

Titanium Corporation Inc.

Condensed Interim Financial Statements
(Unaudited)

For the three and nine months ended May 31, 2014

July 17, 2014

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

The condensed interim financial statements of Titanium Corporation Inc. as at and for the three and nine month periods ended May 31, 2014 have been compiled by management.

No audit or review of this information has been performed by the company's auditors.

Titanium Corporation Inc.
 Condensed Interim Statement of Financial Position
 As at May 31, 2014 (Unaudited)

(expressed in Canadian dollars)

	May 31, 2014 \$	August 31, 2013 \$
Assets		
Current assets		
Cash and cash equivalents	2,973,547	4,134,452
Research tax credits receivable (note 4)	317,071	317,071
Goods and services tax receivable	13,516	58,932
Eligible grant funding receivable (note 4)	-	841,134
Prepaid expenses	41,446	46,256
	<u>3,345,580</u>	<u>5,397,845</u>
Equipment	<u>21,302</u>	<u>26,825</u>
Total assets	<u>3,366,882</u>	<u>5,424,670</u>
Liabilities		
Current liabilities		
Trade and other payable	62,681	163,154
Accrued liabilities	421,522	349,824
	<u>484,203</u>	<u>512,978</u>
Deferred Compensation (note 5)	<u>-</u>	<u>196,667</u>
Total liabilities	484,203	709,645
Shareholders' Equity		
Share capital (note 5)	60,256,945	60,104,658
Contributed surplus	14,694,961	14,248,259
Deficit	<u>(72,069,227)</u>	<u>(69,637,892)</u>
Total shareholders' equity	<u>2,882,679</u>	<u>4,715,025</u>
Total liabilities and shareholders' equity	<u>3,366,882</u>	<u>5,424,670</u>

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

Titanium Corporation Inc.

Condensed Interim Statement of Loss and Comprehensive Loss

(Unaudited)

For the three and nine month period ended May 31, 2014 and 2013

(expressed in Canadian dollars)

	Three month period ended May 31,		Nine month period ended May 31,	
	2014 \$	2013 \$	2014 \$	2013 \$
Expenses and losses				
General and administrative (note 8)	508,685	781,923	1,666,773	1,835,657
Research and development (note 8)	161,092	803,649	786,464	2,237,314
Other operating expenses	1,892	9,491	11,327	17,645
	671,669	1,595,063	2,464,564	4,090,616
Other income				
Interest	(8,709)	(22,402)	(33,229)	(72,280)
Gain on disposal of equipment	-	(85,996)	-	(85,996)
	662,960	1,486,665	2,431,335	3,932,340
Net loss and comprehensive loss				
	662,960	1,486,665	2,431,335	3,932,340
Basic and diluted loss per share (note 6)				
	\$0.01	\$0.02	\$0.04	\$0.06

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

Titanium Corporation Inc.

Condensed Interim Statement of Changes in Shareholders' Equity

(Unaudited)

For the three and nine month period ended May 31, 2014 and 2013

(expressed in Canadian dollars)

	Share capital \$	Contributed surplus \$	Deficit \$	Shareholders' equity \$
Balance – September 1, 2013	60,104,658	14,248,259	(69,637,892)	4,715,025
Comprehensive loss for the period	-	-	(2,431,335)	(2,431,335)
Issuance of shares (note 5)	152,287	(152,287)	-	-
Stock-based compensation (note 5)	-	402,322	-	402,322
DSUs converted to equity settled plan (note 5)	-	196,667	-	196,667
Balance – May 31, 2014	60,256,945	14,694,961	(72,069,227)	2,882,679
	Share capital \$	Contributed surplus \$	Deficit \$	Shareholders' equity \$
Balance – September 1, 2012	60,104,658	13,954,628	(65,295,629)	8,763,657
Comprehensive loss for the period	-	-	(3,932,340)	(3,932,340)
Stock-based compensation	-	103,912	-	103,912
Balance – May 31, 2013	60,104,658	14,058,539	(69,098,969)	4,935,228

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

Titanium Corporation Inc.

Condensed Interim Statement of Cash Flows

(Unaudited)

For the three and nine month period ended May 31, 2014 and 2013

(expressed in Canadian dollars)

	Three month period ended May 31,		Nine month period ended May 31,	
	2014 \$	2013 \$	2014 \$	2013 \$
Cash (used in) provided by				
Operating activities				
Net loss for the period	(662,960)	(1,486,665)	(2,431,335)	(3,932,340)
Items not affecting cash				
Amortization	1,841	7,683	5,523	10,948
Stock-based compensation	56,276	83,745	402,322	103,912
Gain on disposal of equipment	-	(85,996)	-	(85,996)
Government grant recoveries	-	(161,160)	(34,074)	(1,348,114)
	(604,843)	(1,642,393)	(2,057,564)	(5,251,590)
Net change in non-cash working capital items				
Goods and services tax receivable	(112)	8,734	45,416	22,280
Research tax credits receivable	-	-	-	400,000
Eligible grant funding receivable	-	(223,443)	-	(325,745)
Prepaid expenses and other assets	(34,765)	(59,544)	4,810	(20,480)
Trade and other payables and accrued liabilities	95,982	387,400	(28,775)	672,407
	(543,738)	(1,529,246)	(2,036,113)	(4,503,128)
Investing activities				
Disposal of equipment	-	85,996	-	85,996
Purchase of equipment	-	(8,809)	-	(9,446)
	-	77,187	-	76,550
Financing activities				
Government grant proceeds	629,194	102,302	875,208	1,348,114
Increase(decrease) in cash and cash equivalents	85,456	(1,349,757)	(1,160,905)	(3,078,464)
Cash and cash equivalents – beginning of period	2,888,091	6,657,156	4,134,452	8,385,863
Cash and cash equivalents – end of period	2,973,547	5,307,399	2,973,547	5,307,399

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

Titanium Corporation Inc.

Notes to Condensed Interim Financial Statements

(Unaudited)

May 31, 2014 and 2013

1 Reporting entity and recoverability

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

The Company’s principal business office is Suite 510, 840 6 Ave., SW, Calgary, Alberta, T2P 3A8 and the Company’s registered office is located at Suite 2400, 525 8th Ave., SW, Calgary, Alberta, T2P 1G1. The Company’s shares are listed on the TSX Venture Exchange under the ticker symbol “TIC”.

Titanium Corporation’s mission is “*Creating Value from Waste™*” (CVW™). The Company has developed innovative CVW™ technologies that recover valuable heavy minerals, bitumen, solvent and water from oil sands waste tailings. The recovery of bitumen, associated solvents and water will result in important and timely environmental improvements for the oil sands industry. In 2013, the Company completed a two phased demonstration pilot over three years which culminated several years of progressive research and development (“R&D”) of its proprietary technologies.

The Company is considered to be a development stage enterprise as it has yet to earn any revenues from its planned operations. The Company is devoting substantially all of its efforts toward commercializing its proprietary technology. Currently there are no contractual rights or obligations related to the oil sands project. The recoverability of amounts expended on R&D is dependent on the ability of the Company to complete pre-commercialization activities, commercialization at oil sands sites, and achieve future profitable operations. The Company is dependent on raising funds through the issuance of shares, government grants and/or attracting partners in order to undertake further development and commercialization of its technology. While the Company has been successful in obtaining the necessary financing to develop the business to this point, there are no assurances that the Company will be successful in the future in these endeavors.

The financial statements are prepared on a going concern basis. An inability to raise additional financing or to achieve commercial operations, will impact the future assessment of the Company as a going concern. If the going concern assumption was not appropriate for these financial statements, the reported income and expenses and the statement of financial position would require the necessary adjustments to the carrying values of assets and liabilities, which could be material.

2 Basis of presentation

These condensed interim financial statements of the Company have been approved by the Board of Directors on July 17, 2014 and are presented in Canadian dollars, which is the Company’s functional currency.

These condensed interim financial statements have been prepared in accordance with IFRS as issued by the IASB applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The condensed interim financial statements should be read in conjunction with the annual

Titanium Corporation Inc.

Notes to Condensed Interim Financial Statements

(Unaudited)

May 31, 2014 and 2013

financial statements for the year ended August 31, 2013, which have been prepared in accordance with IFRS as issued by the IASB.

3 Significant accounting policies

Except as outlined below, these condensed interim financial statements have been prepared following the same accounting policies and methods of computation as the most recent annual financial statements as at and for the year ended August 31, 2013. Significant accounting policies are described in Note 3 of the August 31, 2013 annual financial statements.

Critical accounting estimates and judgements

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

a) Fair value of stock-based compensation

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

b) Research tax credits receivable

The research tax credits receivable are not certain until received; as such judgement is applied to determine when that receipt is believed to be virtually certain prior to recording the credit.

c) Government grants

The recovery of government grants requires judgement to determine when reasonable assurance exists, when the Company complies with conditions contained in government grant agreements.

New standards and amendments issued but not yet adopted

Certain new standards, amendments to standards and interpretations are not yet effective for the current reporting period, and therefore have not been applied in preparing the financial statements.

The following standard has been issued but does not have a fixed implementation date. The Company has not yet begun the process of assessing the impact that the new standard will have on its financial statements:

IFRS 9 – “Financial Instruments”, which is the result of the first phase of the IASB's project to replace IAS 39 – “Financial Instruments: Recognition and Measurement”. The new standard replaces the current

Titanium Corporation Inc.

Notes to Condensed Interim Financial Statements

(Unaudited)

May 31, 2014 and 2013

multiple classification and measurement models for financial assets and liabilities with a single model that has only two classification categories: amortized cost and fair value.

As disclosed in the August 31, 2013 financial statements, effective January 1, 2014, Titanium adopted, as required, IAS 36 "Impairment of Assets", and IAS 32 "Financial Instruments: Presentation". The adoption of these policies did not result in any measurement adjustments as at January 1, 2014.

4 Government assistance

Sustainable Development Technology Canada ("SDTC") Contribution Agreement

In January 2010, the Company entered into a Contribution Agreement with SDTC, to financially assist the Company in developing and demonstrating its CVW™ technology. Under the terms of the agreement SDTC contributed up to the lesser of 29.23% of eligible project costs or \$6,292,566. The government grant recovery from SDTC was recognized on a matching basis as the Company incurred eligible expenditures on the specific projects identified in the Contribution Agreement.

The Company has concluded the project work in the SDTC Contribution Agreement and the final payment was received on April 9, 2014.

National Research Council of Canada - Industrial Research Assistance Program ("IRAP")

In 2012, the Company entered into a funding Contribution Agreement with National Research Council of Canada as represented by IRAP to assist with research costs related to a paraffinic tailings program conducted at the Canmet Energy research facility. The Company was eligible for funding of up to \$483,000 consisting of 80% of technical salaries and 50% of the value of contracted research costs carried out by third parties related to paraffinic tailings research. Since the inception of the project, the Company received \$358,113 for qualifying project costs. For the nine month period ended May 31, 2014, \$34,074 (\$300,500 – May 31, 2013) has been recognized as grant recovery and treated as a reduction of R&D expense. The Company has concluded the project and has filed final project reports with IRAP as required by the terms of the agreement.

The following summarizes the balances related to Government assistance:

	May 31, 2014	August 31, 2013
	\$	\$
Accounts Receivable - Government Grants		
SDTC - 10% holdback	-	629,184
NRC - IRAP claims in process	-	211,950
	-	-
Accounts receivable - Government Grants	-	841,134

Titanium Corporation Inc.

Notes to Condensed Interim Financial Statements

(Unaudited)

May 31, 2014 and 2013

	May 31, 2014	August 31, 2013
	\$	\$
Government grant recovery		
SDTC	-	1,373,344
IRAP	34,074	324,134
Government grant recoveries (note 8)	34,074	1,697,478

Scientific Research and Experimental Development (SR&ED) Tax Incentive Program

The Alberta SR&ED tax credit program provides a refundable tax credit to qualified corporations that incur eligible R&D expenditures in the province of Alberta. The Company has recognized accounts receivable in the amount of \$317,071, consisting of its fiscal 2012 claim in the amount of \$101,071 and its fiscal 2013 SR&ED claim in the amount of \$216,000. The Company received funds related to its 2012 claim in the amount of \$101,071 on June 4, 2014.

5 Share capital

Authorized

Unlimited number of common shares without par value have been authorized. Share capital balances for the nine month period ended May 31, 2014 and the year ended August 31, 2013 are as follows:

	May 31, 2014		August 31, 2013	
	Number of common shares #	Amount \$	Number of common shares #	Amount \$
Balance – September 1	64,179,416	\$ 60,104,658	64,179,416	\$ 60,104,658
Issued pursuant to RSU plan	245,624	152,287	-	-
Balance –	64,425,040	\$ 60,256,945	64,179,416	\$ 60,104,658

Stock-based compensation

The Company has a Stock Plan for its directors, officers, employees and consultants to encourage ownership of stock and align the longer term interest of Company shareholders. The stock plan is designed to advance the Company's interests by providing additional incentives for plan participants and to retain and attract valued directors, officers, employees and consultants. The Company grants stock-based awards to officers, employees and non-executive directors at the discretion of the board of directors. The associated stock-based compensation expenses are recognized as components of general and administrative and research and

Titanium Corporation Inc.

Notes to Condensed Interim Financial Statements

(Unaudited)

May 31, 2014 and 2013

development expenses. On December 16, 2013 the Company adopted a “rolling” stock-based plan to include stock options, deferred share units (“DSUs”) and restricted share units (“RSUs”). The number of common share options available for grant at any time is limited to 10% (rolling) of the issued and outstanding common shares of the Company in the aggregate. The revised rolling 10% stock plan was approved by shareholders on January 23, 2014 and the stock plan is subject to annual approval by the Company’s shareholders.

The stock plan is comprised of the following components:

a) Stock options

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

b) Deferred share units (“DSUs”)

As part of the Company’s long-term incentives for non-executive directors a deferred stock unit plan was established representing a component of director compensation. The Award plan was initially established on April 29, 2013 as a cash settled plan. On December 16, 2013 the Company revised the plan for the purpose of reducing cash expenses, whereby DSU awards would be settled with common shares. The revised plan was approved by the Company’s shareholders on January 23, 2014. DSU awards vest immediately upon grant and are settled with the issuance of common shares when a director’s service ceases. The compensation expense for DSUs awarded to non-executive directors is based on the fair values at the time the award is granted. The expense is recognized as a component of general and administration expense with a corresponding increase to contributed surplus within shareholders’ equity. Upon redemption, the fair value of the award is reclassified from contributed surplus to share capital.

c) Restricted share units (“RSUs”)

As part of the Company’s long-term incentives for officers and other key employees of the Company, the RSU plan provides participants with the opportunity to acquire RSUs in to order participate in the long term success of the Company. The vesting schedule of RSU awards are specified by the Board of Directors on the grant date. Once the award is vested, the RSU is settled with the issuance of the Company’s common shares. The compensation expense for RSUs awarded is based on the fair values of the award at the time of grant and amortized over the specified vesting period. The cost is recognized as a component of general and administration and/or research and development expense with a corresponding increase to contributed surplus, within shareholders’ equity. Upon redemption, the fair value of the award is reclassified from contributed surplus to share capital.

Titanium Corporation Inc.

Notes to Condensed Interim Financial Statements

(Unaudited)

May 31, 2014 and 2013

Summary of stock based awards

As of May 31, 2014, the Company was entitled to grant 6,442,504 stock based awards within the 10% rolling plan of which 4,181,278 have been granted. Of the total granted, 3,815,400 were issued as stock options and 365,878 were issued as DSUs. The components of stock based compensation are summarized below:

Summary of stock options

A summary of the Company's stock option activity for the nine month period ended May 31, 2014 and fiscal year ended August 31, 2013 as follows:

	May 31 , 2014		August 31, 2013	
	Number of common stock options #	Weighted average exercise price \$	Number of common stock options #	Weighted average exercise price \$
Outstanding – September 1	3,940,400	1.23	4,403,734	1.47
Granted Options	-	-	1,050,000	1.00
forfeited/cancelled Options expired	(75,000) (50,000)	1.11 0.21	(363,334) (1,150,000)	(1.41) (1.87)
Options outstanding	3,815,400	1.25	3,940,400	1.23
Options exercisable	3,482,066	1.27	3,065,399	1.30

The following table summarizes the options outstanding as at May 31, 2014:

Range of exercise price	Number of common shares #	Weighted average remaining contractual life	Weighted average exercise price \$	Number of options exercisable #	Weighted average exercise price \$
0.00 – 0.99	857,000	0.38	0.67	857,000	0.67
1.00 – 1.99	2,133,400	2.58	1.19	1,800,066	1.22
2.00 – 2.99	825,000	1.65	2.00	825,000	2.00
	3,815,400	1.89	1.25	3,482,066	1.27

Stock-based compensation expense has been presented in the statement of loss and comprehensive loss as a non-cash component of research and development and general and administrative expense (note 8). The fair value of each stock option is accounted for in the statement of loss and comprehensive loss, over the vesting period of the options, and the related credit is recorded in contributed surplus.

Titanium Corporation Inc.

Notes to Condensed Interim Financial Statements

(Unaudited)

May 31, 2014 and 2013

Summary of DSUs

A summary of the DSU activity for the nine month period ended May 31, 2014 and fiscal year ended August 31, 2013 as follows:

	<u>May 31, 2014</u>		<u>August 31, 2013</u>	
	Number of DSUs #	Weighted average share price at time of grant \$	Number of DSUs #	Weighted average grant price \$
Outstanding – September 1	333,330	0.90	333,330	0.90
Granted November 30, 2013	14,664	0.51	-	-
Granted February 28, 2014	12,096	0.62	-	-
Granted May 31, 2014	5,787	1.79	-	-
DSUs outstanding	<u>365,877</u>	<u>0.89</u>	<u>333,330</u>	<u>0.90</u>

At August 31, 2013, \$196,667 was recognized as stock based compensation expenses for the DSUs issued during the prior fiscal year and the corresponding liability was included as part of accrued liabilities. With the amendment to the DSU plan to an equity settled plan on January 23, 2014, the accounting impact of the change was to reclassify the \$196,667 from accrued liabilities to contributed surplus.

Summary of RSUs

On December 16, 2013 RSUs were awarded to executive officers in lieu of \$152,287 cash compensation. The vesting of the awards were aligned with shareholder approval of the RSU plan at the Company's annual general meeting on January 23, 2014. Following the approval by shareholders, the RSUs were released and 245,624 common shares were issued by the Company.

Titanium Corporation Inc.

Notes to Condensed Interim Financial Statements

(Unaudited)

May 31, 2014 and 2013

A summary of the RSU activity for the nine month period ended May 31, 2014 and fiscal year ended August 31, 2013 as follows:

	<u>May 31, 2014</u>		<u>August 31, 2013</u>	
	Number of RSUs #	Share price at time of grant/release \$	Number of RSUs #	Share price at time of grant \$
Outstanding – September 1	-		-	-
Granted	245,624	0.50	-	-
Released – shares issued	(245,624)	0.62	-	-
RSUs outstanding	-	-	-	-

Stock based compensation expense related to stock awards for the three and nine month period ended May 31, 2014 and May 31, 2013 is as follows:

	<u>Three month period ended May 31,</u>		<u>Nine month period ended May 31,</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
	\$	\$	\$	\$
Stock options – G&A	29,836	53,531	146,247	73,698
Stock options – R&D	16,065	30,214	70,303	30,214
	45,901	83,745	216,550	103,912
Deferred share units (DSUs)	10,375	286,667	33,485	286,667
Restricted share units(RSUs)	-	-	152,287	-
Stock-based compensation expense	56,276	370,412	402,322	390,579
Stock-based compensation by nature (note 8)				
Stock-based compensation – G&A	40,211	340,198	332,019	360,365
Stock-based compensation – R&D	16,065	30,214	70,303	30,214
	56,276	370,412	402,322	390,579

Titanium Corporation Inc.

Notes to Condensed Interim Financial Statements

(Unaudited)

May 31, 2014 and 2013

6 Basic and diluted loss per share

Weighted average number of common shares outstanding

As the Company incurred a loss for the three and nine month period ended May 31, 2014 and May 31, 2013, the impact of potentially issuable common shares upon the exercise of options would be anti-dilutive, basic and diluted loss per share as presented in the statement of loss and comprehensive loss are the same.

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

	Three month period ended May 31,		Nine month period ended May 31,	
	2014 \$	2013 \$	2014 \$	2013 \$
Net loss and comprehensive loss	662,960	1,486,665	2,431,335	3,932,340
Weighted average number of common shares for basic and diluted loss per share	64,425,040	64,179,416	64,294,580	64,179,416
Basic and diluted loss per share	<u>\$ 0.01</u>	<u>\$ 0.02</u>	<u>\$ 0.04</u>	<u>\$ 0.06</u>

7 Segmented information

Operating segments

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

Titanium Corporation Inc.

Notes to Condensed Interim Financial Statements

(Unaudited)

May 31, 2014 and 2013

8 Expenses by nature

General and administrative expenses consist of the following:

	Three month period ended May 31,		Nine month period ended May 31,	
	2014 \$	2013 \$	2014 \$	2013 \$
Compensation and benefits	183,289	187,533	429,754	584,433
Consulting and professional fees	170,492	95,587	437,959	279,221
Stock-based compensation (note 5)	40,211	340,198	332,019	360,365
Directors' fees	59,634	67,857	170,071	212,939
Rent, insurance and office	31,813	44,385	111,669	139,070
Investor relations and regulatory	12,166	31,337	105,706	155,514
Travel	11,080	15,026	79,595	104,115
	<u>508,685</u>	<u>781,923</u>	<u>1,666,773</u>	<u>1,835,657</u>

Research and development expenses consist of the following:

	Three month period ended May 31,		Nine month period ended May 31,	
	2014 \$	2013 \$	2014 \$	2013 \$
Pilot plant, rent and other	52,914	1,024,365	445,442	3,439,263
Compensation and benefits	92,113	133,673	304,793	441,691
Stock-based compensation (note 5)	16,065	30,214	70,303	30,214
Government grant recovery (note 4)	-	(384,603)	(34,074)	(1,673,854)
	<u>161,092</u>	<u>803,649</u>	<u>786,464</u>	<u>2,237,314</u>

9 Capital disclosures

The objectives for managing capital are to safeguard the Company's ability to continue as a going concern, so that it can provide adequate returns for shareholders and benefits for other stakeholders.

The Company considers its shareholders' equity as its capital, which at May 31, 2014 totalled \$2,882,679 (August 31, 2013 – \$4,715,025). The Company does not have any bank debt or externally imposed capital requirements. The capital management objectives are to manage its cash and cash equivalents prudently; to minimize the expenditures on general and administrative costs so that more funds are available for commercialization of the developed technology and research and development; and to access available government funding for research and development where possible.

Management reviews its capital management approach on an ongoing basis and believes that its current approach, given the relative size and stage of the Company, is appropriate. There were no changes in the Company's approach to capital management during the period ended May 31, 2014.