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Ottawa, Ontario K1A 0H5
Canada

July 31, 2014

Dear Mr. LeBlanc,

On behalf of the Mitacs Inc. Board of Directors, we advise that we have reviewed the following documents being submitted to Industry Canada and confirm that the collected statistical information for the annual report is accurate to the best of our knowledge.

Also attached is a copy of the Board resolution indicating approval of this Report.

Sincerely,

Brad Bennett
Chair, Mitacs Board of Directors

Robert Annan
Mitacs Interim CEO and Scientific Director

Mitacs: Annual Report
for Industry Canada, 2013-14

July 31, 2014

Who We Are

Mitacs, an independent federally incorporated not-for-profit, supports Canadian innovation by coordinating collaborative research projects with human capital development at their core. Since 1999, Mitacs has promoted academic-industrial research and development (R&D) while supporting the development of Canada's future innovators. Mitacs has successfully developed a proactive approach to supporting innovation in Canada, both directly through support of R&D efforts and indirectly through long-term development of skilled human capital.

In particular, Mitacs:

- Helps companies identify innovation needs and match these with academic research expertise;
- Fosters cutting edge research linked to commercial outcomes;
- Builds research networks, both international and national, creating innovation leaders in Canada and abroad; and
- Provides professional and entrepreneurship skills training for graduate students to help them meet emerging innovation needs.

Mitacs' current suite of programs includes:

- **Mitacs-Accelerate**, graduate-student led industrial R&D internships as a platform for technology transfer and commercialization;
- **Mitacs-Globalink**, bringing top international students to Canada and sending Canada's best students abroad to foster international innovation networks;
- **Mitacs-Elevate**, industrial R&D management training and industrial research experience for postdoctoral fellows through classroom and on-site learning;
- **Mitacs-Converge**, growing Canadian small to medium-sized enterprises through R&D projects with multi-national companies and Canada's post-secondary institutions.

Acknowledgements

Mitacs acknowledges the Government of Canada for its continued support. We also thank our partners and co-funders – provincial governments, academia, and industry, among others – for their support for, and participation in, Mitacs' collaborative research and innovation programs.

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Message from Dr. Robert Annan, Interim CEO and Scientific Director of Mitacs



Innovation is a primary driver of social well-being, economic growth, and productivity. Promoting innovation helps us proactively identify opportunities and respond to the needs of traditional sectors and emergent industries, often significantly improving their sustainability well into the future.

The effects of innovation transform us; they change the questions we ask about the world around us. Research is the framework that converts these questions into fresh perspectives across all disciplines, resulting in significant cultural, economic, and social impacts.

We understand that we must increase research capacity and performance in Canada across sectors. The seeds of innovation are cultivated every day in Canadian universities, producing cutting-edge research and exceptional talent. Mitacs helps companies connect to our universities, improving their long-term ability to compete in a global marketplace. These connections link companies to highly qualified personnel with advanced research skills, bridging the innovation process from idea to market. This dynamic generation, translation, and deployment of knowledge is essential to the continued success of Canada's economy.

At Mitacs, innovation is also the path to revealing the questions that inform our future. We are proud of our productive partnership with the Government of Canada, provincial governments across the country, international partners, and more than 60 Canadian research universities and hundreds of private organizations across the country. Our evolving suite of programs provides important feedback on how we are doing and where we can go. The real impacts that surface from our programs prove that research empowers all sectors and regions of the economy: traditional and emerging; economic and social; and rural and urban. These results also articulate new directions for our programs, allowing us to share and further develop the story of Mitacs in the international dialogue on innovation.

The work of Mitacs keeps moving forward thanks to staff that demonstrate tremendous dedication and energy in getting things done, as well as a Board of Directors that shapes our determination to do more. I am fortunate to be part of this talented collaboration and to them I extend my gratitude for their individual acts of ingenuity that keep innovation at the core of Mitacs.

Robert Annan
Interim CEO and Scientific Director

Introduction

Through unique research and training programs, Mitacs is providing the next generation of innovators with vital scientific and business skills. In partnership with industry, government, and academia, Mitacs is supporting economic growth using Canada's most valuable resource – its people. As part of Mitacs' mission to promote innovation as the driver for firm growth through human capital development and new and expanded markets, Mitacs has developed programs aimed at addressing Canada's innovation challenges.

Mitacs-Accelerate is Canada's premier research internship program, connecting companies with graduate students and postdoctoral fellows (postdocs) under the supervision of faculty members. Since 2003, *Accelerate* has facilitated nearly 7,000 industry-academia research collaborations through research internships providing Canadian companies the opportunity to tap into cutting-edge research knowledge, advance and commercialize new products or services, and identify potential employees. In addition, graduate students and postdocs gain real-world industry experience and the opportunity to apply their research knowledge to business challenges.

Mitacs-Globalink was introduced in 2009 as a pilot program focused on branding Canada as a compelling, first-rate research and education destination. *Globalink* builds a living bridge between Canada and international partners, establishing and reinforcing world-wide links between exceptional students, researchers, and faculty. *Globalink* adopts a two-pronged approach: bringing top international undergraduate and graduate students and early career faculty to Canadian universities to work with leading Canadian researchers through research internships and fellowships, while also sending Canadian students abroad to work with leading researchers around the world.

Accelerate and **Globalink** were generously supported in the federal budgets of 2012 and 2013, respectively, with allocations of \$35 million over five-years for *Accelerate* and \$20 million over three years for *Globalink*.

Objectives

The goal of this Annual Report is to outline how Mitacs has met its objectives for *Accelerate* and *Globalink* in accordance with the terms of funding as set out by Industry Canada¹.

Mitacs' *Accelerate* objectives for 2013-2014 were to:

1. Provide host companies with access to cutting-edge research and skills;
2. Provide graduate students and postdocs with applied research experience in a private sector setting; and
3. Provide academic researchers the opportunities to collaborate with companies.

Mitacs' *Globalink* objectives for 2013-2014 were to:

1. Brand Canada as a destination of choice for foreign students applying to post-secondary institutions;
2. Build strong linkages with priority countries to support student mobility;
3. Attract promising students from around the world to pursue research opportunities and encourage and support them to pursue graduate studies in Canada; and
4. Encourage and support Canadian students to take advantage of training and research abroad.

¹ In 2013-2014 Industry Canada provided 43% of federal financial support for *Accelerate*. Additional federal support was provided via IRDI, WD and ACOA. All federal sources of funding were matched by relevant provincial funding. For *Globalink*, financial support by Industry Canada accounted for 86% of the federal funding with the remainder coming from WD.

Results

Note: Mitacs is supported by numerous federal funders including Industry Canada, IRDI, NRC-IRAP, and multiple regional development agencies including Western Economic Diversification (WD) and the Atlantic Canada Opportunities Agency (ACOA). In accordance with the relevant funding agreement, this report is limited to the results of Industry Canada's funding of Mitacs Accelerate and Globalink for fiscal year 2013-2014. This report does not represent Mitacs' total activity or internship delivery, but where reasonable, Industry Canada-specific funding results have been supplemented with Mitacs' overall results.

This fiscal year, Industry Canada funding for *Accelerate* supported:

- 960 internships; (43% of total internships delivered; total delivered internships was 2,240);
- 525 interns, of whom 216 were first-time participating students; (41% first-time participants);
- 389 professor participants from 113 academic disciplines at 56 Canadian universities; and
- 406 private-sector partners, more than 50% of which were small and medium sized enterprises.

Industry Canada's 2013-14 contribution of \$7.0 million for *Accelerate* assisted in leveraging the overall *Accelerate* program into a program worth \$57.3 million (including \$16.9 million in kind support). This program included an industry cash contribution of \$15.3 million and helped support a 20% year-over-year increase in the total number of internships delivered this year. There remains clear, unmet demand for the program: in total for 2013-14, Mitacs processed nearly 3,500 applications for funding. In addition, over 550 Industry Canada funded internships have been approved to June 30th, approximately 50% of the 2014-15 target.

Since the start of Industry Canada's support for *Globalink*, Industry Canada funding has:

- Brought 643 senior undergraduate students from Brazil, China, France, India, Mexico, Saudi Arabia, Turkey, and Vietnam to Canada to undertake summer research projects;
- Supported 33 international *Globalink* interns who returned to Canada for graduate studies through *Globalink Graduate Fellowships*; and
- Sent six Canadian students to priority countries to participate in research and educational opportunities abroad (5 *Globalink Research Awards* and 1 *Globalink Partnership Award*)².

For *Globalink* in 2013-14, Industry Canada's investment of \$5.5 million was leveraged into a \$10.8 million program with the remaining funds contributed by provincial, university, and international partners. Figure 1 presents the overall distribution of Industry Canada-funded (a.) *Accelerate* internships and (b.) *Globalink Research internships* by province for 2013-2014.

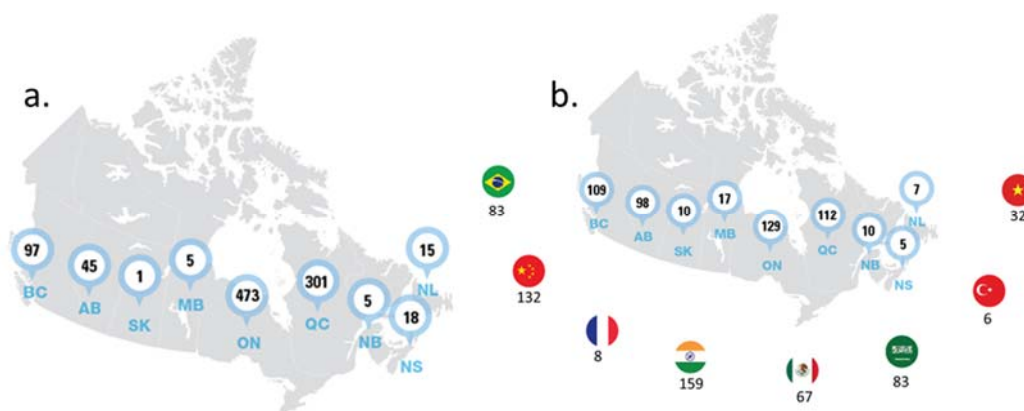


Figure 1: Distribution of (a.) *Accelerate* internships (n=960) and (b.) *Globalink Research Internships* in 2013-14 (n=497).

² Early low numbers are due to the delayed launch of Mitacs' outbound *Globalink* pilot initiatives in December 2013. The launch date ensured proper program design, implementation and planned evaluation. Mitacs has full confidence in its ability to meet all program targets.

Accelerate

1. Increase collaboration and knowledge transfer between academia and industry in various sectors of the Canadian economy.

Mitacs-Accelerate acts as a catalyst to foster demand-driven innovation within Canadian industry through research internships with Canada's exceptional graduate students and postdocs. This fiscal year, to increase collaboration and knowledge-transfer, Industry Canada funding supported **406 industry partners**, 126 of which are new to the *Accelerate* program (31%). In addition, Mitacs partners with **60 Canadian research universities**. Launched in 2011, Mitacs' academic partnership strategy formalizes the vital role that Canada's research universities play in all Mitacs programs and initiatives. Mitacs facilitates open dialogue on program design and delivery with its academic partners through an Annual General Meeting and regular meetings of its full partners. Mitacs also partners with **37 leading Canadian research networks**, giving Mitacs exceptional sectoral and disciplinary reach. Partnering with Mitacs allows these networks to employ *Accelerate* internships as part of their mandates to support academic-industrial collaboration.

Mitacs' signature commitment to **proactive business development** is an integral part of the continued success of Mitacs programs. Located across Canada, the Business Development team at Mitacs provides a single point of contact for industry and the academic community. The BD team provides on-the-ground knowledge of the needs of local industry representatives and of the expertise of university researchers. They put Mitacs in the best possible position to ensure program delivery excellence for new and returning program participants. Figure 2 provides a breakdown of new vs. returning participants for 2013-2014.

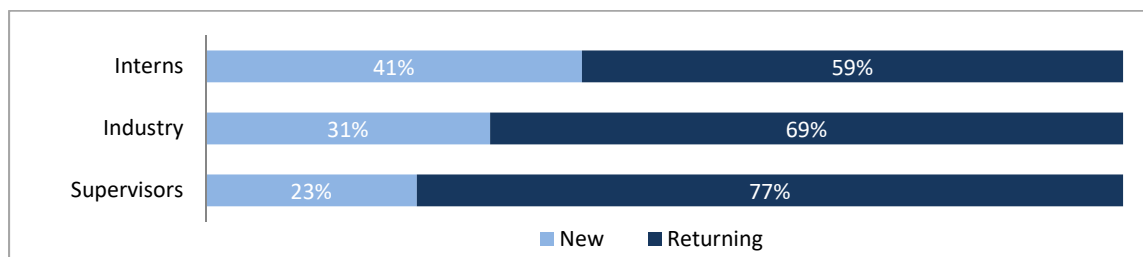


Figure 2: Percentage of new vs. returning Accelerate participants in 2013-14.

Industry partners greatly value the academic collaborations supported by Mitacs through the *Accelerate* program, and these benefits extend beyond the internship itself. Figure 3 shows that only 7% of industry partners do not plan to engage in future academic collaborations, while **73% plan to continue the partnership established via Accelerate**.

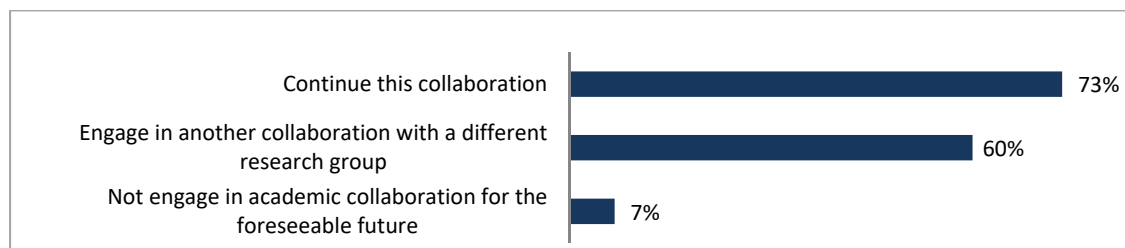


Figure 3: Intention of industry partners to continue their academic collaborations.

Mitacs has also been piloting sector-specific initiatives, identifying areas where Mitacs programs can improve competitiveness and develop advanced talent in multiple industry sectors. Current sectors of focus include construction, mining, agri-food, energy, and finance. These collaborations create linkages between industry and academia through a targeted approach that assists companies in addressing key cross-sectoral challenges.

Irdeto Canada, a world leader in multiscreen, revenue assurance, and media protection solutions for pay TV operators, OTT service providers, and content owners, has been a long-time industry partner with Mitacs. Through multiple *Accelerate* internships with graduate students and postdocs at Carleton University and Queen's University amongst others, Irdeto has been able to address software security vulnerabilities in their products and develop new methods to meet the technological needs of its clients. Says Yuan Xiang Gu, Chief Architect and Senior Director of Irdeto Research, *"These projects have produced excellent results: three patents have been submitted and some patents are in drafting; a number of research reports are used internally by product and marketing groups; some techniques and ideas will be applied to enhance existing products; and certain investigations will be continued for possible new product(s)."* In addition, Irdeto has hired two of its past interns in a full-time capacity. Now Irdeto is seeking to expand on the opportunities of academic collaboration and knowledge transfer through *Accelerate*. As Gu states: *"Recently we have been working with Mitacs to develop a strategic industry partnership for long-term collaboration... We have also been working with Mitacs to co-fund a large scale cluster internship project with graduate students from Queen's University."*

2. Create job opportunities for graduate students and postdoctoral fellows in various disciplines.

Results from Mitacs' recent *Accelerate* exit surveys indicate that over 40% of industry partners surveyed have either hired their intern or plan to do so in the future. As well, results from a recent Mitacs longitudinal survey of past *Accelerate* interns suggests that roughly 14% of the 525 interns supported by Industry Canada funding in 2013-14 will go on to start their own business. Longitudinal survey data also indicate that most interns feel more employable upon completion of their internship and credit *Accelerate* with providing them with the professional experience and expanded network they need to be successful in Canada's competitive job market. Together, these results demonstrate that *Accelerate* builds professional confidence in its interns, prepares them for a successful and dynamic career in their chosen field and creates a rich abundance of job opportunities for Canadian graduate students and postdocs.

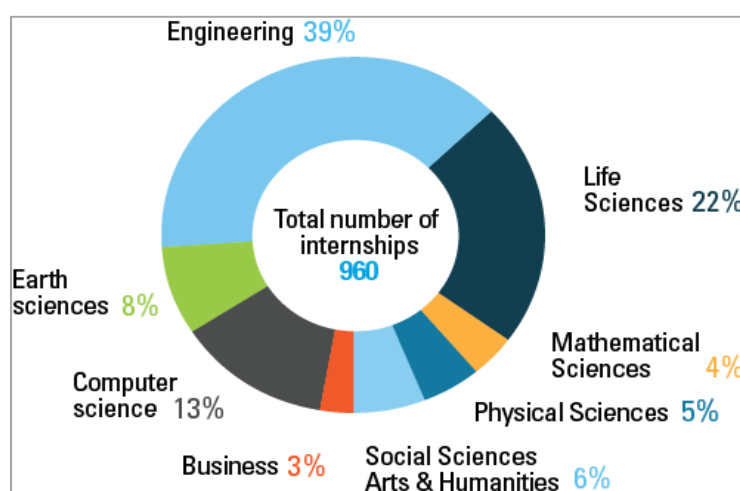


Figure 4: Distribution of *Accelerate* internships funded by Industry Canada (n=960) by academic discipline in 2013-2014.

Mitacs works across all academic disciplines to develop internship opportunities for graduate students and postdocs and ensure their ability to access Mitacs programs. This is true for students and postdocs in a wide variety of academic disciplines (Figure 4). In particular, Mitacs has focused on increased outreach to the Social Sciences and Humanities (SSHRC) through a joint initiative with the Social Sciences and Humanities Research Council (SSHRC). As part of this initiative, Mitacs has consulted with Canadian SS&H researchers to ensure that its suite of programs meets their needs while also providing Mitacs industry collaborators with access to a talented pool of SS&H students able to address a multitude of complex issues and research challenges. In 2013-14, 9% of Industry Canada-funded Mitacs internships were in Business, Social Sciences, Arts, and Humanities, a 4% increase over last year.

As Arctic sea ice melts, increased access to shipping and trade routes emerges in northern Canada. An increase in commercial shipping can present risks to both the natural environment (from the movement of ships and the products that they carry), and to the local Inuit communities that rely on those healthy environments for food and way of life. For Nexus Coastal Resource Management, a Nova Scotia based company involved in resource development projects and initiatives, collaboration and understanding with Inuit communities was an integral part of its marine resources management plan. Through an *Accelerate* internship, Nexus was able to tap into the research capabilities of Andrea Flynn, a Masters student at Dalhousie University, to help develop an issue-based policy framework to maximize the valuable knowledge of the Inuit people regarding the Arctic land and water. This critical research about living and surviving in the northern environment was of great use to Nexus in planning marine shipping projects and in ensuring an effective working relationship with the Inuit communities. Nexus is already planning future research projects in the area of offshore seismic surveying and has hired Andrea on a full-time basis to continue her research.

3. Improve employability of graduate students and postdoctoral fellows in their field.

Accelerate interns are highly-educated and talented individuals who spend at least half of their internship at the industrial site collecting data, building relationships with others, and working as part of a team to test solutions to research problems. Through collaborations with the private sector, interns are able to broaden their research impact and apply their skills in an industrial setting. The experiences gained while onsite make Mitacs *Accelerate* interns more employable upon the completion of their internship and degree. Figure 5 highlights that this year's Industry Canada-funded interns overwhelmingly plan on pursuing careers in industry upon completion of their internships and studies (87%).

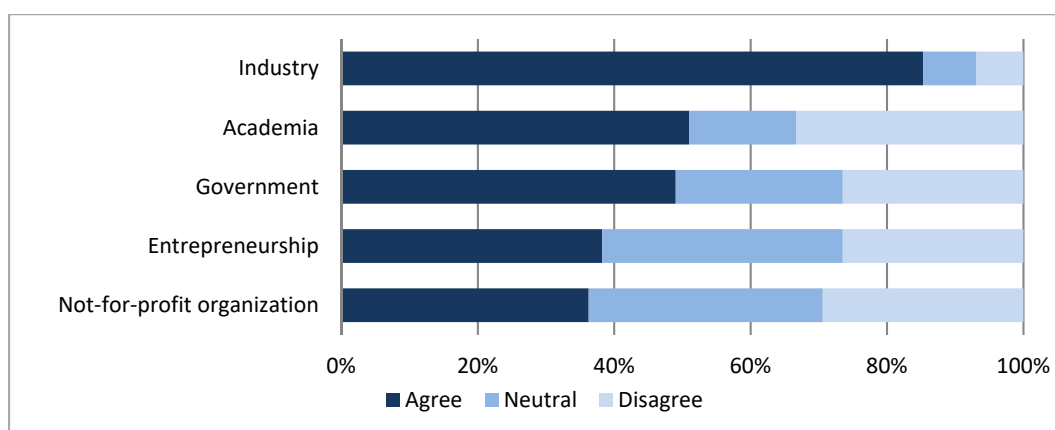


Figure 5: Likelihood of pursuing various career options upon degree completion.

In addition to the knowledge gained through these experiential learning opportunities, *Accelerate* interns also benefit from integrated professional skills training and development through the *Mitacs-Step* program, supporting the effective transition into a wide range of post-academic careers. Facilitated by leading industry and business professionals, *Step* offers comprehensive workshops in leadership and management, communication and relationship building, personal and professional management, and entrepreneurialism to current and prospective interns. *Step* positions *Accelerate* interns as Canada's future innovators and entrepreneurs and assists them in obtaining a competitive, professional advantage. In 2013-14, Mitacs offered 300 *Step* workshops to over 6,000 graduate students and postdocs across Canada.

Adam Metherel, a postdoctoral fellow in the Department of Kinesiology at the University of Waterloo, found during his graduate studies that the process of lipid analysis and the numerous steps involved in lipid extraction from tissues and foods were long and tedious processes. Through an *Accelerate* internship with Certo Labs, a Toronto-based biotech company, Adam was able to develop a lipid extraction kits for commercial use. Said Adam: *"The one-step process represents a huge time-savings over the standard, multi-step protocol for extraction, leading to substantial productivity improvement and cost savings."* Adam's *Accelerate* internship not only allowed him to develop a commercially viable and cost beneficial product for Certo, but also gave him the opportunity to develop his skillset through professional development workshops and exposure to real-world industrial research challenges. *"As a career student, I had rarely been exposed to a formal work environment and these [workshops] have been truly beneficial to my development as a researcher. These courses provided much needed experiences in the attainment of future employment."* The experience Adam has derived through his *Accelerate* internship has enhanced his research and professional skills assisting him on his way to a successful career.

4. Increase retention of domestic and international graduate students and postdoctoral fellows in Canada after completing their studies.

Mitacs monitors the long-term retention impacts of *Accelerate* through longitudinal studies. Mitacs' most recent study showed that **91% of past *Accelerate* interns currently live in Canada with 87% directly attributing their participation in *Accelerate* as motivation to stay in Canada.** Taken a step further, 93% of international respondents of the same study would recommend to students from their home country that they participate in a Canadian industrial research internship program like *Accelerate*. As indicated in Table 1 below, this represents a significant number of interns as more than a third of Industry Canada-funded *Accelerate* internships for 2013-14 were undertaken by international students.

Table 1: Industry Canada funded *Accelerate* interns by nationality.

<i>Accelerate</i> Internships by Nationality	
Canadian Citizen	452
International	343
Permanent Resident	165
Total	960

Mitacs is working with Canadian research universities to ensure retention rates for graduate students remain high. Mitacs has developed a model to integrate *Accelerate* internships into Masters programs. This strategy gives interns the opportunity to gain industrial R&D experience directly within their fields of study as part of their core curriculum. Mitacs currently has memoranda of understanding (MOUs) for this initiative with four university departments (including two at the University of Toronto), and is currently in discussions with an additional 35 departments to find opportunities to integrate *Accelerate* internships into their Master programs. In 2013-14, Mitacs delivered 32 Industry Canada funded internships through this new, integrated model.

For Ethiopian-born Kinfe Tadesse Mengistu, a Mitacs internship led to full-time employment and a permanent stay in Canada. Regarding Mitacs programs, Kinfe says, “[they] definitely helped me find my new position. I learned to network and communicate better, so much so that a relationship I cultivated from a conference helped me get the interview for my new job. The Mitacs-Step workshops I attended gave me the tools to perform well during these interviews. Also, the interactions I had with my industrial partner were fruitful and developed further as we worked together.” Kinfe studied Information Science at the School of Information Studies for Africa (later known as the Faculty of Informatics in Addis Ababa University) and graduated with a Master’s of Science in Information Science. Through his internship, Kinfe worked with the Department of Computer Science in the Computational Linguistics research group at the University of Toronto and partner company, Soligsoft Inc., a private Canadian corporation that researches, develops, promotes, and markets software and other resources for learning and teaching languages. The knowledge and skills that Kinfe gained through his internship has led to a full-time position as a speech scientist for Nuance Communications.

5. Increase investment of participating companies in research, development, and innovation

Accelerate increases business investment in R&D and innovation directly through participation in the program. *Accelerate* has the highest proportion of industry investment of any Canadian industry-facing research internship program. In 2013-14, participating companies spent \$15.3 million on R&D directly through participation in *Accelerate* projects.

But this direct investment does not tell the whole story. As shown in figure 6, 86% of industry partners plan on further developing the results and outcomes from their *Accelerate* internships.

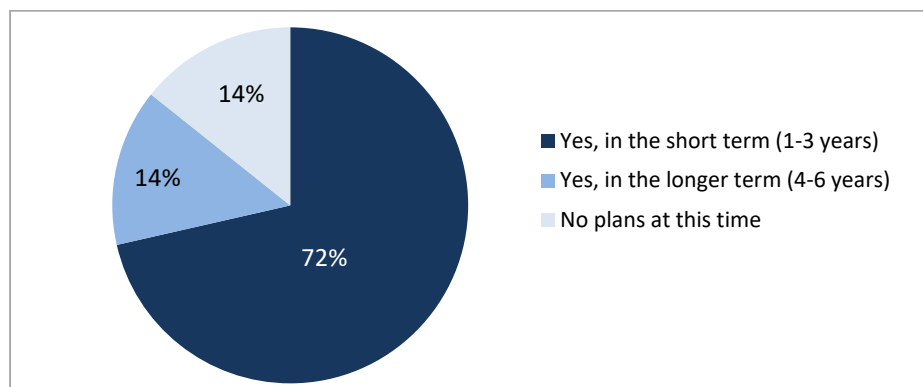


Figure 6: Industry partners' intent to further develop research from *Accelerate* internship.

Mitacs continues to build on the success of the internship cluster model. Mitacs internship clusters involve a team of interns with varying backgrounds and skill sets collaborating on a single research project with one or more industrial partners. These *Accelerate* clusters allow companies to address problems of varying size and complexity by involving multiple host organizations and faculty members from various disciplines. Clusters can potentially lead to increased collaboration between academia and industry through partnering on long-term, complex research projects. For fiscal year 2013-14, Mitacs delivered 331 Industry Canada-funded internships through the cluster model.

To address mounting demand from Canadian firms, Mitacs has recently developed an industrial partnership strategy, in which Mitacs staff provide direct business development support to key firms, helping them identify and establish research projects leading to an increase in industrial investment in Canadian R&D and innovation through increased reliance on the *Accelerate* program to solve large, long-term industrial research challenges. In 2013-14, Mitacs signed 14 MOUs with more than a dozen in development. Mitacs expects a minimum of 474 internships delivered through this strategy for next fiscal, which would represent a potential industrial investment of \$3.5 million.

Pratt & Whitney Canada Corp (P&WC), a global leader in aerospace, has participated in more than 60 internships and has benefitted significantly from this practical, cost-effective way to tap into the talents of young Canadian researchers. Says Yves Rabellino, Pratt & Whitney's Director: *"P&WC considers Mitacs as a great opportunity to expand collaboration with academia (across Canada) as well as the program providing a critical pool of HQP (Highly Qualified Personnel) for potential hire...without exception, these have proven to be successful internships and key to our projects."* Through leveraging the Mitacs network, P&WC has been able to collaborate with students and professors at L'École Polytechnique de Montréal, McGill University, and Université Laval to address challenges in the realm of additive manufacturing. This ongoing research partnership seeks to address emissions reduction for P&WC's line of engines and P&WC continues to employ *Accelerate* internships as a key part of its strategy to solve these R&D challenges.

Globalink

Globalink adopts a two-pronged approach: bringing top international undergraduate and graduate students and early career faculty to Canadian universities to work with leading Canadian researchers through research internships and fellowships, while also sending Canadian students abroad to participate in research projects with leading researchers around the world. As such, Industry Canada has identified two key goals for its funding of this program:

1. Increase the number of foreign students undertaking research projects in Canada and applying to pursue graduate or postdoctoral studies in Canada.

Mitacs' *Globalink* program suite offers programming and initiatives aimed at increasing the number of international students coming to Canada.

Mitacs' current strategy includes:

a. Mitacs *Globalink* Research Internships

Mitacs Globalink Research Internships invite top-tier undergraduate students to experience Canada as a leading destination for research and innovation. Students are paired with faculty at Canadian universities for a 12-week research project of mutual interest over May through September.

In 2013, Mitacs brought 146 Industry Canada-funded interns from Brazil, China, India, and Mexico to Canadian universities. These top international undergraduate students undertook research projects with professors at universities in Ontario, Quebec, New Brunswick, Nova Scotia, and Newfoundland.

To date in 2014, Mitacs is able to report a 71% increase in Industry Canada-funded *Globalink Research Internships*. Mitacs currently has 497 top undergraduate students from Brazil, China, France, India, Mexico, Saudi Arabia, Turkey, and Vietnam undertaking research projects with academic researchers across Canada (see figure 1). This increase represents only a fraction of the demand for the program. In total, Mitacs received 2,257 applications from international students for *Globalink Research Internships* in 2014. With ongoing discussions with partner countries and potential expansion of the program, Mitacs expects this number to continue to rise.

These research projects were found across disciplines, and provided significant benefit to the students and to their professor hosts: more than two-thirds of *Globalink* interns report publishing the results of their research projects in a journal or conference proceedings; and professors benefit from students' international perspectives and experiences, and can evaluate potential graduate students while demonstrating the breadth of Canadian research opportunities. *Globalink* interns also have the opportunity to grow their professional networks while in Canada by attending networking events and meetings put on by industry in various sectors. Indeed, figure 7 highlights that the majority of *Globalink* interns plan to remain in contact with their host professors, as well as fellow *Globalink* interns, and other Canadian and international students, and researchers.

Host professors at Mitacs' partner universities also greatly contribute to the interns' experience and impression of Canada as a leading destination for research and innovation. While Mitacs has a strong pool of professors who continue to use the program year after year, Mitacs is continually reaching out to professors who are new to the *Globalink* program. **In 2013, over 70% of professors participating in *Globalink* were first time participants.**

Taken together, these results demonstrate that the *Globalink* research internship program is positioning Canada as a top research destination for international students.

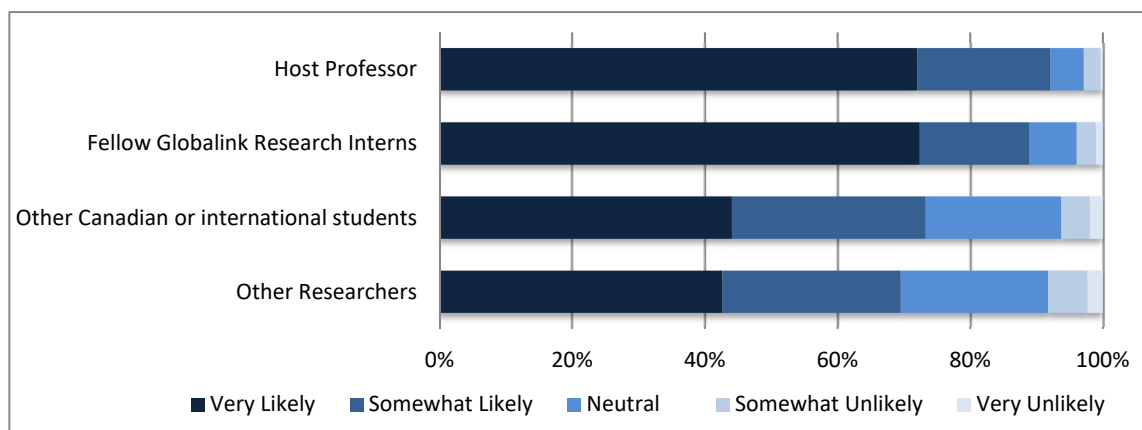


Figure 7: Likelihood that *Globalink* Research interns will stay in touch with contacts in Canada upon return to their host country.

Adrian Gil, a Mechatronics Engineering student at the Instituto Tecnológico de Estudios Superiores de Monterrey in Mexico, saw a *Globalink Research Internship* as the perfect opportunity to challenge himself with a research project in a new country and in a different language. Posted in the University of Calgary's Department of Psychology, Adrian conducted research under Professor Giuseppe Iaria helping to develop a computer game to diagnose children with developmental topographical disorientation (DTD), which is an inability to navigate the world around them. The video game will not only help diagnose children with DTD, but also help treat them. Says Adrian: "We are also planning a simple version of the game which could be played while the child is undergoing an MRI scan. This would help us map out brain activity while they are using their navigating skills." Adrian had always wanted to do a research internship abroad, and saw a *Globalink Research Internship* as the ideal way to connect with a research project with real outcomes. "I've never done any study overseas but I've been interested in visiting a different country with a different language and doing research related to my degree. I was given the option of an internship in Barcelona, but I decided to come to Calgary instead." He hopes to return to Canada for graduate studies under the *Globalink Graduate Fellowship* program. "I would love the opportunity to come back after I complete my bachelor degree and do a Masters here."

b. Mitacs *Globalink* Graduate Fellowships

Mitacs Globalink Graduate Fellowships provide a financial incentive for *Globalink Research* interns to return to Canada for Master's or PhD programs at Mitacs partner universities. Since the start of Industry Canada's support for this initiative in 2012, 33 fellowships have been awarded to *Globalink* alumni for graduate studies at universities across Canada. Applications for these fellowships continue to increase as the *Globalink* program expands.

Mitacs expects the number of fellowships to increase as past *Globalink Research* interns complete their undergraduate degrees and begin applying for graduate studies. As shown in figure 8, nearly all *Globalink Research* interns indicate they now have an increased awareness of Canada as a destination for graduate studies and as a place to live.

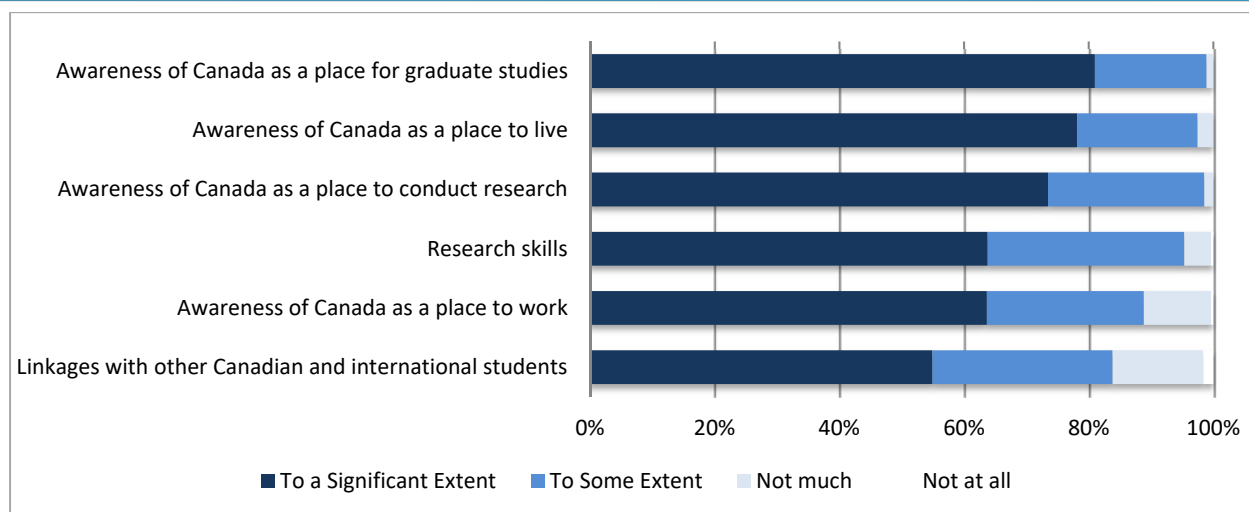


Figure 8: Extent to which their *Globalink* internship increased students' awareness of Canada as a research destination.

When Wanyao Zhao came to Canada in the summer of 2012 through a *Globalink Research Internship* at the University of Toronto, he didn't expect to develop such an affinity for the people at the University, not to mention those in the city's Chinatown where he stayed for 12 weeks during his internship. After completing his undergraduate degree in Electrical Engineering from the Beijing Institute of Technology, Wanyao knew he had to return to Canada. In the fall of 2013, he enrolled as an international Master's student in Department of Electrical and Computer Engineering the University of Toronto. As a returning *Globalink Research* intern, Wanyao was eligible for the *Globalink Graduate Fellowship*, which was a deciding factor in his decision to return to Canada. Currently in his second semester, Wanyao is working under the supervision of Professor Ashish Khisti researching computer coding security and enjoying every moment of his experience. "I knew I made the right decision by coming back to Ontario for my Master's. The research opportunities, hands-on faculty instruction, and top-notch laboratory facilities are second to none." After completing his Master's, Wanyao plans to continue his educational path in Canada by earning his PhD.

c. Mitacs *Globalink* Research Award – Inbound (*GRA-Inbound*)

In addition to its two primary international programs, Mitacs offers several smaller pilot initiatives to increase the two-way mobility of talented young researchers between Canada and Mitacs partner countries. For example, Mitacs has recently launched its *Globalink Research Award*. This award is available to graduate students in Mitacs partner countries (Inbound) or to Canadian students at a Mitacs full or associate partner university (Outbound) to undertake a research project abroad.

While *GRA-Inbound* is still in pilot stage, Mitacs has partnered with the Sorbonne group of universities to bring top graduate students from the Sorbonne Universités to Canada's premier research universities. This partnership provides Mitacs academic partners and the faculty of the Sorbonne Universités the opportunity to strengthen international research collaborations and connect with colleagues around the world through the mobility of their graduate students. Student participants have the opportunity to develop research skills, cultural fluency, and professional networks and will become ambassadors of the global innovation network.

d. Mitacs *Globalink* Research Fellowship

Another recently launched pilot initiative is the *Mitacs Globalink Research Fellowship* that provides young academics from eligible institutions in Mitacs partner countries the opportunity to develop long term linkages with research groups in Canada. Mitacs is currently negotiating agreements with the China Scholarship Council; a joint agreement with the Vale Institute of Technology and the National Counsel of Technological and Scientific Development in Brazil; and the Secretariat of Public Education in Mexico.

2. Increase the number of Canadian students participating in research and educational opportunities abroad.

Mitacs is also using the *Globalink* program as a tool to increase opportunities for Canadians to gain research experience abroad with international partners. Through various initiatives, exceptional Canadian students, researchers, and faculty are gaining international research experience with leading researchers in partner countries. Mitacs' *Globalink* program suite offers programming and initiatives aimed at increasing the number of Canadian students and faculty participating in research and educational opportunities abroad. Mitacs' current strategy includes:

a. Mitacs Globalink Research Award - Outbound (GRA-Outbound)

Mitacs *GRA-Outbound* provides senior undergraduate and graduate students from Canadian universities the opportunity to undertake a 3-6 month research project at an accredited university in a partner country. The initiative launched in December of 2013 and, to date, Mitacs has matched five Canadian students with top academic researchers in Brazil, China, Turkey, and Vietnam. Since its launch, demand for the program has been significant with over 100 research awards underway and Mitacs is in the process of formalizing relationships with partner countries thus increasing opportunities for Canadian undergraduate and graduate students to collaborate with the international research community.

Through the *Globalink Research Award-Outbound*, University of British Columbia undergraduate student Eugenia Kwok is undertaking animal welfare research in Brazil. Currently in her third year in the Applied Animal Biology program at UBC, Eugenia learned about the *Globalink Research Award* through a program advisor, applied, and was matched with a research opportunity with the Federal University of Paraná. Eugenia's research is focused on stray dog behavior and welfare, and the complexities of the relationships that dogs form with other animals and people in their communities. The *Globalink Research Award* has afforded Eugenia a new opportunity for her research: *"Mitacs-Globalink has given me the opportunity to explore all the avenues of animal welfare research that I never imagined I would be able to experience, as well as build strong connections with researchers in Brazil...In the coming months, I look forward to focusing on data collection for my research, but also learning more about Brazilian culture and enjoying the beauty of this country. I hope to widen my views as both a student and an animal welfare researcher, so that I can share my experiences with colleagues and staff back in Vancouver, Canada."*

b. Mitacs Globalink Partnership Award

Mitacs Globalink Partnership Award is another new initiative that sends Canadian graduate students abroad to participate in a four to six month research project with a company located in one of Mitacs' partner countries. This program connects international companies with Canadian research-based universities through short-term graduate student internships, allowing them to apply their specialized expertise to business research challenges. This program affords young Canadian talent the opportunity to travel abroad and help solidify and enhance Canada's international reputation for research excellence.

The *Mitacs Globalink Partnership Award* is still in pilot stage with one placement for 2013-14. José Carlos De Araujo Borba Junior from the Université du Québec à Montréal undertook a partnership with Michelin in Brazil analyzing the tire production industry in Brazil. Mitacs is currently in discussions with the Scientific and Technological Research Council in Turkey regarding potential partnerships for Canadian graduate students in Turkey. Mitacs is ramping up outreach efforts to facilitate a streamlined marketing approach and strategy to reach high quality students across Canadian research universities.

Strategic Look Ahead – Objectives for 2014-15 and Beyond

Through the support of Industry Canada, and as outlined above, Mitacs continued to support efforts to address Canada's productivity, innovation, and talent deployment challenges in 2013-14. Mitacs is proud of its exceptional track record of catalyzing demand-driven innovation, developing highly-skilled human capital, and efficiently delivering effective programs. Mitacs continued to focus on programs and initiatives with innovation at their core to drive firm growth and develop human capital.

Looking to 2014-15 and beyond, Mitacs will continue to expand current programs by building on its extensive network of industry and academia partners, thus advancing our core objectives:

- Help companies identify their innovation needs and match them with academic expertise;
- Foster cutting edge research tied to commercial outcomes;
- Build international research networks, creating innovation leaders in Canada and abroad; and
- Provide professional and entrepreneurship skills training for graduate students, ensuring they have the tools to meet emerging innovation needs.

In 2014-15, Mitacs' initiatives will focus on:

- Promoting Canadian research and education internationally through recruitment of exceptional students and increased mobility for Canadians via **Mitacs-Globalink** and **Mitacs-Accelerate**;
- Addressing Canada's **shortage of skilled R&D managers** through **Mitacs-Elevate**;
- **Grow innovative Canadian companies** by connecting Canadian SMEs with multinational enterprise through **Mitacs-Converge**;
- Provide an exemplary training program to HQP through **Mitacs-Step**;
- Extend pilot initiatives to extend Mitacs partnerships to include organizations in the **not-for-profit sector**.

Mitacs will address Canada's shortage of skilled R&D managers by providing exceptional postdocs with skills and experience to lead and manage industrial research, development, and commercialization efforts. Efforts to expand industry partnerships in the not-for-profit sector are already underway through select funding initiatives and Mitacs looks forward to expanding these efforts nationally to the benefit of all Canadians.

Globalink continues to draw top international talent and Mitacs looks to build on that success through partnerships with new countries and increased numbers of students. In addition, Mitacs will send Canadian students and early career researchers abroad to bring new ideas and connections back to Canada and to ensure Canada's role in the global flow of knowledge.

In addition to fulfilling these objectives, Mitacs continues to work closely with its federal and provincial partners to implement a best-in-class evaluation strategy including performance measurement frameworks for all its programs. Mitacs will continue to build on its successes in the years ahead. As this report shows, with Mitacs leading the way, Canada is poised to emerge as a global leader in innovation and research excellence.

Appendix A: Statement of Eligible Expenditures

Table 1: Industry Canada Accelerate Expenditure Summary

Expenditures	Total 2013-14 Forecast	Total 2013-14 Expenditures	Industry Canada 2013-14 Forecast	Industry Canada 2013-14 Expenditures
# of Internships			960	960
Direct Program Costs				
Accelerate awards	\$ 31,058,000	\$ 32,757,291	\$ 5,947,000	\$ 5,828,117
Direct program management	\$ 1,021,123	\$ 644,421	\$ 115,000	\$ 111,253
Student mobility	\$ 92,500	\$ 116,590	\$ 40,000	\$ 29,683
Business development	\$ 3,156,013	\$ 2,886,447	\$ 488,000	\$ 472,103
Administrative Costs				
Scientific management	\$ 866,647	\$ 1,078,298	\$ 80,000	\$ 77,394
Communications / marketing	\$ 399,737	\$ 419,398	\$ 104,000	\$ 100,612
Corporate services	\$ 2,556,070	\$ 2,261,719	\$ 226,000	\$ 218,638
Total	\$ 39,150,090	\$ 40,164,164	\$ 7,000,000	\$ 6,837,800

Table 2: Anticipated Accelerate Funding from other Sources

Income Source	Total 2013-14 Forecast	Total 2013-14 Income
Provincial Internship Funds	\$ 6,125,000	\$ 9,783,047
IRAP	\$ 60,000	\$ 676,850
IRDI-NCE Funds	\$ 6,387,000	\$ 6,398,835
Federal Development Agencies	\$ 1,651,000	\$ 1,481,175
Industry Canada	\$ 7,000,000	\$ 6,837,800
Industry	\$ 14,703,000	\$ 15,251,349
Other Sources	\$ 3,518,800	\$ -
Total	\$ 39,444,800	\$ 40,429,056

Table 3: Balance of Grant per Industry Canada Reporting

Opening grant balance at April 1, 2013 per 2012/13 IC report	\$ 178,700.00
New funds received this fiscal year - Sept 12, 2013	\$ 7,000,000.00
Industry Canada 2013 funds recognized per contract	-\$ 6,837,800.00
Interest	\$ 48,401.66
Balance of grant per contract	\$ 389,301.66

Table 4: Industry Canada Globalink Expenditure Summary

Expenditures	Total 2013-14 Forecast #	Total 2013-14 Actual #	Total 2013-14 Forecast Total	Total 2013-14 Actual Total	Total 2013-14 Forecast Industry Canada	2013-14 Actual Expenses Industry Canada
Globalink Expenses (Summer Cohort 2013)						
Globalink internships - Industry Canada (note 1)	146	153	\$ 1,898,000	\$ 1,717,041	\$ 949,000	\$ 918,185
Total			\$ 1,898,000	\$ 1,717,041	\$ 949,000	\$ 918,185
Globalink Expenses (Summer Cohort 2013)						
Globalink internships - WD (note 1)	139	137	\$ 1,807,000	\$ 1,664,478	\$ -	\$ -
Total			\$ 1,807,000	\$ 1,664,478	\$ -	\$ -
Graduate Fellowships						
Fellowships (note 2)	31	33	\$ 1,550,000	\$ 1,570,000	\$ 310,000	\$ 325,000
Total			\$ 1,550,000	\$ 1,570,000	\$ 310,000	\$ 325,000
Fixed Cost						
Marketing and Communications			\$ 236,238	\$ 118,838	\$ 66,000	\$ 64,050
Project Management			\$ 787,994	\$ 471,371	\$ 325,000	\$ 254,055
Scientific Evaluation, Matching and Administration			\$ 506,266	\$ 517,446	\$ 225,000	\$ 278,887
International Expansion			\$ 150,000	\$ 159,258	\$ 150,000	\$ 159,258
Total			\$ 1,680,498	\$ 1,266,913	\$ 766,000	\$ 756,250
Startup cost - Systems Development			\$ 50,000	\$ 100,986	\$ 50,000	\$ 100,986
Total			\$ 50,000	\$ 100,986	\$ 50,000	\$ 100,986
Total Expenditures before Commitments			\$ 6,985,498	\$ 6,319,418	\$ 2,075,000	\$ 2,100,421
Globalink Commitments (Summer Cohort 2014)						
Globalink Internships	600	479	\$ 7,800,000	\$ 4,448,057	\$ 3,900,000	\$ 3,362,650
Total			\$ 7,800,000	\$ 4,448,057	\$ 3,900,000	\$ 3,362,650
Grand Total			\$ 14,785,498	\$10,767,475	\$ 5,975,000	\$ 5,463,071

Note 1: We estimate universities contribute \$3,000 of research costs per intern. This has been included in Globalink Actual Total Expenses.

Note 2: We estimate universities contribute \$20,000 per year for each Globalink Fellowship. This has been included in Graduate Fellowship Actual Total Expenses.

Table 5: Industry Canada *Globalink* Income Summary

Income Source	Total 2013-14 Forecast	Total 2013-14 Actual Income - Direct & Indirect	Total 2013-14 Actual Income - In kind	Total 2013-14 Actual Income - Total
Industry Canada	\$ 2,075,000	\$ 2,100,421		\$ 2,100,421
WD	\$ 714,000	\$ 713,363		\$ 713,363
Universities (note 1 & 2)	\$ 2,200,000	\$ 55,000	\$ 1,849,000	\$ 1,904,000
International Partners	\$ 1,000,000	\$ 871,228		\$ 871,228
Provincial Partners	\$ 900,000	\$ 682,500		\$ 682,500
Other	\$ -	\$ 46,529		\$ 46,529
Total Income before Commitments	\$ 6,889,000	\$ 4,469,041	\$ 1,849,000	\$ 6,318,041
Industry Canada Commitments	\$ 3,900,000	\$ 3,362,650		\$ 3,362,650
University, International & Provincial Commitments	\$ 3,900,000	\$ 1,085,407		\$ 1,085,407
Total Income with Commitments	\$ 14,689,000	\$ 8,917,098	\$ 1,849,000	\$ 10,766,098
<i>Note 1: We estimate universities contribute \$3,000 of research costs per intern. This has been included in Actual Income In-Kind.</i>				
<i>Note 2: We estimate universities contribute \$20,000 per year for each Globalink Fellowship. This has been included in Actual Income In-Kind.</i>				

Appendix B: Summary of Updates to Mitacs' Investment Policies, Standards and Procedures

The Mitacs Investment Policy is reviewed annually by the Board Audit and Finance Committee. There have been no updates to this Policy during Fiscal 2013-14.

Appendix C: Performance Measurement Summary

Accelerate

Program Output or Outcomes	Indicator	Data Source	Frequency of Data Collection	Target	Date to Achieve Target	Organization Responsible for Data Collection	Data Management System	Results for 2013-2014	Notes
Outputs									
Approved applications	Number of applications received by the program (cluster and regular)	Admin Database	On-going	--	--	Mitacs	Internship database	Total: 1063 Regular: 964 Cluster: 99	
	Average time for reviewing applications (cluster and regular)	Admin Database	On-going	40 days for regular; 69 days for clusters	Annual	Mitacs	Internship database	Regular: 28 days Cluster: 60 days	
	Participant satisfaction with the application and review process	Participant Exit Survey	End of each internship	Avg. of 5.5 on a scale of 1 to 7	Annual	Mitacs	Exit Survey	Interns: 6.0 Professors: 6.2 Partners: 5.9	
	Participant satisfaction with the support provided by Mitacs through the application process	Participant Exit Survey	End of each internship	Avg. of 5.5 on a scale of 1 to 7	Annual	Mitacs	Exit Survey	Interns: 6.2 Professors: 6.4 Partners: 6.2	
Industrial research internships	Number of internship units supported	Annual Report	Annual	4,800	31-Mar-17	Mitacs	Internship database	958	
	Number of interns, internships and projects supported	Annual Report	Annual	--	--	Mitacs	Internship database	Interns: 523 Internships: 528 Projects: 397	
	Number of graduate students and post-docs who have not previously participated in a Mitacs Accelerate internship	Annual Report	Annual	2,400	31-Mar-17	Mitacs	Internship database	216	
	Number of companies hosting internships	Annual Report	Annual	1,200	31-Mar-17	Mitacs	Internship database	406	
	Number of companies who have not previously hosted Mitacs-Accelerate internship	Annual Report	Annual	1,000	31-Mar-17	Mitacs	Internship database	126	
	Number of academic supervisors participating	Annual Report	Annual	1,400	31-Mar-17	Mitacs	Internship database	389	
	Number of academic supervisors who have not previously participated in a	Annual Report	Annual	700	31-Mar-17	Mitacs	Internship database	89	

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	Mitacs-Accelerate internship								
	Profile of interns and internship units by academic discipline and Canadian versus international students	Annual Report	Annual	--	--	Mitacs	Internship database	In the report	
	Profile of host companies and internship units by sector and number of employees	Annual Report	Annual	--	--	Mitacs	Internship database	In the report	
	Percent of projects that would have been delayed or cancelled in the absence of the program	Annual Report	Annual	60%	Annual	Mitacs	Exit Survey	88% of supervisors indicated that in the absence of Accelerate, the project would have been canceled, delayed or would not have been designed in the first place.	
Corporate reports	Receipt of annual corporate plans	Annual Plan	Annual	1 / year	Annual	IC	--	Submitted	
	Receipt of annual reports	Annual Report	Annual	1 / year	Annual	IC	--	See report attached	
Immediate Outcomes									
Innovative solutions to private sector needs and issues	Percent of host organizations rating the project as successful in meeting their needs	Project Report/Host Exit Survey	End of each internship	70% provide a rating of 5 or more	Annual	Mitacs	Exit Survey	100% indicated a success rating of 5 or more	
	Percent of companies which indicate they will use the results of their internship project	Host Exit Survey	End of each internship	70%	Annual	Mitacs	Exit Survey	On average, 91% of partners indicated they will use the research advances, techniques, tools and/or knowledge generated to a moderate extent (4/7) or more	
	Percent of internships that led to the development of increased knowledge	Program Report/Exit Surveys	End of each internship	80%	Annual	Mitacs	Exit Survey	95% of partners indicated they internship led to development of increased knowledge	
Increased capabilities and academia-industry knowledge transfer related to industrial research, development and innovation	Level of involvement of the academic supervisor in the project	Program Report/Exit Survey	End of each internship	Average rating of 4 on a scale of 1 to 7	Annual	Mitacs	Exit Survey	Supervisors indicated an average involvement of 5.8	
	Percent of internship projects in which the direct involvement of the academic supervisor and the university contributed to the results	Program Report/Exit Survey	End of each internship	50%	Annual	Mitacs	Exit Survey	92% of the partners indicated that the supervisor directly contributed to the results	
	Percent of supervisors reporting a greater understanding of the industry	Supervisor	End of each internship	--	Annual	Mitacs	Exit Survey	On average, 87% of supervisors indicated an increased understanding of the industry environment, its	

	environment and its R&D activities and challenges as a result of the project	Exit Survey						R&D activities and/or challenges, to a moderate extent (4/7) or more	
	Percent of companies reporting increased understanding of the value of research, value of HQP, increased interest in R&D and innovation, and increased capabilities for R&D as a result of internship	Host Exit Survey	End of each internship	70%	Annual	Mitacs	Exit Survey	Partners indicated they had developed increased: <ul style="list-style-type: none"> - understanding of the value of research (80%) - understanding of the value of HQPs (79%) - interest in R&D (73%) - capabilities for R&D (93%) 	
Improved employability of the intern	Percent of interns reporting increases in intern skills and experience as a result of internship/types of skills developed	Intern Exit Survey	End of each internship	90%	Annual	Mitacs	Exit Survey	94% of interns reported that, to a moderate extent (4/7) or more, the internship led to a more competitive skillset, including: <ul style="list-style-type: none"> - Ability to conduct research to address private sector problems (99%) - Expertise and/or know-how relevant to the private sector (97%) - Competence in research development and design (95%) - Networking skills (91%) - Communication skills (96%) - Critical and creative thinking (95%) - Project management skills (91%) 	
	Percent of hosts reporting increases in intern skills and experience as a result of internship/types of skills developed	Host Exit Survey	End of each internship	90%	Annual	Mitacs	Exit Survey	100% of partners reported that, to a moderate extent (4/7) or more, the internship led to a more competitive skillset, including: <ul style="list-style-type: none"> - Ability to conduct research to address private sector problems (100%) - Expertise and/or know-how relevant to the private sector (100%) - Competence in research development and design (100%) - Networking skills (93%) - Communication skills (90%) - Critical and creative thinking (89%) - Project management skills (89%) 	
Intermediate Outcomes									
Further collaboration and knowledge transfer between academia	Percent of host companies reporting increased interest in further collaboration as a result of the internship	Host Exit Survey	End of each internship	Average rating of 5 on a scale of 1 to 7	Annual	Mitacs	Exit Survey	Partners indicated an average increased interest in further collaboration of 6.3	
	Percent of supervisors report-	Host Exit	End of	Average	Annual	Mitacs	Exit Survey	Supervisors indicated an average	

demia and industry	ing increased interest in further collaboration as a result of the internship	Survey	each in-ternship	rating of 5 on a scale of 1 to 7				increased interest in further collaboration of 5.2	
Increased private sector investment in research and development	Percent of host organizations reporting an impact on future R&D expenditures	Host Exit Survey	End of each in-ternship	Average rating of 5 on a scale of 1 to 7	Annual	Mitacs	Exit Survey	Partners indicated an average impact on future R&D activities and investments of 4.2. 73% of partners indicated that they are likely to increase their R&D expenditures related to research personnel, knowledge generation, capital assets and/or application costs.	
	Percent of companies who expect to launch new R&D projects based on the results of the internship/relationship of the project to the internship project/level of investment in subsequent projects	Host Exit Survey	End of each in-ternship	Average rating of 5 on a scale of 1 to 7	Annual	Mitacs	Exit Survey	Partners indicated an average intent of further developing the research from the internship or launching new R&D projects of 4.9	
Increased retention of domestic and international graduate students in Canada after completing their studies	Percent of interns who report the internship improved their career prospects	Intern Exit Survey	End of each in-ternship	70%	Annual	Mitacs	Exit Survey	94% of interns indicated that the internship improved their career prospects.	
	Percent of interns reporting increased interest in pursuing a career in R&D	Intern Exit Survey	End of each in-ternship	70%	Annual	Mitacs	Exit Survey	91% of interns indicated they had an increased interest in pursuing a career in R&D, to a moderate extent (4/7) or more	
	Percent of graduate student and postdoctoral fellows reporting increased interest in pursuing a career in the private sector	Intern Exit Survey	End of each in-ternship	70%	Annual	Mitacs	Exit Survey	90% of interns indicated they had an increased interest in pursuing a career in the private sector, to a moderate extent (4/7) or more	
	Number of former interns hired since the completion of the project for new and for existing positions with the host organization	Intern Exit Survey	End of each in-ternship	20%	Annual	Mitacs	Exit Survey	46% of the past interns employed in the private sector have been hired by their host organization	This information has been collected via the longitudinal study of Accelerate impacts for interns
	Percent of national and international interns reporting that the internship reduced the likelihood that they will leave Canada post-graduation	Intern Exit Survey	End of each in-ternship	20%	Annual	Mitacs	Exit Survey	67% of national and 81% of international interns indicated that their internship improved the likelihood that they would stay in Canada for employment. 91% of past interns still live in Canada.	This information has been collected via the longitudinal study of Accelerate impacts for interns

	Percent of hosts reporting increases in intern skills and experience as a result of internship/types of skills developed	Host Exit Survey	End of each internship	90%	Annual	Mitacs	Exit Survey	<p>100% of partners reported that, to a moderate extent (4/7) or more, the internship led to a more competitive skillset, including:</p> <ul style="list-style-type: none"> - Ability to conduct research to address private sector problems (100%) - Expertise and/or know-how relevant to the private sector (100%) - Competence in research development and design (100%) - Networking skills (93%) - Communication skills (90%) - Critical and creative thinking (89%) - Project management skills (89%) 	
Intermediate Outcomes									
Further collaboration and knowledge transfer between academia and industry	Percent of host companies reporting increased interest in further collaboration as a result of the internship	Host Exit Survey	End of each internship	Average rating of 5 on a scale of 1 to 7	Annual	Mitacs	Exit Survey	Partners indicated an average increased interest in further collaboration of 6.3	
	Percent of supervisors reporting increased interest in further collaboration as a result of the internship	Host Exit Survey	End of each internship	Average rating of 5 on a scale of 1 to 7	Annual	Mitacs	Exit Survey	Supervisors indicated an average increased interest in further collaboration of 5.2	
Increased private sector investment in research and development	Percent of host organizations reporting an impact on future R&D expenditures	Host Exit Survey	End of each internship	Average rating of 5 on a scale of 1 to 7	Annual	Mitacs	Exit Survey	Partners indicated an average impact on future R&D activities and investments of 4.2. 73% of partners indicated that they are likely to increase their R&D expenditures related to research personnel, knowledge generation, capital assets and/or application costs.	

	Percent of companies who expect to launch new R&D projects based on the results of the internship/relationship of the project to the internship project/level of investment in subsequent projects	Host Exit Survey	End of each internship	Average rating of 5 on a scale of 1 to 7	Annual	Mitacs	Exit Survey	Partners indicated an average intent of further developing the research from the internship or launching new R&D projects of 4.9	
Increased retention of domestic and international graduate students in Canada after completing their studies	Percent of interns who report the internship improved their career prospects	Intern Exit Survey	End of each internship	70%	Annual	Mitacs	Exit Survey	94% of interns indicated that the internship improved their career prospects.	
	Percent of interns reporting increased interest in pursuing a career in R&D	Intern Exit Survey	End of each internship	70%	Annual	Mitacs	Exit Survey	91% of interns indicated they had an increased interest in pursuing a career in R&D, to a moderate extent (4/7) or more.	
	Percent of graduate student and postdoctoral fellows reporting increased interest in pursuing a career in the private sector	Intern Exit Survey	End of each internship	70%	Annual	Mitacs	Exit Survey	90% of interns indicated they had an increased interest in pursuing a career in the private sector, to a moderate extent (4/7) or more	
	Number of former interns hired since the completion of the project for new and for existing positions with the host organization	Intern Exit Survey	End of each internship	20%	Annual	Mitacs	Exit Survey	46% of the past interns employed in the private sector have been hired by their host organization	Collected via longitudinal study of Accelerate impacts for interns
	Percent of national and international interns reporting that the internship reduced the likelihood that they will leave Canada post-graduation	Intern Exit Survey	End of each internship	20%	Annual	Mitacs	Exit Survey	67% of national and 81% of international interns indicated that their internship improved the likelihood that they would stay in Canada for employment. 91% of past interns still live in Canada.	Collected via longitudinal study of Accelerate impacts for interns

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Globalink

Program Output or Outcomes	Indicator	Data Source	Frequency of Data Collection	Target	Date to Achieve Target	Organization Responsible for Data Collection	Data Management System	Results for 2013-2014 (GRI only)	Notes
Outputs									
Applications	Number of applications received by component	Admin Database	On-going	--	--	Mitacs	Program database	1,680 from professors	
								2,257 from students	
	Participant satisfaction with the application and review process	Participant Exit Survey	On exit	Avg. of 5.5 on a scale of 1 to 7	Annual	Mitacs	Exit Survey	4.3/5	The scale currently used for our exit surveys is 1-5, will be modified to 1-7.
	Participant satisfaction with the support provided by Mitacs through the application process	Participant Exit Survey	On exit	Avg. of 5.5 on a scale of 1 to 7	Annual	Mitacs	Exit Survey	4.4/5	The scale currently used for our exit surveys is 1-5, will be modified to 1-7.
Internships, Fellowships and Awards	Number of internships, fellowships, research awards, and partnership awards supported	Annual Report	Annual	--	31-Mar-17	Mitacs	Program database	643, 33, 5, 1	
	Number of Canadian and international students supported	Annual Report	Annual	--	--	Mitacs	Program database	6, 676	
	Number of students who had not previously participated in Mitacs Globalink	Annual Report	Annual	--	31-Mar-17	Mitacs	Program database	649	
	Number of international organizations participating (Globalink Partnership Awards)	Annual Report	Annual	--	31-Mar-17	Mitacs	Program database	1	
	Number of international organizations who have not previously participated	Annual Report	Annual	--	31-Mar-17	Mitacs	Program database	1	
	Number of academic supervisors participating from Canada and other countries	Annual Report	Annual	--	31-Mar-17	Mitacs	Program database	760	
	Number of academic supervisors who have not previously participated in Mitacs Globalink	Annual Report	Annual	--	31-Mar-17	Mitacs	Program database	542	
	Profile of participants by academic discipline, university, province, country and Canadian versus international students	Annual Report	Annual	--	--	Mitacs	Program database	Internship list attached as an appendix	
	Profile of international organizations by sector and number of employees	Annual Report	Annual	--	--	Mitacs	Program database	Internship list attached as an appendix	
	Percent of projects that would	Annual	Annual	60%	Annual	Mitacs	Exit Survey	-	We do not currently

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	have been delayed or cancelled in the absence of the program	Report							collect the requested information. A new question will be added to our exit surveys.
Corporate plans and reports	Receipt of annual corporate plans	Annual Plan	Annual	1 / year	Annual	IC	--	Submitted	
	Receipt of annual reports	Annual Report	Annual	1 / year	Annual	IC	--	See report attached	
Immediate Outcomes									
Increased participation of students in international research and educational opportunities	Level of involvement of the academic supervisors in the research projects	Program Report/Exit Survey	On exit	Average rating of 4 on a scale of 1 to 7	Annual	Mitacs	Exit Survey	99% of supervisors indicated that they interacted at least once a week with their student, including 78% who interacted multiple times a week or on a daily basis.	We do not currently specifically collect the requested information in the proposed format. The question will be modified to better reflect the performance indicator.
	Percent of international participants who received a fellowship to return to Canada to pursue graduate studies	Program Report	On exit	--	Annual	Mitacs	Exit Survey	7.4%	
	Contribution of the student to the research project	Exit Survey	On exit	Average rating of 4 on a scale of 1 to 7	Annual	Mitacs	Exit Survey	84% of host supervisors indicated the student made a good to excellent contribution to the research project.	We do not currently specifically collect the requested information in the proposed format. The question will be modified to better reflect the performance indicator.
	Types of international research and educational opportunities in which students participated	Program Report	On exit	--	Annual	Mitacs	Exit Survey	<i>Internship list attached as an appendix</i>	
Enhanced skills amongst participating students and researchers	Percent of students reporting increases in knowledge, skills and experience as a result of participating in Globalink	Student Exit Survey	On exit	Avg. of 5.5 on a scale of 1 to 7	Annual	Mitacs	Exit Survey	As a result of their internship: - 95% of students indicated an increase in skills, to some or a significant extent. - 97% of students developed their research skills and expertise. - 90% of students gained more knowledge about their academic field.	We do not currently specifically collect the requested information in the proposed format. The question will be modified to better reflect the performance indicator.
	Percent of academic supervisors reporting increases in	Supervisor Exit Survey	On exit	90%	Annual	Mitacs	Exit Survey	99% of host supervisors indicated their student gained valuable	

	student knowledge, skills and experience as a result of participating							knowledge/experience from the project.	
Intermediate Outcomes									
Increased involvement of Canadian students, researchers and organizations in international research networks	Number of students and international hosts reporting participating in formal networking opportunities, events and visits	Participant Exit Survey	On exit	--	Annual	Mitacs	Exit Survey	- 82% of students attended at least 1 industry event - 96% of students participated to at least 1 STEP workshop	
	Percent of students reporting that the research projects increased their interest and involvement in research collaborations and networks	Student Exit Survey	On exit	70%	Annual	Mitacs	Exit Survey	- 82% of students indicated that interactions with their research team enhanced their internship experience. - 83% of students are somewhat or very likely to continue research relationships with their host supervisor. - At least 80% of students intend to stay in contact with their host supervisor, other international students and/or fellow Globalink research interns	We do not currently specifically collect the requested information in the proposed format. The question will be modified to better reflect the performance indicator.
	Percent of Canadian and international academic supervisors reporting increased interest and involvement in international research networks	Supervisor Exit Survey	On exit	--	Annual	Mitacs	Exit Survey	- 86% of host supervisors would consider supervising their GRI student for graduate studies. - 85% of host supervisors have submitted a new Globalink project application for next year.	We do not currently specifically collect the requested information in the proposed format. The question will be modified to better reflect the performance indicator.
	Percent of international academic supervisors reporting increased awareness of Canadian education and research interest in further collaboration as a result of Globalink	Supervisor Exit Survey	On exit	Average rating of 5 on a scale of 1 to 7	Annual	Mitacs	Exit Survey	N/A: No "outbound" projects completed in 2013-14	
Improved employability of the fellow in Canada	Percent of students and researchers who report that participating in Globalink improved their career prospects	Exit Survey	End of each	70%	Annual	Mitacs	Exit Survey	95% of students indicated their internship has greatly contributed to the development of their career.	We do not currently specifically collect the requested information in the proposed format. The question will be modified to better reflect the performance indicator.

Mitacs Annual Report 2013-2014

For Industry Canada

July 2014



	Percent of fellows reporting increased interest in pursuing a career in R&D	Exit Survey	End of each	70%	Annual	Mitacs	Exit Survey	-	We do not currently collect the requested information. A new question will be added to our exit surveys.
Increased retention of domestic and international graduate students in Canada	Percent of national and international students reporting that participating in Globalink increased the likelihood that they will pursue further studies in Canada	Student Exit Survey	On exit	--	Annual	Mitacs	Exit Survey	- 99% of students indicated their internship improved their awareness of Canada as a place for graduate studies. - 97% of students indicated they would likely or very likely consider Canada as a destination to pursue further studies.	
	Percent of national and international students reporting that participating in Globalink increased the likelihood that they will work in Canada after completion of their studies	Student Exit Survey	On exit	--	Annual	Mitacs	Exit Survey	- 97% of students indicated their internship improved their awareness of Canada as a place to live. - 89% of students indicated their internship improved their awareness of Canada as a place to work. - 84% of students who consider pursuing their studies in Canada indicated they would likely or very likely remain in Canada after completion of their studies.	

Appendix 8: Audited Financial Statements

Mitacs engaged Hay & Watson Chartered Accountants to perform the annual financial statement audit for the year ending March 31, 2014. Hay & Watson Chartered Accountants issued their audit opinion that the *financial statements present fairly in all material respects* on June 25, 2013. Please see following for a copy of the Independent Auditor's Final Report.

Mitacs Inc.

Financial Statements
Years Ended March 31, 2014 and 2013
and Auditors' Report

INDEPENDENT AUDITOR'S REPORT

To the Directors of Mitacs Inc.

We have audited the financial statements of Mitacs Inc., which comprise the statements of financial position as at March 31, 2014 and 2013, and the statements of operations, change in net assets, and cash flows for the years ended March 31, 2014 and 2013, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

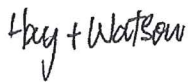
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2014 and 2013, and the results of its operations and its cash flows for the years ended March 31, 2014 and 2013, in accordance with Canadian accounting standards for not-for-profit organizations.



Chartered Accountants
Vancouver, British Columbia
June 23, 2014

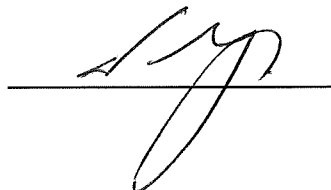
Mitacs Inc.
Statements of Financial Position

	March 31, 2014	March 31, 2013
ASSETS		
Current		
Cash and equivalents - unrestricted	\$ 8,218,263	\$ 10,696,657
Cash and equivalents - restricted (Note 8)	14,988,146	3,049,546
Prepaid expenses	559,344	232,784
Accounts receivable	12,629,520	17,340,993
Government remittances receivable	25,194	-
	\$ 36,420,467	\$ 31,319,980
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 1,126,657	\$ 862,612
Government remittances payable	-	112,287
Managed funds (Note 9)	387,181	42,052
Grant funds payable	12,338,556	10,168,459
Deferred contributions (Note 10)	10,188,548	10,053,357
	24,040,942	21,238,767
Payable to Canadian Applied and Industrial Mathematics Society	54,537	57,904
	24,095,479	21,296,671
NET ASSETS		
Internally restricted (Note 11)	4,500,000	-
Unrestricted	7,824,988	10,023,309
	12,324,988	10,023,309
	\$ 36,420,467	\$ 31,319,980

Approved by the Board



Director



Director

Mitacs Inc.**Statements of Operations and Change in Net Assets****Years Ended March 31**

	2014	2013
RECEIPTS		
Federal grants	\$ 23,384,471	\$ 14,564,813
Provincial grants	14,967,756	11,576,572
Partner funds	18,455,530	10,429,701
University contributions	2,442,489	1,940,747
International partner funds	871,228	589,900
Networking	53,526	350,983
Interest	295,336	240,448
Other income	83,423	50,429
	60,553,759	39,743,593
EXPENDITURES		
Direct program costs		
Accelerate internship awards	36,536,236	21,986,806
Elevate fellowship awards	4,032,375	1,739,214
Enterprise internship awards	1,435,341	1,412,678
Globalink and international initiatives	2,814,860	2,002,670
STEP workshops, networking and technical training	1,755,448	2,018,022
Voucher internship awards	243,420	105,000
Student mobility	116,590	55,443
Scientific management	1,392,587	1,104,880
Program management	2,592,304	2,065,240
Business development	3,147,150	2,303,470
Corporate services	4,185,769	4,350,376
	58,252,080	39,143,799
EXCESS OF RECEIPTS OVER EXPENDITURES	2,301,679	599,794
NET ASSETS, Beginning of Year	10,023,309	9,423,515
NET ASSETS, End of Year	\$ 12,324,988	\$ 10,023,309

Mitacs Inc.
Statements of Cash Flows
Years Ended March 31

	2014	2013
Cash Flows From (Used For) Operating Activities		
Cash received from provincial and federal governments	\$ 47,386,191	\$ 23,573,528
Cash received from partner organizations	15,290,877	9,777,983
Cash received from universities	2,294,989	3,829,053
Interest and other	428,918	646,318
Cash disbursed for internships, fellowships, and student training	(44,258,223)	(25,278,502)
Cash disbursed for scientific management, program management, and corporate services	(11,682,546)	(12,293,667)
	9,460,206	254,713
CASH, Beginning of Year	13,746,203	13,491,490
CASH, End of Year	\$ 23,206,409	\$ 13,746,203
CASH COMPOSED OF		
Cash and equivalents - unrestricted	\$ 8,218,263	\$ 10,696,657
Cash and equivalents - restricted (Note 8)	14,988,146	3,049,546
	\$ 23,206,409	\$ 13,746,203

Mitacs Inc.
Notes to the Financial Statements
March 31, 2014

1. OPERATIONS

Mitacs Inc. (the "Organization") operated from February 1999 to March 6, 2002 as an unincorporated organization, and was incorporated under the Canada Corporations Act on March 7, 2002.

The Organization manages or operates various programs designed to facilitate collaboration between academia and industry, government and other organizations for the training of the next generation of young Canadian scientists. These programs include research and international partnerships, skills enhancement and internships.

The Organization previously managed the Mitacs Fund, established as a National Centre of Excellence ("NCE") by a partnership of the mathematics research community in Canada, the Government of Canada and Canadian industry. On April 1, 2011, the operations and related funding agreements of the NCE Network were transferred to a new company, Mprime Network Inc.

The Organization receives a significant portion of its revenue from grants (Notes 4 through 7) and may not be able to maintain its current levels of operations should this funding be significantly reduced or ended.

2. BASIS OF PREPARATION

Statement of Compliance

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO").

Basis of Presentation

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair value, as explained in the accounting policies set out in Note 3.

3. SIGNIFICANT ACCOUNTING POLICIES

Accounting Estimates and Judgments

The preparation of these financial statements requires management to make estimates and judgments and to form assumptions that affect the reported amounts and other disclosures in these financial statements. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The results of these assumptions form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Critical accounting estimates are estimates and assumptions made by management that may result in material adjustments to the carrying amount of assets and liabilities within the next financial year. Critical estimates used in the Organization's preparation of these financial statements include, among others, the recoverability of accounts receivable and estimation of accrued liabilities.

Cash and Cash Equivalents

Cash and cash equivalents are composed of cash at banks and short-term deposits with an original maturity of three months or less which are readily convertible into a known amount of cash.

Restricted Cash

Cash contributions from governments which are reserved for future program expenditures are classified as externally restricted cash. Internally restricted cash is composed of amounts reserved for specific future program or administration costs.

Cash Held in Trust

Cash contributions received and held by the Organization for specified programs and conference services are classified as cash held in trust.

Financial Assets and Financial Liabilities

The Organization's financial instruments are cash and cash equivalents, accounts receivable, government remittances receivable and payable, accounts payable and accrued liabilities, and grant funds payable.

The Organization makes its fair value measurements based on a three-level hierarchy:

- Level 1 – inputs are unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices in Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – inputs for the asset or liability that are not based on observable market data.

Transaction costs directly attributable to the acquisition or issue of a financial asset or financial liability that will be measured subsequently at amortized cost are added to the carrying amount of the financial asset or financial liability.

Contributions

Contributions to programs are recorded as "receipts" at the time all criteria established in the funding agreement are satisfied. The agreement for each grant or fund determines the appropriate disbursement of contributions which are received. Contributions received but not disbursed at the end of a fiscal period are recorded as "deferred" and are transferred to "receipts" when disbursed during a subsequent fiscal period.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Expense Allocations

Expenses which are directly identifiable with a program are recognized as Direct Program Costs.

The Organization incurs general support expenses, such as Finance, Administration, Human Resources, Communications, Stakeholder Management and Information Technology costs, that are common to the administration of the Organization and its programs, which are not allocated to Direct Program Costs. These expenses are reported under the caption "Corporate Services".

Business development expenses are not allocated and are reported under the caption "Business Development".

In-Kind Contributions

In-kind contributions from other organizations are not included in these financial statements because of the difficulty in determining their fair values.

Income Taxes

The Organization, as a non-profit organization, is not subject to Federal or Provincial income taxes.

4. MITACS ACCELERATE PROGRAM

The Mitacs Accelerate program is a research internship program which connects companies with research-based universities through graduate students and postdoctoral fellows who apply their specialized expertise to business research challenges. Interns transfer their skills from theory to real-world application, while the companies gain a competitive advantage by accessing high-quality research expertise.

The Mitacs Accelerate program is managed by the Organization and is funded by a combination of federal and provincial government and private sector contributions. The program agreements with the federal and provincial governments during the years ended March 31, 2014 and 2013 were:

Natural Sciences and Engineering Research Council (NSERC) Industrial R&D Internship Program (IRDI)

In March 2011, an agreement was signed with NSERC for the delivery of 850 internships per year over the next five years. The total value of this agreement over five years is \$29,355,000.

In June 2014, the agreement was amended to deliver an additional 1,000 internships in fiscal 2013/14, 2014/15 and 2015/16. The total value of the amended agreement is \$32,382,000. For the year ended March 31, 2014, \$6,880,000 of the funding has been awarded and received.

4. MITACS ACCELERATE PROGRAM (Continued)

Industry Canada

In March 2013, an agreement was signed with Industry Canada for the delivery of 4,800 internships over the next five years. The total value of the agreement over five years is \$34,875,000. For the year ended March 31, 2014, \$7,000,000 of this funding has been received and awarded.

National Research Council Industrial Research Assistance Program (IRAP)

The National Research Council, through IRAP, contributed \$585,850 (2013 - \$804,000) to fund industrial internships in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec and the Atlantic provinces. This funding is matched by contributions from small and medium sized businesses in support of the Mitacs Accelerate program.

Western Economic Diversification (WED)

In 2011, WED approved funding to support the Mitacs Accelerate, Mitacs Step, Mitacs Globalink and Mitacs Elevate programs for two and a half years ending in the fall of 2013. The funding of \$8,753,000 is conditional on matching funds being received by a combination of provincial and industry funds. For the year ended March 31, 2014, \$1,255,508 was recognized in receipts for Accelerate.

Atlantic Canada Opportunity Agency (ACOA)

In 2011, ACOA approved funding to support the Mitacs Accelerate, Mitacs Step and the Mitacs Elevate programs for three years ending in March 2014. In April 2014, this agreement was amended to extend the completion date to March 2015. The funding of \$1,222,500 is conditional on matching funds being received by a combination of provincial and university funds. For the year ended March 31, 2014, \$225,667 was recognized in receipts for Accelerate.

Province of British Columbia

During the year, the Province of British Columbia contributed \$3,000,000 (2013 - \$3,000,000) to support the Mitacs Accelerate, Mitacs Step, Mitacs Elevate and Mitacs Globalink programs in British Columbia.

Province of Alberta

During the year, the Province of Alberta contributed \$800,000 (2013 - \$800,000) to support the Mitacs Accelerate and Mitacs Step programs in Alberta.

Province of Saskatchewan

In March 2013, the Province of Saskatchewan contributed \$270,000 to support the Mitacs Accelerate and Mitacs Step programs in Saskatchewan over the period ending on March 31, 2014.

4. MITACS ACCELERATE PROGRAM (Continued)

Province of Manitoba

In April 2013, the Province of Manitoba agreed to contribute \$840,000 over the period ending on March 31, 2015 to the Mitacs Accelerate and Mitacs Step programs in Manitoba.

Province of Ontario

During the year, the Province of Ontario contributed \$4,220,000 (2013 - \$4,220,000) to support the Mitacs Accelerate and Mitacs Step programs in Ontario.

Province of Quebec

In April 2009, the Province of Quebec agreed to contribute \$750,000 over the period ending on March 31, 2010 to the Mitacs Accelerate program to support up to 280 graduate student internships in Quebec. The agreement was amended in June 2010 and April 2011 for a maximum provincial contribution of \$4,400,000 to March 31, 2013.

In March 2014, this agreement was further amended to support a total of 1,480 students for a maximum provincial contribution of \$7,400,000 for the period from January 1, 2011 to March 31, 2014.

Province of Nova Scotia

During the year, the Province of Nova Scotia contributed \$225,000 (2013 - \$217,500) to support the Mitacs Accelerate, Mitacs Step and Mitacs Elevate programs in Nova Scotia.

Province of New Brunswick

During the year, the Province of New Brunswick contributed \$247,500 to support the Mitacs Accelerate and Mitacs Step programs in New Brunswick.

Province of Newfoundland

In July 2011, the Province of Newfoundland agreed to contribute \$500,000 over the period ending December 31, 2012 to the Mitacs Accelerate program. In July 2013, the project completion date was extended to December 31, 2014.

5. MITACS GLOBALINK

Mitacs Globalink connects undergraduate students from around the world with local companies and universities. Globalink students undertake a research project under the supervision of a local faculty member and a local graduate student mentor.

5. MITACS GLOBALINK (Continued)

The program agreements with the federal and provincial governments during the years ended March 31, 2014 and 2013 were:

Industry Canada

In March 2014, an agreement was signed with Industry Canada to contribute \$19,975,000 to the Mitacs Globalink program for the next three years. For the year ended March 31, 2014, \$5,975,000 of this funding was awarded and received.

Western Economic Diversification (WED)

In 2011, WED approved funding to support the Mitacs Accelerate, Mitacs Step, Mitacs Globalink and the Mitacs Elevate programs for two and a half years ending in the fall of 2013. The funding of \$8,753,000 is conditional on matching funds being received by a combination of provincial and industry funds. For the year ended March 31, 2014, \$713,363 was recognized in receipts for Mitacs Globalink.

Province of British Columbia

During the year, the Province of British Columbia contributed \$3,000,000 (2013 - \$3,000,000) to support the Mitacs Accelerate, Mitacs Step, Mitacs Elevate and Mitacs Globalink programs in British Columbia.

Province of Alberta

During the year, the Province of Alberta contributed \$375,000 (2013 - \$375,000) to support the Mitacs Globalink program in Alberta.

Province of Quebec

During the year, the Province of Quebec contributed \$25,000 (2013 - \$nil) to support the Mitacs Globalink program in Quebec.

6. MITACS ELEVATE

Mitacs Elevate provides a foundation of research, business, entrepreneurship and scientific management skills to new PhDs. It also gives companies access to a highly qualified and uniquely trained pool of talent. The Mitacs Elevate program included Post Doctorate Fellowship awards and scientific training.

The program agreements with the federal and provincial governments during the years ended March 31, 2014 and 2013 were:

Western Economic Diversification (WED)

In 2011, WED approved funding to support the Mitacs Accelerate, Mitacs Step, Mitacs Globalink and Mitacs Elevate programs for two and a half years ending in the fall of 2013. The funding of \$8,753,000 is conditional on matching funds being received by a combination of provincial and industry funds. For the year ended March 31, 2014, \$1,883,585 was recognized in receipts for Mitacs Elevate.

6. MITACS ELEVATE (Continued)

Atlantic Canada Opportunity Agency (ACOA)

In 2011, ACOA approved funding to support the Mitacs Accelerate, Mitacs Step and Mitacs Elevate programs for three years ending in March 2014. In April 2014, this agreement was amended to extend the completion date to March 2015. The funding of \$1,222,500 is conditional on matching funds being received by a combination of provincial and university funds. For the year ended March 31, 2014, \$75,389 was recognized in receipts for Mitacs Elevate.

Province of British Columbia

During the year, the Province of British Columbia contributed \$3,000,000 (2013 - \$3,000,000) to support the Mitacs Accelerate, Mitacs Step, Mitacs Elevate and Mitacs Globalink programs in British Columbia.

Province of Alberta

During the year, the Province of Alberta contributed \$800,000 (2013 - \$400,000) to support the Mitacs Elevate program in Alberta.

Province of Manitoba

In April 2013, the Province of Manitoba agreed to contribute \$200,000 over the period ending on March 31, 2015 to the Mitacs Elevate program in Manitoba.

Province of Nova Scotia

During the year, the Province of Nova Scotia contributed \$100,000 (2013 - \$100,000) to support the Mitacs Elevate program in Nova Scotia.

Province of New Brunswick

During the year the Province of New Brunswick contributed \$50,000 to support the Mitacs Accelerate and Mitacs Step programs in New Brunswick.

7. MITACS ENTERPRISE

The Mitacs Enterprise program is a competitive 6-month internship pilot program that gives graduates of science, technology, engineering and math ("STEM") disciplines an opportunity to work with small to medium-sized companies operating in a STEM sector throughout Southern Ontario.

The Federal Economic Development Agency for Southern Ontario has committed a maximum contribution of \$4,227,500 to March 31, 2014.

Mitacs Inc.
Notes to the Financial Statements
March 31, 2014

8. CASH AND EQUIVALENTS - RESTRICTED

	March 31, 2014	March 31, 2013
Externally restricted	\$ 10,046,430	\$ 3,049,546
Internally restricted	4,500,000	-
Held in trust	441,716	-
	\$ 14,988,146	\$ 3,049,546

9. MANAGED FUNDS

The Organization manages funds for external parties through its Mitacs Conference Services and Mitacs Converge programs. Managed funds are not recorded as revenue and expenditures of the Organization. At March 31, 2014, the Organization managed \$387,181 of funds (2013 - \$42,052).

10. DEFERRED CONTRIBUTIONS

Deferred contributions represent unspent externally restricted contributions for future period expenditures. At the beginning of the fiscal year, the Organization had deferred revenue of \$10,053,357. During the year, the Organization received additional funding of \$43,588,418 recorded receipts for the year of \$43,453,227 and deferred contributions at March 31, 2014 of \$10,188,548.

11. INTERNALLY RESTRICTED NET ASSETS

Internally restricted net assets are composed of:

	March 31, 2014	March 31, 2013
Shut-down costs	\$ 2,500,000	-
Future capital projects	2,000,000	-
	\$ 4,500,000	-

Shut-down costs are reserves to be used for administration and severance if the operations of the Organization are discontinued. Funds for future capital projects are intended to be used for the upgrade of internal information technology systems and other capital development projects.

12. CAPITAL MANAGEMENT

The Organization's objectives to managing capital are:

- a) to ensure that sufficient financial resources are in place to deliver on the priorities set by the Board of Directors;
- b) to manage temporary gaps in funding and to dampen swings due to economic impacts for sustainability of program delivery;
- c) to manage grants with external restrictions in order to comply with the conditions for using these financial resources;
- d) to maintain a minimum reserve for shut-down of operations; and
- e) to pilot new programs consistent with the vision of the Organization.

The Organization monitors its capital by reviewing various financial metrics, including preparing annual expenditure budgets, which are revised periodically based on current commitments and available funds, and potential additional funding which it is actively pursuing. Annual budgets and budgets that are materially updated during the year are approved by the Board of Directors.

13. RISK MANAGEMENT

The Organization's financial instruments are exposed to certain financial risks, which include credit, liquidity and interest rate risk. The Organization's risk management program focuses on the unpredictability of financial markets and seeks to minimize the risk to its assets and its ability to meet its mandate.

Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Organization considers this risk to be limited as cash and cash equivalents are held through major Canadian financial institutions and receivables consist mostly of amounts due from the federal and provincial governments and industry partners.

Liquidity Risk

Liquidity risk is the risk that the Organization will not be able to meet its financial obligations as they come due. Accounts payable and accrued liabilities and grant funds payable are due within the current operating period. The Organization manages this risk through its capital management process (Note 12).

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows from a financial instrument will fluctuate because of changes to market interest rates. The Organization is exposed to interest rate risk as a result of holding fixed rate cash equivalent investments of varying maturities. The Organization's interest rate risk is minimal as these investments are highly liquid securities with short-term maturities.

14. COMPARATIVE FIGURES

The comparative figures have been reclassified where necessary in order to conform with the presentation used in the current year.

Mitacs Board of Directors Meeting – Minutes
Friday, July 11th, 2014 – Kelowna
9:00 am – 5:10 pm

Present: Brad Bennett (Chair), Rob Annan, Sarah Bevan, Philippe Gervais, Nassif Ghoussoub, Diane Gray, Arvind Gupta, Ed McCauley, Lois Mitchell, Gilbert Nolasco, Gerry Pond, Marie Rajic.

For Mitacs Inc.: Eric Bosco, Eve-Marie Dehondt (Recorder), Aftab Mufti, Olga Stachova, Jennifer Wilkie.

Special Guests: Jean Belzile, ADM, MEIE; Brent Cameron & Ken Werker, Managing Partners at Boyden.

Item 1 – Welcome and Approval of Agenda of the July 11th, 2014 Meeting

Motion 1: Approve the July 11th, 2014 Board of Directors meeting agenda. The motion was moved by M. Rajic and seconded by G. Nolasco. *Motion carried.*

Motion 2: Approve the March 14th, 2014 Minutes as circulated. The motion was moved by G. Nolasco and seconded by P. Gervais. *Motion carried.*

Item 2 – Approve Rob Annan as Interim CEO and Scientific Director

Motion 3: Approve R. Annan to be nominated as the Interim CEO & Scientific Director of Mitacs, and as a Board Director. The motion was moved by M. Rajic and seconded by P. Gervais. *Motion carried.*

Item 3 – Declaration of possible conflicts of interest

There were no conflicts of interest declared.

Item 4 – Presentation by Jean Belzile, ADM of MEIE

R. Annan introduced Mr. Jean Belzile, ADM of MEIE who presented an overview of Quebec's research strategy and how Mitacs fits within it.

Discussion: J. Belzile showed a strong interest in the Converge initiative and discussed the possibility for Mitacs to be working as a broker to help attract MNEs.

Action: The Board tasked Staff to:

- Review the priority sectors to focus on with Converge;
- Work on long term sustainable funding for large scale research projects with industry and with provinces.

Staff will bring a detailed report back to the Board in November.

J. Belzile left the room at 10:45am and the meeting continued.

Discussion: E. Bosco will be meeting with J. Belzile and his staff at the end of July, and are hoping to secure financing for Mitacs Converge, Elevate and Globalink.

Item 5 - Director's Report

1. A look back -13-14 Year in Review (Presented by R. Annan, J. Wilkie, O. Stachova and E. Bosco)

R. Annan provided the Board with a corporate update and J. Wilkie, O. Stachova, and E. Bosco updated the Board on Mitacs activities during 2013-14.

Action: The Board discussed:

- a) ideas of how to communicate the positive outcomes from our longitudinal studies such as:
 1. Op-eds written jointly with universities
 2. Social media engagement with industry
- b) Recommendation to perform a brand evaluation

2. Transition Update (Presented by R. Annan)

R. Annan provided an overview of responsibilities and challenges during the transition period to a new CEO.

Action: A. Gupta recommended working closely with respective Board members during provincial and Federal funding meetings. This will demonstrate full support that the Board has of the CEO during the interim period.

3. A look Ahead – 14-15 and Beyond (Presented by R. Annan)

R. Annan described Mitacs strategy for 2014-15, with a particular emphasis on the proposal to expand federal Accelerate funding in 2015-16.

Action: E. McCauley recommended engaging universities in support of the federal proposal, both via AUCC and U15 and also directly.

Action: A. Gupta recommended that the CEO brings Ontario Board members to government meetings to discuss Mitacs funding issues in Ontario.

Item 6 - Committee Reports

1. Audit and Financial Committee (D. Gray)

Motion 4: Approve the creation of 2 internally restricted funds for the year ending March 31, 2014 by setting aside:

- \$2.5 Million from net assets for the creation of a reserve for administration and severances if the operation is shut down; and
- \$2.0 Million from net assets for future capital projects.

The motion was moved by D. Gray and seconded by L. Mitchell. *Motion carried.*

Motion 5: Approve the Audited statements for fiscal year ending March 31, 2014 as circulated.

The motion was moved by D. Gray and seconded by G. Nolasco. *Motion carried.*

Motion 6: Approve the Final Budget for 2014-15 as circulated.

The motion was moved by D. Gray and seconded by G. Nolasco. *Motion carried.*

Motion 7: Approve the Purchasing Policy as circulated.

The motion was moved by L. Mitchell and seconded by D Gray. *Motion carried.*

Motion 8: Approve the IRDI final report as circulated for the year ending March 31, 2014.

The motion was moved by D. Gray and seconded by P. Gervais. *Motion carried.*

Motion 9: Approve the Industry Canada final report for Globalink and Accelerate as circulated for the year ending March 31, 2014. The motion was moved by D. Gray and seconded by P. Gervais. *Motion carried.*

2. CEO Search Committee (B. Bennett)

Brent Cameron and Ken Welker from the search firm Boyden joined the meeting via teleconference and provided an update on the CEO Search.

Discussion: The firm concluded consultations with Mitacs University partners at the Presidential and VP, Research levels, key government contacts as well as the leadership team at Mitacs. The firm received consistent feedback around the skillset and experience the ideal candidate should possess. An Executive Brief including candidate profile was presented to the Board for their input and approval. The Board reconfirmed the need to maintain Mitacs entrepreneurial spirit, academic credentials, and a strong familiarity with Canadian government and university systems.

Discussion: The Board asked about the expected timeline to find the ideal candidate. The firm is confident they will have a long list of candidates available for the Search Committee by the end of August as there will be only a small pool of people who fit the desired profile. A. Gupta asked to consider the next federal budget asks of Mitacs and that there should not be any leadership change between early December and early April. B. Cameron encouraged the Board members to provide Boyden with any suggestions they may have.

B. Cameron and K. Welker left the teleconference and the meeting carried on.

Motion 10: Approve of the Executive Brief and CEO Profile as circulated. The motion was moved E. McCauley and seconded by N. Ghoussoub. *Motion carried.*

3. Governance Committee (M. Rajic)

M. Rajic provided an update on the items discussed by the Governance committee, specifically the request to amend the Representative of the Academic Members term from 1 year to 2 years.

Motion 11: Approve the new Academic Partners as circulated. The motion was moved by M. Rajic and seconded by L. Mitchell. *Motion carried.*

Discussion: The Board requested Mitacs to consult its Full Partners at their September meeting about eligibility criteria for Honorary Membership at Mitacs and provide recommendations back to the Governance Committee.

Motion 12: Approve the amendment to the Representative of Academic Members term to 2 years. The motion was moved by E. McCauley and seconded by L. Mitchell. *Motion carried.*

Action: Mitacs will consult Academic Partners and will confirm with its lawyers if any amendment to the By-Laws will be necessary at the Mitacs General Meeting.

Action: The Board requested an analysis of audit rotation and criteria for selection or corporate auditors.

Motion 13: Approve the additions to the Committees as below:

- Recommendation to move A. Gupta to the Audit and Financial Committee. The motion was moved by M. Rajic and seconded by D. Gray. *Motion carried.*
- Recommendation to have R. Annan as ex-officio on every Board Committee. The motion was moved by M. Rajic and seconded by N. Ghoussoub. *Motion carried.*

4. Mitacs Research Council (A. Mufti)

Motion 14: Approve the MRC Terms of Reference. The motion was moved by R. Annan and seconded by N. Ghossoub. *Motion carried.*

A. Mufti walked the Board through some of the MRC recommendations as follows:

- Perform collaborative peer review with select research organizations,
- Encourage embedded internships in select graduate degree programs, and support collaborative peer review with program administration
- In both cases the MRC will maintain quality control through annual audits of collaborative peer review processes.

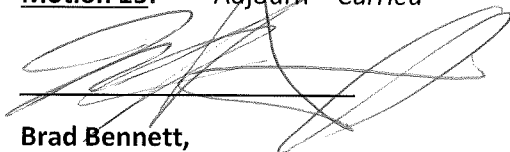
Action: The Board recommended organizing a joint meeting with the MRC when new CEO is in place.

Item 7 - Other Business

There was no other business to discuss.

The meeting ended with an *In-Camera* session with discussions led by the Human Resources Committee Chair on the CEO Compensation. Session adjourned at 5:10 and the regular Board meeting was adjourned.

Motion 15: Adjourn – Carried



Brad Bennett,
Chair, Mitacs Board of Directors

Eve-Marie Dehondt,
Recording Secretary

Next Board Meetings:

Sunday & Monday November 23rd & 24th, 2014, Ottawa

Friday, March 13th, 2015, Montréal

Friday, July 10th, 2015, Vancouver