CMI Terminal Ltd.

Consolidated Financial Statements

October 31, 2009

CMI Terminal Ltd.
Contents
For the year ended October 31, 2009

Management's Responsibility

To the Shareholders of CMI Terminal Ltd.:

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian generally accepted accounting principles and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors and Audit Committee are composed primarily of Directors who are neither management nor employees of the Company. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Audit Committee has the responsibility of meeting with management and external auditors to discuss the internal controls over the financial reporting process, auditing matters and financial reporting issues. The Committee is also responsible for recommending the appointment of the Company's external auditors.

Meyers Norris Penny LLP, an independent firm of Chartered Accountants, is appointed by the shareholders to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Committee and management to discuss their audit findings.

November 18, 2009

signed - Fred Draude

signed - David Nystuen

Auditors' Report

To the Shareholders of CMI Terminal Ltd.:

We have audited the consolidated balance sheet of CMI Terminal Ltd. as at October 31, 2009 and 2008, and the consolidated statements of earnings and comprehensive income and retained earnings and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at October 31, 2009 and 2008 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Meyers Norris Penny LLP

Melfort, Saskatchewan

November 18, 2009

Chartered Accountants

CMI Terminal Ltd.
Consolidated Balance Sheet
As at October 31, 2009

	2009	2008
Assets		
Current		
Cash	**1,062,624**	1,158,590
Short-term investments	**13,601**	240,742
Accounts receivable	**326,853**	293,416
Prepaid expenses and deposits	**25,004**	17,020
	1,428,082	1,709,768
Future income taxes	-	2,132
Property, plant and equipment *(Note 3)*	**4,720,989**	3,459,314
	6,149,071	5,171,214
Liabilities		
Current		
Accounts payable and accruals	**386,640**	368,174
Income taxes payable	**24,321**	199,407
Construction holdbacks	**93,058**	-
Current portion of long-term debt *(Note 4)*	**243,626**	298,832
	747,645	866,413
Term loans due on demand *(Note 4)*	-	1,165,195
	747,645	2,031,608
Long-term debt *(Note 4)*	**1,834,487**	7,266
Future income taxes payable	**45,075**	-
	2,627,207	2,038,874
Subsequent event *(Note 12)*		
Shareholders' Equity		
Share capital *(Note 5)*	**1,597,314**	1,872,234
Retained earnings	**1,924,550**	1,260,106
	3,521,864	3,132,340
	6,149,071	5,171,214

Approved on behalf of the Board

signed - Fred Draude
Director

signed - David Nystuen
Director

The accompanying notes are an integral part of these financial statements

CMI Terminal Ltd.

Consolidated Statement of Earnings and Comprehensive Income and Retained Earnings

For the year ended October 31, 2009

	2009	*2008*
Sales	**6,481,439**	6,231,862
Cost of sales	**3,975,778**	4,312,207
Gross margin	**2,505,661**	1,919,655
Other income	**9,308**	37,788
	2,514,969	1,957,443
Administrative expenses	**218,248**	183,434
Operating expenses	**1,093,395**	957,188
Earnings from operations	**1,203,326**	816,821
Interest on long-term debt	**88,867**	104,296
Amortization	**306,070**	279,201
Earnings before income taxes and extraordinary item	**808,389**	433,324
Provision for (recovery of) income taxes *(Note 6)*		
Current	**96,738**	163,512
Future	**47,207**	(42,700)
	143,945	120,812
Earnings before extraordinary item	**664,444**	312,512
Extraordinary item *(Note 7)*	**-**	140,689
Net earnings and comprehensive income	**664,444**	453,201
Retained earnings, beginning of year	**1,260,106**	806,905
Retained earnings, end of year	**1,924,550**	1,260,106
Earnings per share		
Basic Earnings per share before extraordinary item	**29.000**	13.640
Basic Earnings per share	**29.000**	19.781
Weighted average number of common shares		
Basic	**22,910**	22,910

The accompanying notes are an integral part of these financial statements

CMI Terminal Ltd.
Consolidated Statement of Cash Flows
For the year ended October 31, 2009

	2009	*2008*
Cash provided by (used for) the following activities		
Operating activities		
Net earnings and comprehensive income	**664,444**	453,201
Amortization	**306,070**	279,201
Future income taxes	**47,207**	(42,700)
Gain on settlement related to breach of joint venture agreement	**-**	(195,375)
Gain on disposal of property, plant and equipment	**(1,730)**	(543)
	1,015,991	493,784
Changes in working capital accounts		
Accounts receivable	**(33,437)**	(18,167)
Prepaid expenses and deposits	**(7,984)**	(2,803)
Accounts payable and accruals	**17,263**	278,140
Income taxes payable	**(175,086)**	177,544
Construction holdbacks	**93,061**	-
Condo deposits	**-**	(21,500)
	909,808	906,998
Financing activities		
Advances of long-term debt	**925,000**	-
Repayments of long-term debt	**(318,180)**	(302,654)
Repayment of share capital	**(273,720)**	(274,920)
	333,100	(577,574)
Investing activities		
Purchases of property, plant and equipment	**(1,572,515)**	(15,596)
Proceeds on disposal of property, plant and equipment	**6,500**	6,008
	(1,566,015)	(9,588)
Increase (decrease) in cash resources	**(323,107)**	319,836
Cash resources, beginning of year	**1,399,332**	1,079,496
Cash resources, end of year	**1,076,225**	1,399,332
Cash resources are composed of:		
Cash	**1,062,624**	1,158,590
Short term investments	**13,601**	240,742
	1,076,225	1,399,332
Supplementary cash flow information		
Interest paid	**92,284**	104,171
Income taxes	**271,824**	30,885

The accompanying notes are an integral part of these financial statements

1. Incorporation and operations

CMI Terminal Ltd. (the "Company") was incorporated on June 4, 1998 under the laws of the Province of Saskatchewan. The Company was formed for the purpose of entering into a joint venture agreement with Viterra in constructing and operating an inland grain terminal near Naicam, Saskatchewan. The Joint Venture name is CMI Terminal Joint Venture.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles using the following significant accounting policies:

Basis of consolidation

The consolidated financial statements include the accounts of CMI Terminal Ltd., and its fifty percent proportionate share of the accounts of its joint venture interest in CMI Terminal Joint Venture. Based on the proportionate consolidation method, the Company includes in its accounts its proportionate share of the assets, liabilities, revenues and expenses of the Joint Venture. Inter-entity balances and transactions are eliminated

Property, plant and equipment

Property, plant and equipment are initially recorded at cost. Amortization is provided using the declining balance method at rates intended to amortize the cost of assets over their estimated useful lives.

	Method	*Rate*
Buildings	declining balance	4-10 %
Automotive	declining balance	30 %
Computer equipment	declining balance	30 %
Fertilizer and chemical equipment	declining balance	10 %
Equipment	declining balance	10-20 %

In the year of acquisition, amortization is taken at one-half of the above rates.

Long-lived assets

Long-lived assets consist of property, plant and equipment. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The Company performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying value of an asset, or group of assets, may not be recoverable. Impairment losses are recognized when undiscounted future cash flows from an asset's use and disposal are less than its carrying amount. Impairment is measured as the amount by which the asset's carrying value exceeds its fair value. Any impairment is included in earnings or loss for the year.

Asset retirement obligations

The Company owns all land upon which its property, plant and equipment are located. The Company believes that it does not have a legal obligation to undertake a site restoration of these properties at any time in the future, and thus has determined that its liability for asset retirement obligations is nil.

Revenue recognition

The Company's share of the revenues of CMI Terminal Joint Venture represents substantially all of its consolidated revenue.

Revenue of the Company's Joint Venture is generated primarily from the handling and elevation of grains and oilseeds owned by Viterra Inc. Viterra Inc. purchases this product directly from farmers and is responsible for the marketing and selling of product that is not sold under the legislated monopoly of the Canadian Wheat Board. The Joint Venture recognizes revenue when grain cars are loaded at the terminal. Viterra Inc. pays the Joint Venture when the cars are unloaded at their destination. The Company's sales revenue is its proportionate share of the Joint Venture's revenue.

Revenue from the sale of crop inputs is recognized when the product is transferred to the farmer. Viterra Inc. invoices the Joint Venture as of the date of sale.

2. Significant accounting policies *(Continued from previous page)*

Future income taxes

The Company follows the asset and liability method of accounting for future income taxes. Under this method, future income tax assets and liabilities are recorded based on temporary differences between the carrying amount of balance sheet items and their corresponding tax bases. In addition, the future benefits of income tax assets, including unused tax losses, are recognized, subject to a valuation allowance, to the extent that it is more likely than not that such future benefits will ultimately be realized. Future income tax assets and liabilities are measured using enacted tax rates and laws expected to apply when the tax liabilities or assets are to be either settled or realized.

Earnings per share

Basic earnings per share is calculated by dividing earnings available to common shareholders before extraordinary items by the weighted average number of common shares. There are no dilutive instruments outstanding, such as warrants, rights or future conversion options of shares as at year-end.

Measurement uncertainty (use of estimates)

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Although inventory on hand is owned by Viterra Inc., the Joint Venture is responsible for any grade variances discovered when product reaches its destination by rail. Gains or losses resulting from grading of grains and oilseeds, which is subjective in nature, are recognized in the period they occur. Amortization is based on the estimated useful lives of property, plant and equipment. Current portion of long-term debt is calculated based on repayment terms and interest rates in effect at year end.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in earnings in the periods in which they become known.

Financial Instruments

Held for trading:

The Company has classified the following financial assets and liabilities as held for trading: cash and short-term deposits. Any financial instrument whose fair value can be reliably measured may be designated as held for trading on initial recognition or adoption of CICA 3855 Financial Instruments – Recognition and Measurement, even if that instrument would not otherwise satisfy the definition of held for trading. The Company has designated cash on initial recognition as held for trading as required by the definition of this classification. Held for trading instruments are initially recognized at their fair value. Transactions to purchase or sell these items are recorded on the trade date.

Held for trading financial instruments are subsequently measured at their fair value. Net gains and losses arising from changes in fair value include interest and are recognized immediately in income.

Available-for-sale:

The Company does not hold any financial assets classified as available-for-sale.

2. **Significant accounting policies** *(Continued from previous page)*

Loans and receivables:

The Company has classified the following financial assets as loans and receivables: accounts receivable. These assets are initially recognized at their fair value, approximated by the instrument's initial cost in a transaction between unrelated parties. Transactions to purchase or sell these items are recorded on the trade date. Total interest income, calculated using the effective interest rate method, is recognized in net income.

Loans and receivables are subsequently measured at their amortized cost, using the effective interest method. Under this method, estimated future cash receipts are exactly discounted over the asset's expected life, or other appropriate period, to its net carrying value. Amortized cost is the amount at which the financial asset is measured at initial recognition less principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, and less any reduction for impairment or uncollectability. Net gains and losses arising from changes in fair value include interest income and allowances for doubtful accounts and are recognized in net earnings upon derecognition or impairment.

Held to maturity:

The Company does not hold any financial assets classified as held to maturity.

Other financial liabilities:

The Company has classified the following financial liabilities as other financial liabilities: accounts payable and accruals and long-term debt. These liabilities are initially recognized at their fair value, approximated by the instrument's initial cost in a transaction between unrelated parties. Transactions to purchase or sell these items are recorded on the trade date. Total interest expense, calculated using the effective interest rate method, is recognized in net income.

Other financial liabilities are subsequently measured at their amortized cost, using the effective interest method. Under this method, estimated future cash receipts are exactly discounted over the asset's expected life, or other appropriate period, to its net carrying value. Amortized cost is the amount at which the financial asset is measured at initial recognition less principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, and less any reduction for impairment or uncollectability. Net gains and losses arising from changes in fair value include interest income and allowances for doubtful accounts and are recognized in net income upon derecognition or impairment.

Liabilities and equity:

The Company classifies financial instruments based on the substance of the instrument. The corresponding interest, dividends, losses and gains relating to a financial instrument or component that is classified as a financial liability is recorded as income (expense). The distributions that have been given to holders of the instruments classified as equity instruments have been recorded by the Company directly in equity.

Comprehensive income (loss)

Comprehensive income (loss) includes all changes in equity of the Company, except those resulting from investments by owners and distributions to owners. Comprehensive income (loss) is the total of net income (loss) and other comprehensive income (loss). Other comprehensive income (loss) comprises revenues, expenses, gains and losses that, in accordance with Canadian generally accepted accounting principles, require recognition, but are excluded from net income (loss). The Company does not have any items giving rise to other comprehensive income, nor is there any accumulated balance of other comprehensive income. All gains and losses, including those arising from measurement of all financial instruments have been recognized in net income for the period.

3. Property, plant and equipment

	Cost	***Accumulated amortization***	***2009 Net book value***
Land	**63,213**	**-**	**63,213**
Buildings	**4,356,812**	**1,736,474**	**2,620,338**
Automotive	**135,535**	**79,826**	**55,709**
Computer equipment	**32,728**	**28,119**	**4,609**
Fertilizer and chemical equipment	**515,277**	**182,390**	**332,887**
Equipment	**1,260,878**	**714,972**	**545,906**
Buildings under construction	**1,098,327**	**-**	**1,098,327**
	7,462,770	**2,741,781**	**4,720,989**

	Cost	*Accumulated amortization*	*2008 Net book value*
Land	42,713	-	42,713
Buildings	4,127,198	1,594,038	2,533,160
Automotive	135,535	56,101	79,434
Computer equipment	31,362	26,479	4,883
Fertilizer and chemical equipment	501,297	134,053	367,244
Equipment	1,058,150	626,270	431,880
	5,896,255	2,436,941	3,459,314

Buildings under construction includes $3,950 in capitalized interest. As these assets were not in use as of October 31, 2009, no amortization has been recorded. The expected date of completion and availability for use is January, 2010. As at year-end, the venturer incurred construction costs in relation to these buildings in the amount of $1,094,376. The remaining costs to complete the project for the venturer are estimated at $291,278.

4. Long-term debt

	2009	*2008*
Term loan bearing interest at 6.45%, payable in monthly instalments of $10,890 plus interest, secured by a general security agreement, amortized to 2018 with current term maturing October 2012.	**1,165,195**	1,395,865
Non-revolving term loan with interest only payments at prime plus 1.50% (3.75% at October 31, 2009), to be termed out on December 31, 2009, payable in monthly instalments of $8,333 plus interest, secured by general security agreement, amortized to 2024 with current term maturing 2014.	**800,000**	-
Term loan bearing interest at prime plus 1.25% (3.50% at October 31, 2009), payable in six monthly instalments of $10,000 from May to October plus interest due monthly.	-	60,000
Term loan bearing interest at 0.00%, payable in monthly instalments of $386.	-	3,825
Term loan bearing interest at 5.9%, payable in semi-annual instalments of $2,467, secured by a general security agreement, due 2010.	**6,668**	11,603
Term loan payable in monthly instalments of $2,083, principal plus interest at prime plus 1.25% (3.50% at October 31, 2009), secured by general security agreement, due 2012.	**106,250**	-
	2,078,113	1,471,293
Less: current portion	**243,626**	298,832
Less: term loans due on demand	-	1,165,195
	1,834,487	7,266

Principal repayments on long-term debt in each of the next five years are estimated as follows:

2010	243,626
2011	257,743
2012	255,684
2013	255,684
2014	236,924

Long-term debt is subject to certain financial covenants with respect to current ratio, net worth and earnings. At October 31, 2009, the Company is in compliance with all such covenants. It is management's opinion that the Company is likely to remain in compliance with all long-term debt covenants throughout the twelve months subsequent to October 31, 2009.

5. Share capital

		2009	*2008*
Authorized			

Common shares

Unlimited number of Class A, voting common shares which may be issued in series.

Unlimited number of Class B, non-voting common shares which may be issued in series. The Class B shares may be converted into Class A Series 1 shares as follows: (i) Class A Shareholders may convert their Class B Series 1 shares for Class A Series 1 shares on a one-to-one basis, (ii) Class B (only) Shareholders may convert their Class B Series 1 shares to Class A Series 1 shares on a one-to-one basis provided that such conversion right may only be exercised in lots of 10 Class B Series 1 shares.

Preferred shares

Unlimited number of Class C, non-voting preferred shares, redeemable by the Company, retractable by the holder

Unlimited number of Class D, non-voting preferred shares, redeemable by the Company, retractable by the holder. Each Class D share may be converted into three Class A Series 1 shares at the option of the Company.

Issued

		2009	2008
Common shares			
22,910	Class A common shares	**1,597,314**	1,872,234

During the period, the Company returned to the shareholders capital of $12 per share, totalling $274,920.

6. Income taxes

The Company's effective tax rate approximates 15.5% on the first $500,000 of active business income earned in Saskatchewan. The tax rate is between 27% and 32.5% for active business income in excess of this amount.

7. Extraordinary item

During 2007, the Company's joint venture partner was purchased and the new joint venture partner, Viterra Inc., was found to be in breach of the joint venture agreement with respect to the infringement upon CMI Terminal's trading area. In return for waiver of this breach of contract by CMI Terminal Ltd., Viterra Inc. transferred one-half share of its Naicam anhydrous ammonia equipment to CMI Terminal Ltd. The contribution of $195,375 resulting from this settlement has been presented as an extraordinary item net of Provincial Sales Tax of $9,769 and income taxes of $44,917.

8. Proportionately consolidated Joint Venture

The Company's investment in CMI Terminal Joint Venture is an integral part of its operation.

The following is a summary of the Company's proportionate share of the financial position, operating results, and cash flows of the Joint Venture:

	2009	*2008*
Assets		
Current assets	**1,409,994**	1,364,185
Non-current assets	**4,718,342**	3,457,222
	6,128,336	4,821,407
Liabilities		
Current liabilities	**713,826**	1,819,126
Long-term liabilities	**1,834,487**	7,266
Equity	**3,580,023**	2,995,015
	6,128,336	4,821,407
Operating results		
Revenues	**6,487,442**	6,253,543
Expenses	**(5,583,975)**	(5,725,645)
	903,467	527,898
Cash flows		
Cash flows from operating activities	**1,280,801**	1,050,112
Cash flows from investing activities	**(1,564,934)**	(9,587)
Cash flows from financing activities	**288,361**	(929,282)
	4,228	111,243

9. Related party transactions

The Company conducts virtually all of its activities through its Joint Venture as disclosed in Note 7. This Joint Venture conducts a majority of its operations in accordance with grain handling and crop protection service supply agreements with Viterra Inc. who is a related party by virtue of being the other venturer in this Joint Venture. Included in sales is $6,481,439 ($6,222,746 - 2008) from Viterra Inc. while cost of goods sold include $3,975,778 ($4,303,090 - 2008) of purchases from Viterra Inc. All of these transactions, as well as all transactions with the board of directors, are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

10. Financial instruments

The Company as part of its operations carries a number of financial instruments. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

Credit concentration

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of trade accounts receivable. Substantially all of the Company's trade accounts receivable are from Viterra Inc., who is also a participant in the CMI Terminal Joint Venture as discussed in Note 7.

Fair value disclosure

The carrying amounts of short-term deposits, accounts receivable, and accounts payable and accruals approximate their fair values due to the short-term maturities of these items. The carrying amount of the Company's long-term debt approximates its fair value, as current interest rates are not significantly different from the terms of these loans.

Fair values are based on management's best estimates after consideration of current market conditions. The estimates are subjective and involve considerable judgment and, as such, are not necessarily indicative of the amounts that the Company may incur in actual market transactions

Interest rate risk

Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilites, known as price risk. In seeking to minimize the risks from interest rate fluctuations, the Company manages exposure through its normal operating and financing activities. The Company is exposed to interest rate risk with respect to its fixed and floating rate long-term debt.

Commodity price risk

The nature of the Company's activities exposes it to risks of changes in commodity prices related to crop inputs, that may occur between the time products are received on consignment from the supplier and the actual date of sale to customers. To mitigate a portion of this price risk, it has been determined that the Joint Venture would receive a set margin in the sale of the product, regardless of the price selling in the market.

11. Economic dependence

The Joint Venture markets substantially all of its services through an arrangement with Viterra Inc. The ability of the Company to sustain operations is dependent upon the continued operation of this arrangement. On October 31, 2009, the amount receivable from Viterra is $298,634 ($284,593 in 2008).

12. Subsequent event

Subsequent to the balance sheet date, the joint venture was advanced loan proceeds for the purchase of the CP rail line. The Company's proportionate share of the loan proceeds advanced were $245,500, as this loan was not outstanding as at October 31, 2009, it has not been included in Note 4 above. Principal only monthly payments of $4,167 will begin November 30, 2009.

13. Capital management

The Company's objectives when managing capital is to ensure that sufficient capital reserves are maintained to facilitate the entity's ability to continue as a going concern, so that it can continue to provide returns for the venturers and benefits for other stakeholders through the provision of grain handling services, and also to allow the venture to take advantage of business opportunities that are connected to its core business.

The Company sets the amount of capital in proportion to risk and manages the capital structure and makes adjustments to it in light of changes to economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may determine the amount of capital available to be distributed to the shareholders on an annual basis.

The Company manages the following as capital:

	2009	*2008*
Share capital	**1,597,314**	1,872,234
Retained earnings	**1,924,550**	1,260,106
	3,521,864	3,132,340

14. Comparative figures

Certain comparative figures have been reclassified to conform with current year presentation.

15. Application of new reporting requirements

In January 2006, the Accounting Standards Board of Canada ("AcSB") adopted its strategic plan to move Canadian publicly accountable enterprises' financial reporting to the International Financial Reporting Standards ("IFRS") by 2011. IFRS will provide Canadian entities greater access to international capital markets.

The International Financial Reporting Standards will replace the current standards and interpretations applicable to publicly accountable enterprises, effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. As a result, CMI Terminal Ltd. will be required to implement the standards for the October 31, 2012 year-end. At this time, managment has not determined the effect that the change in standard will have on the reporting for that period.