

Financial Statements of

**SNOLAB**

And Independent Auditor's Report thereon

Year ended March 31, 2025

# SNOLAB

## Table of Contents

Year ended March 31, 2025

---

|                                     | Page |
|-------------------------------------|------|
| <b>Independent Auditor’s Report</b> |      |
| <b>Financial Statements:</b>        |      |
| Statement of Financial Position     | 1    |
| Statement of Operations             | 2    |
| Statement of Changes in Net Assets  | 3    |
| Statement of Cash Flows             | 4    |
| Notes to Financial Statements       | 5    |



**KPMG LLP**  
863 Princess Street, Suite 400  
Kingston, ON K7L 5N4  
Canada  
Telephone 613 549 1550  
Fax 613 549 6349

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of SNOLAB

### ***Opinion***

We have audited the financial statements of SNOLAB (the "Entity"), which comprise:

- the statement of financial position as at March 31, 2025
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements, present fairly, in all material respects, the financial position of the Entity as at March 31, 2025, and its results of operations and its 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 auditor's report.

We are independent of the Entity 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 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 the 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.



Page 3

- 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 Entity'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 Entity'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 Entity 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.
- 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P'.

Chartered Professional Accountants, Licensed Public Accountants

Kingston, Canada

September 11, 2025

# SNOLAB

## Statement of Financial Position

March 31, 2025, with comparative information for 2024

|  | 2025                 | 2024                 |
|--|----------------------|----------------------|
| <b>Assets</b>                                      |                      |                      |
| Current assets:                                    |                      |                      |
| Accounts receivable                                | \$ 2,219,145         | \$ 1,819,341         |
| Prepaid expenses                                   | 73,577               | 67,441               |
| Due from Queen's University at Kingston            | 12,138,854           | 7,103,778            |
|  | <u>14,431,576</u>    | <u>8,990,560</u>     |
| Capital assets (note 3)                            | 8,327,910            | 11,263,620           |
|  | <u>\$ 22,759,486</u> | <u>\$ 20,254,180</u> |
| <b>Liabilities and Net Assets</b>                  |                      |                      |
| Current liabilities:                               |                      |                      |
| Accounts payable and accrued liabilities (note 9)  | \$ 1,728,361         | \$ 1,308,194         |
| Deferred revenue                                   | 12,258,023           | 7,421,788            |
| Current portion of capital leases payable (note 6) | 59,033               | —                    |
|  | <u>14,045,417</u>    | <u>8,729,982</u>     |
| Capital leases payable (note 6)                    | 128,302              | —                    |
| Deferred capital contributions (note 4)            | 8,327,910            | 11,263,620           |
| Net assets:  |                      |                      |
| Unrestricted:                                      |                      |                      |
| Operating surplus                                  | 257,857              | 110,578              |
| Internally restricted (note 10)                    | —                    | 150,000              |
|  | <u>257,857</u>       | <u>260,578</u>       |
| Commitments (note 11)                              |                      |                      |
| Decommissioning costs (note 12)                    |                      |                      |
| Economic dependence (note 13)                      |                      |                      |
|  | <u>\$ 22,759,486</u> | <u>\$ 20,254,180</u> |

See accompanying notes to financial statements.

On behalf of the Board:

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

# SNOLAB

## Statement of Operations

Year ended March 31, 2025, with comparative information for 2024

|  | 2025          | 2024          |
|--|---------------|---------------|
| Revenue:                                       |               |               |
| Grant funding (note 7)                         | \$ 19,586,723 | \$ 19,467,982 |
| Amortization of deferred capital contributions | 3,442,830     | 3,389,106     |
| McDonald Institute funding                     | 306,686       | 288,269       |
| Other  | 10,000        | 8,106         |
|  | 23,346,239    | 23,153,463    |
| Expenses:                                      |               |               |
| Salaries and benefits (note 9)                 | 13,837,239    | 14,312,822    |
| Amortization of capital assets                 | 3,442,830     | 3,389,106     |
| External contracts:                            |               |               |
| Other  | 1,848,512     | 1,610,425     |
| Vale (note 11)                                 | 1,046,196     | 1,078,583     |
| Equipment                                      | 1,227,677     | 881,865       |
| Supplies                                       | 1,429,623     | 1,491,602     |
| Travel   | 516,883       | 394,506       |
|  | 23,348,960    | 23,158,909    |
| Deficiency of revenue over expenses            | \$ (2,721)    | \$ (5,446)    |

See accompanying notes to financial statements.

# SNOLAB

## Statement of Changes in Net Assets

Year ended March 31, 2025, with comparative information for 2024

|                                     | Internally<br>Restricted<br>(note 10) | Unrestricted<br>Operating<br>Surplus | 2025<br>Total | 2024<br>Total |
|-------------------------------------|---------------------------------------|--------------------------------------|---------------|---------------|
| Net assets, beginning of year       | \$ 150,000                            | \$ 110,578                           | \$ 260,578    | \$ 266,024    |
| Inter-fund transfer                 | (150,000)                             | 150,000                              | —             | —             |
| Deficiency of revenue over expenses | —                                     | (2,721)                              | (2,721)       | (5,446)       |
| Net assets, end of year             | \$ —                                  | \$ 257,857                           | \$ 257,857    | \$ 260,578    |

See accompanying notes to financial statements.



# SNOLAB

## Statement of Cash Flows

Year ended March 31, 2025, with comparative information for 2024

|   | 2025        | 2024        |
|---|-------------|-------------|
| Cash provided by (used in):   |             |             |
| Operations:   |             |             |
| Deficiency of revenue over expenses                                   | \$ (2,721)  | \$ (5,446)  |
| Items not involving cash:   |             |             |
| Amortization of deferred capital contributions                        | (3,442,830) | (3,389,106) |
| Amortization of capital assets  | 3,442,830   | 3,389,106   |
| Change in non-cash operating working capital:                         |             |             |
| Accounts receivable   | (399,804)   | 3,199,583   |
| Prepaid expenses  | (6,136)     | (56,245)    |
| Due from Queen's University at Kingston                               | (5,035,076) | (8,980,168) |
| Accounts payable and accrued liabilities                              | 420,167     | (1,101,251) |
| Deferred revenue  | 4,836,235   | 6,943,527   |
|   | (187,335)   | —           |
| Investing:  |             |             |
| Purchase of capital assets  | (319,785)   | (2,227,169) |
| Financing:  |             |             |
| Contributions received for capital purposes                           | 507,120     | 2,227,169   |
| Change in cash  | —           | —           |
| Cash, beginning and end of year                                       | \$ —        | \$ —        |
| Supplemental schedule of non-cash investing and financing activities: |             |             |
| Capital assets financed through capital leases payable                | \$ 187,335  | \$ —        |

See accompanying notes to the financial statements.

# SNOLAB

## Notes to Financial Statements

Year ended March 31, 2025

---

### 1. General:

SNOLAB is a research project whose principal objective is the operation and decommissioning of the SNOLAB International Facility for Underground Science. The main thrust of the research is Astroparticle Physics. The SNOLAB Institute ("SNOI"), an Institute of Queen's University at Kingston, provides oversight over the administrative, scientific and technical matters of the SNOLAB project.

An agreement specifies that the SNOLAB project's assets and liabilities are to be divided among the Canadian SNOLAB member institutions. At March 31, 2025, the SNOLAB member institutions ("Institutions") include Carleton University, Laurentian University of Sudbury, Université de Montréal, The University of Alberta, and Queen's University at Kingston. The Institutions provide salaries for their staff members, as well as laboratory and office space. Queen's University at Kingston acts as owner and administrator of the SNOLAB project. Queen's University at Kingston, Carleton University and Laurentian University are all providing space for project offices, administrative services as well as technical and general assistance.

These financial statements include expenses for on-site activities of the project in Sudbury, supported by federal grants from the Canadian Foundation for Innovation ("CFI") and support from the Ontario Ministry of Research and Innovation ("MRI").

The current year financial statements reflect the funding and activity of the SNOLAB project in the operations of the SNOLAB infrastructure and do not reflect the activity of the individual Institutional collaborators, the experimental research programs to be sited within SNOLAB, or other associated research projects.

### 2. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook – Accounting.

#### (a) Revenue recognition:

SNOLAB follows the deferral method of accounting for contributions which include government grants.

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.

Externally restricted contributions are recognized as revenue in the year in which the related expenses are recognized.

Contributions approved but not received at the end of an accounting period are accrued.

These financial statements reflect agreed arrangements approved by the various funding sources with respect to the year ended March 31, 2025.

#### (b) Contributed services and materials:

Because of the difficulty of determining their fair value, services and materials contributed at no charge by industry partners are not recognized in these financial statements.

# SNOLAB

Notes to Financial Statements (continued)

Year ended March 31, 2025

## 2. Significant accounting policies (continued):

### (c) Capital assets:

Capital assets are recorded at cost. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life of an asset are capitalized. When a capital asset no longer contributes to SNOLAB's ability to provide services, its carrying amount is written down to its residual value.

Capital assets are amortized on a straight-line basis using the following annual rates:

|                                 | Rate    |
|---------------------------------|---------|
| Equipment                       | 5 years |
| Computers and computer software | 3 years |
| Leasehold improvements          | 5 years |

No amortization is taken on assets under construction until they are placed in productive use.

Equipment under leases that effectively transfer substantially all the benefits and risks of ownership to the lessee are recorded as a capital asset at the present value of the minimum lease payments under the lease with a corresponding liability for the related lease obligation. Charges to expenses are made for amortization of the equipment and interest inherent on the lease obligation. Leases not meeting the conditions of a capital lease are treated as operating leases.

The carrying amount of an item of capital assets is tested for recoverability whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized when the asset's carrying amount is not recoverable and exceeds its fair value.

### (d) Employee future benefits:

In the year, SNOLAB provided employee future benefits and post-retirement benefits to its employees through the Retirement Plan of Laurentian University of Sudbury (the "University") and its Federated and Affiliated Universities (the "Pension Plan"), and the Retiree Health Benefit Plan.

# SNOLAB

Notes to Financial Statements (continued)

Year ended March 31, 2025

---

## 2. Significant accounting policies (continued):

### (d) Employee future benefits (continued):

SNOLAB recognizes the amount of the accrued obligation net of the fair value of plan assets in the Statement of Financial Position. Current service and finance costs are expensed during the year, while remeasurements and other items, representing the total of the difference between actual and expected return on plan assets, actuarial gains and losses, and past service costs, are recognized as a direct increase or decrease in net assets (deficiency). The accrued asset/liability for employee future benefits is determined from the actuarial valuation report. The most recent actuarial valuation was completed as of January 1, 2023.

The Pension Plan provides a provision against the Pension Plan's assets for benefit reinstatement in accordance with the Pension Plan's benefits and funding policy.

### (e) Use of estimates:

The preparation of the financial statements 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 revenue and expenses during the year. Actual results could differ from those estimates.

### (f) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. SNOLAB has not elected to subsequently carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, SNOLAB determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount SNOLAB expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

# SNOLAB

Notes to Financial Statements (continued)

Year ended March 31, 2025

### 3. Capital assets:

|                                 |               |                             | 2025              | 2024              |
|---------------------------------|---------------|-----------------------------|-------------------|-------------------|
|                                 | Cost          | Accumulated<br>amortization | Net book<br>value | Net book<br>value |
| Leasehold improvements          | \$ 9,336,159  | \$ 6,536,020                | \$ 2,800,139      | \$ 4,225,273      |
| Equipment                       | 13,440,914    | 10,201,798                  | 3,239,116         | 4,373,400         |
| Computers and computer software | 1,501,505     | 1,262,462                   | 239,043           | 157,372           |
| Construction in progress        | 2,049,612     | —                           | 2,049,612         | 2,507,575         |
|                                 | \$ 26,328,190 | \$ 18,000,280               | \$ 8,327,910      | \$ 11,263,620     |

Cost and accumulated amortization at March 31, 2024 amounted to \$25,821,070 and \$14,557,450, respectively.

Capital assets have been reviewed for full or partial impairment and management has determined there are none.

### 4. Deferred capital contributions:

Deferred capital contributions represent the unamortized amount of grants received for the purchase of capital assets. The amortization of capital contributions is recorded as revenue in the Statement of Operations.

|   | 2025          | 2024          |
|---|---------------|---------------|
| Balance, beginning of year                          | \$ 11,263,620 | \$ 12,425,557 |
| Additional contributions received                   | 507,120       | 2,227,169     |
| Less amortization of deferred capital contributions | (3,442,830)   | (3,389,106)   |
| Balance, end of year                                | \$ 8,327,910  | \$ 11,263,620 |

# SNOLAB

Notes to Financial Statements (continued)

Year ended March 31, 2025

---

## 5. Employee future benefits:

In previous years, SNOLAB provided pension, extended health care, and dental benefits to its employees. An independent actuarial study of the employee future benefits was undertaken on a regular basis.

Prior to 2018, the benefit plans were assumed by Laurentian University (the “University”). In 2018, as a result of the full valuation completed on July 1, 2017, the SNOLAB share of the employee future benefits plans was separate and distinct and were recorded in SNOLAB’s financial statements.

In connection with the Companies’ Creditors Arrangement Act (the “CCAA”) restructuring of the University, substantial changes were made to its benefit plans as described below.

### Pension Plan:

Effective April 2021, the Pension Plan modified the rights of members to transfer lump sum values of their pension entitlement. Previously, the lump sum transfer election was available at any time between the end of employment and the end of the year in which they attain age 71 when a monthly pension must commence. Those rules changed such that members who reach their early retirement date will no longer be able to transfer lump sum values of their pension entitlement. The impact of these changes were reported in the financial statement for the year ended March 31, 2022 as historically SNOLAB’s accounting for employee benefits has been aligned with the University’s April 30 fiscal year end.

Former members of the Pension Plan who commenced employment prior to September 24, 2017 were entitled, following the last day of employment, to receive either a monthly pension payable from the Pension Plan (starting on or after reaching their early retirement date) or to transfer the lump sum values of their pension entitlement out of the Pension Plan.

Former members of the Pension Plan were provided with a final opportunity to choose a lump sum transfer option. If the member did not elect a lump sum transfer option during this process, the member remained entitled to receive a monthly pension benefit from the Pension Plan starting on or after the early retirement date in accordance with the Pension Plan.

Effective July 1, 2021, the Pension Plan changed its name to the Retirement Plan of Laurentian University of Sudbury. In addition, the Pension Plan was modified such that future earnings are based on a career average instead of years of service and final average salary. The Pension Plan had provisions for guaranteed post-retirement indexation based upon inflation which have been modified to conditional indexation for future benefits. Employee contributions have been modified to match employer contributions.

These changes to the Pension Plan were considered a plan amendment.

# SNOLAB

Notes to Financial Statements (continued)

Year ended March 31, 2025

## 5. Employee future benefits (continued):

Pension Plan (continued):

Future benefit improvements are subject to plan sustainability measures and no benefit improvements will be considered prior to July 1, 2025, unless the Pension Plan develops an excess surplus as defined under pension regulations and as prescribed by the agreed-upon terms.

SNOLAB has provided a provision against the Pension Plan's assets for benefit reinstatement in accordance with the Pension Plan's benefits and funding policy. An actuarial calculation of the future assets/liabilities including an allowance for benefit reinstatement was completed and forms the basis for the accrued benefit obligation. As a result, a valuation allowance has been recorded to reflect that SNOLAB does not expect to realize these plan assets.

|                                    | Pension         | 2025<br>Total   |
|------------------------------------|-----------------|-----------------|
| Accrued benefit obligation         | \$ (19,524,357) | \$ (19,524,357) |
| Fair value of plan assets          | 20,110,088      | 20,110,088      |
| Valuation allowance                | (585,731)       | (585,731)       |
| Accrued benefit liabilities        | \$ —            | \$ —            |
| Opening accrued benefit obligation | \$ —            | \$ —            |
| Benefit costs                      | (533,172)       | (533,172)       |
| Employment contributions           | 953,008         | 953,008         |
| Remeasurement gains                | (419,836)       | (419,836)       |
| Ending accrued benefit obligation  | \$ —            | \$ —            |
|                                    | Pension         | 2024<br>Total   |
| Accrued benefit obligation         | \$ (17,080,754) | \$ (17,080,754) |
| Fair value of plan assets          | 17,593,177      | 17,593,177      |
| Valuation allowance                | (512,423)       | (512,423)       |
| Accrued benefit liabilities        | \$ —            | \$ —            |
| Opening accrued benefit obligation | \$ —            | \$ —            |
| Benefit costs                      | (484,172)       | (484,172)       |
| Employment contributions           | 864,437         | 864,437         |
| Remeasurement gains                | (380,265)       | (380,265)       |
| Ending accrued benefit obligation  | \$ —            | \$ —            |

# SNOLAB

Notes to Financial Statements (continued)

Year ended March 31, 2025

## 5. Employee future benefits (continued):

Pension Plan (continued):

The significant assumptions in the determination of the employee future benefits related to Pension Plan are as follows:

|  | 2025  | 2024  |
|--|-------|-------|
| Discount rate                                    | 6.10% | 6.10% |
| Provision of adverse deviation                   | 7.86% | 7.86% |
| Inflation rate                                   | 2.00% | 2.00% |
| Expected long-term rate of return on plan assets | 6.10% | 6.10% |
| Money purchase conversion interest rate          | 6.10% | 6.10% |

## 6. Capital leases payable:

|   | 2025       | 2024 |
|---|------------|------|
| Capital lease on computer equipment bearing interest at 8.50% per annum repayable in blended monthly installments of \$2,237 until maturity in March 2028 | \$ 70,868  | \$ — |
| Capital lease on computer equipment repayable in interest-free monthly installments of \$2,509 until maturity in March 2028                               | 93,795     | —    |
| Capital lease on computer equipment repayable in interest-free monthly installments of \$606 until maturity in March 2028                                 | 22,672     | —    |
|   | 187,335    | —    |
| Less current portion of capital lease payable   | 59,033     | —    |
|   | \$ 128,302 | \$ — |

The net book value of assets under capital lease is \$124,890 (2024 - \$Nil) and is included in computers and computer software, as disclosed in note 3.



# SNOLAB

Notes to Financial Statements (continued)

Year ended March 31, 2025

## 6. Capital leases payable (continued):

Future principal and interest repayments on capital leases over the next three years to maturity are approximately as follows:

|      | Principal  | Interest | Total      |
|------|------------|----------|------------|
| 2026 | \$ 59,033  | \$ 5,191 | \$ 64,224  |
| 2027 | 60,946     | 3,278    | 64,224     |
| 2028 | 67,356     | 1,196    | 68,552     |
|      | \$ 187,335 | \$ 9,665 | \$ 197,000 |

Interest paid during the year on capital leases payable amounted to \$Nil (2024 - \$Nil).

## 7. Funding sources:

The sources of funding include grants and contributions from the Ontario Ministry of Research and Innovation and the Canadian Foundation for Innovation. The sources and purposes for each of these funds are to support the on-site costs of operating the laboratory, including associated personnel costs.

## 8. Definitions of activity areas:

### (a) Salaries and benefits:

This represents administrative salaries, support salaries and fringe benefits for SNOLAB offices.

### (b) Supplies:

This includes telecommunications, office supplies, printing charges, meeting supplies and general administration costs.

### (c) External contracts:

This depicts external project services associated with the operations of the SNOLAB facility.

(i) Vale - to provide services during the operation of the SNOLAB facility.

(ii) Other - all external contracts to provide services during the operation of the SNOLAB facility other than Vale contracts noted above.

### (d) Travel:

This includes field travel, convention travel and visitor travel.

### (e) Equipment:

This consists of minor equipment expenditures, including computing equipment and research equipment.

# SNOLAB

Notes to Financial Statements (continued)

Year ended March 31, 2025

## 9. Related party transactions:

Laurentian University, a SNOLAB member institution, provides financial services to SNOLAB relating to the administration of salaries and benefits on the Statement of Operations. During the year, \$13,837,239 (2024 - \$14,312,822) in payroll related costs were paid by the University, and subsequently reimbursed by SNOLAB. These costs are included in salaries and benefits expense on the Statement of Operations. At March 31, 2025, the amount payable to Laurentian University related to these costs is \$643,209 (2024 - \$62,043) and is included in accounts payable and accrued liabilities on the Statement of Financial Position.

These transactions are in the normal course of operations and are measured at the exchange amount of consideration established and agreed to by the related parties.

## 10. Internally restricted net assets:

Internally restricted net assets consist of the following:

|                    | 2025 | 2024       |
|--------------------|------|------------|
| Severances reserve | \$ — | \$ 150,000 |

During the year, the Board of Directors approved the transfer of these funds into the unrestricted operating surplus fund.

## 11. Commitments:

A contract has been signed with Vale to provide services during the operation of SNOLAB, until at least December 31, 2025. During the year, external contract expenses totaling \$1,046,196 (2024 - \$1,078,583) were incurred to Vale in this regard.

## 12. Decommissioning costs:

The SNOLAB facility may incur significant final decommissioning costs on completion of experiments currently under development. As no reasonable estimate can be determined at this time, no accrual has been made in the financial statements in respect of this matter.

At present, there are no immediate plans for such final decommissioning, nor is there a reasonable estimate of when such decommissioning may occur. Currently, new experiments are being developed through the use of the facility, and the final decommissioning phase of the facility is not expected to occur in the foreseeable future.

# SNOLAB

Notes to Financial Statements (continued)

Year ended March 31, 2025

---

## 13. Economic dependence:

- (a) Effective April 1, 2022, SNOLAB entered into a grant funding agreement in the amount of \$12,000,000 based on eligible expenses with the Ontario Ministry of Colleges and Universities. The agreement expired on March 31, 2024, and during the prior year, the Ministry finalized an amending agreement to increase funding for eligible expenditures to \$26,000,000, with a project end date of March 31, 2026. Remaining funding to be received under this amending agreement is \$8,750,000.
- (b) Effective April 1, 2023, SNOLAB entered into a grant funding agreement in the amount of \$102,000,000 based on eligible expenditures with the Canada Foundation for Innovation. The agreement expires on March 31, 2029. Remaining funding to be received under this agreement is \$61,915,559.

## 14. Financial risks and concentration of risk:

- (a) Liquidity risk:

Liquidity risk is the risk that SNOLAB will be unable to fulfill its obligations on a timely basis or at a reasonable cost. SNOLAB manages its liquidity risk by monitoring its operating requirements. SNOLAB prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

- (b) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. SNOLAB is exposed to credit risk with respect to accounts receivable. SNOLAB assesses, on a continuous basis, accounts receivable and provides for any amounts that are not considered collectible in the allowance for doubtful accounts. The allowance for doubtful accounts as at March 31, 2025 is \$Nil (2024 - \$Nil).

There have been no changes to the risk exposures from 2024.