is as follows:

	March 31, 2020		December 31, 2019	
	Number of DSUs #	Weighted average share price at time of grant \$	Number of DSUs #	Weighted average share price at time of grant \$
Outstanding Jan 1, 2020 and 2019	1,659,989	\$0.75	1,472,223	\$0.78
Granted	109,627	\$0.74	502,198	\$0.66
Released	-	-	(314,432)	\$0.73
DSUs outstanding	1,769,616	\$0.75	1,659,989	\$0.75

### Summary of RSUs

A summary of the RSU activity for the periods ended March 31, 2020 and December 31, 2019 is as follows:

	March 31, 2020			December 31, 2019		
	Number of RSUs #	Exercise price \$	Weighted Average share price at time of grant \$	Number of RSUs #	Exercise price \$	Weighted Average share price at time of grant \$
Outstanding - Jan 1, 2020 and 2019	1,639,520	\$0.0001	\$0.75	1,312,822	\$0.0001	\$0.81
Granted	-	-	-	326,698	\$0.0001	\$0.53
RSUs outstanding	1,639,520	\$0.0001	\$0.75	1,639,520	\$0.0001	\$0.75

# Titanium Corporation Inc.

## Notes to Condensed Interim Financial Statements

For the three month periods ended March 31, 2020 and 2019

---

### 7 Basic and diluted (loss) income per share

#### Weighted average number of common shares outstanding

As the Company incurred a loss for the three month period ended March 31, 2020, the impact of potentially issuable common shares upon the exercise of options and common share purchase warrants would be anti-dilutive, therefore basic and diluted loss per share are the same. The Company had income for the three-month period ended March 31, 2019, as such the basic and fully diluted income per share is presented for the prior period.

The following table sets forth the reconciliation of basic and diluted loss per share:

	<b>Three-month periods ended</b>	
	<b>March 31, 2020</b>	<b>March 31, 2019</b>
	<b>\$</b>	<b>\$</b>
Net income (loss) and comprehensive income (loss)	(908,003)	425,595
Weighted average number of common shares for basic (loss) income per share	88,480,791	81,396,707
Weighted average number of common shares for diluted (loss) income per share <sup>1</sup>	NA	86,884,018
Basic (loss) income per share	<u>(\$0.010)</u>	<u>\$ 0.005</u>
Fully diluted (loss) income per share	<u>NA</u>	<u>\$ 0.005</u>

<sup>1</sup>A total of 2,325,000 stock options are excluded from the per share calculations as they are anti-dilutive at March 31, 2019.

### 8 Segmented information

#### Operating segments

The Company has one reporting segment engaged in researching, developing and commercializing a separation process for the recovery of heavy minerals, bitumen, solvent and water from oil sands froth treatment tailings. As the operations comprise a single reporting segment, amounts disclosed in the financial statements represent those of the single reporting unit. In addition, all of the Company's equipment is located in Canada.

# Titanium Corporation Inc.

## Notes to Condensed Interim Financial Statements

For the three month periods ended March 31, 2020 and 2019

---

### 9 Expenses by nature

General and administrative expenses consist of the following:

	<b>Three-month periods ended</b>	
	<b>Mar 31, 2020</b>	<b>Mar 31, 2019</b>
	<b>\$</b>	<b>\$</b>
Compensation and benefits	187,266	194,230
Directors' fees – deferred compensation (note 5)	81,175	83,063
Equity-based compensation (note 6)	83,066	94,446
Consulting and professional fees	78,411	44,520
Deferred compensation expense (note 5)	43,625	57,217
Rent, insurance and office	32,005	31,264
Investor relations and regulatory	17,182	35,319
Travel	6,891	15,032
	<b>530,321</b>	<b>555,091</b>

Research and development expenses consist of the following:

	<b>Three-month periods ended</b>	
	<b>Mar 31, 2020</b>	<b>Mar 31, 2019</b>
	<b>\$</b>	<b>\$</b>
Projects, rent and other	150,227	276,220
Compensation and benefits	175,639	180,468
Equity-based compensation (note 6)	48,135	60,883
Deferred compensation expense (note 5)	21,250	25,000
<i>R&amp;D Subtotal</i>	<b>395,251</b>	<b>542,571</b>
Recovery of project costs (note 4)	-	(1,520,397)
R&D costs (recovery), net	<b>395,251</b>	<b>(977,826)</b>

### 10 Capital management

The Company considers its shareholders' equity as its capital, which at March 31, 2020 was \$3,621,565 (December 31, 2019 –\$4,317,243). The Company does not have any bank debt or externally imposed capital requirements. The Company's capital management objectives are to manage its cash and cash equivalents prudently; to minimize the expenditures on general and administrative costs to ensure funds are available to continue to advance the commercialization of CVW™ projects; and to access available government funding for research and development and commercialization.

Management reviews its capital management approach on an ongoing basis and believes that its current approach, given the relative size and stage of the Company, is appropriate.