CMI Terminal Ltd.
Consolidated Financial Statements
October 31, 2010

Contents

For the year ended October 31, 2010

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, 2010

signed - Fred Draude
Director

signed - Mark Fouhse
Director

Auditors' Report

To the Shareholders of CMI Terminal Ltd.:

We have audited the consolidated balance sheet of CMI Terminal Ltd. as at October 31, 2010 and 2009, 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, 2010 and 2009 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, 2010

Chartered Accountants

CMI Terminal Ltd.
Consolidated Balance Sheet
As at October 31, 2010

	2010	2009
Assets		
Current		
Cash	1,549,547	1,062,624
Short-term investments	14,810	13,601
Accounts receivable	55,455	326,853
Income taxes recoverable	8,908	-
Prepaid expenses and deposits	19,263	25,004
	1,647,983	1,428,082
Property, plant and equipment *(Note 3)*	4,656,322	4,720,989
	6,304,305	6,149,071
Liabilities		
Current		
Accounts payable and accruals	90,339	386,640
Income taxes payable	-	24,321
Construction holdbacks	-	93,058
Current portion of long-term debt *(Note 4)*	306,520	243,626
	396,859	747,645
Long-term debt *(Note 4)*	2,297,123	1,834,487
Future income taxes payable	39,096	45,075
	2,733,078	2,627,207
Shareholders' Equity		
Share capital *(Note 5)*	1,253,664	1,597,314
Retained earnings	2,317,563	1,924,550
	3,571,227	3,521,864
	6,304,305	6,149,071

Approved on behalf of the Board

signed - Fred Draude
Director

signed - Mark Fouhse
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, 2010

	2010	2009
Sales	**5,194,328**	6,481,439
Cost of sales	**2,929,099**	3,975,778
Gross margin	**2,265,229**	2,505,661
Other income	**7,424**	9,308
	2,272,653	2,514,969
Administrative expenses	**175,154**	218,248
Operating expenses	**1,113,604**	1,093,395
Earnings from operations	**983,895**	1,203,326
Interest on long-term debt	**125,446**	88,867
Earnings before income taxes and amortization	**858,449**	1,114,459
Amortization	**392,716**	306,070
Earnings before income taxes	**465,733**	808,389
Provision for (recovery of) income taxes *(Note 6)*		
Current	**78,699**	96,738
Future	**(5,979)**	47,207
	72,720	143,945
Net earnings and comprehensive income	**393,013**	664,444
Retained earnings, beginning of year	**1,924,550**	1,260,106
Retained earnings, end of year	**2,317,563**	1,924,550
Earnings per share		
Basic earnings per share	**17.150**	29.000
Weighted average number of common shares		
Basic	**22,910**	22,910

CMI Terminal Ltd.
Consolidated Statement of Cash Flows
For the year ended October 31, 2010

	2010	*2009*
Cash provided by (used for) the following activities		
Operating activities		
Net earnings and comprehensive income	**393,013**	664,444
Amortization	**392,716**	306,070
Future income taxes	**(5,979)**	47,207
Gain on disposal of property, plant and equipment	**-**	(1,730)
	779,750	1,015,991
Changes in working capital accounts		
Accounts receivable	**271,398**	(33,437)
Prepaid expenses and deposits	**5,741**	(7,984)
Accounts payable and accruals	**(296,301)**	17,263
Income taxes payable	**(33,229)**	(175,086)
Construction holdbacks	**(93,055)**	93,061
	634,304	909,808
Financing activities		
Advances of long-term debt	**831,156**	925,000
Repayment of long-term debt	**(305,626)**	(318,180)
Repayment of share capital	**(343,650)**	(273,720)
	181,880	333,100
Investing activities		
Purchases of property, plant and equipment	**(384,360)**	(1,572,515)
Proceeds on disposal of property, plant and equipment	**56,308**	6,500
	(328,052)	(1,566,015)
Increase (decrease) in cash resources	**488,132**	(323,107)
Cash resources, beginning of year	**1,076,225**	1,399,332
Cash resources, end of year	**1,564,357**	1,076,225
Cash resources are composed of:		
Cash	**1,549,547**	1,062,624
Short-term investments	**14,810**	13,601
	1,564,357	1,076,225
Supplementary cash flow information		
Interest paid	**141,717**	92,284
Income taxes	**111,928**	271,824

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 Inc. 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

Comprehensive income includes all changes in equity of the Company, except those resulting from investments by owners and distributions to owners. Comprehensive income is the total of net income and other comprehensive income. Other comprehensive income comprises revenues, expenses, gains and losses that, in accordance with Canadian generally accepted accounting principles, require recognition, but are excluded from net income. 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*	*2010 Net book value*
Land	**63,213**	**-**	**63,213**
Buildings	**5,535,965**	**1,962,913**	**3,573,052**
Automotive	**135,535**	**96,508**	**39,027**
Rail Spur	**168,690**	**21,092**	**147,598**
Computer equipment	**67,771**	**37,171**	**30,600**
Fertilizer and chemical equipment	**530,277**	**224,592**	**305,685**
Equipment	**1,289,369**	**792,222**	**497,147**
	7,790,820	**3,134,498**	**4,656,322**

	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
Buildings under construction	1,098,327	-	1,098,327
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
	7,462,770	2,741,781	4,720,989

During the period ending October 31, 2010, the Joint Venture completed the grain storage expansion project. The expansion facilities became available for use in March 2010. From beginning of the project to its completion, the venturer capitalized interest in the amount of $18,653. Amortization of these facilities did not begin until such time that they became available for use.

4. Long-term debt

	2010	*2009*
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.	**1,001,184**	1,165,195
Term loan payable in monthly instalments of $8,333 plus interest at 4.93%, secured by building with a net book value of $1,310,687, with current term maturing in 2015.	**1,318,987**	800,000
Term loan bearing interest at 5.9%, payable in semi-annual instalments of $2,467, secured by related automotive assets with a net book value of $13,327, due 2010.	**1,734**	6,668
Term loan payable in monthly instalments of $2,083, plus interest at prime plus 1.25% (4.250% at October 31, 2010), secured by equipment with a net book value of $131,911, with current term maturing in 2011.	**81,250**	106,250
Term loan payable in monthly instalments of $4,092 plus interest at prime plus 1.5% (4.5% at October 31, 2010), secured by general security agreement, with current term maturing 2014.	**200,488**	-
	2,603,643	2,078,113
Less: current portion	**306,520**	243,626
	2,297,123	1,834,487

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

2011	306,520
2012	304,788
2013	304,788
2014	286,030
2015	234,754

Long-term debt is subject to certain financial covenants with respect to current ratio, net worth and earnings with respect to operations within the Joint Venture. At October 31, 2010, the venturer is in compliance with all such covenants.

5. Share capital

	2010	*2009*
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

		2010	*2009*
Common shares			
22,910	Class A common shares	**1,253,664**	1,597,314

During the year, the Company returned to the shareholders capital of $15 per share, totalling $343,650.

6. Income taxes

	2010	*2009*
Future income tax assets:		
Property, plant and equipment	**4,355,160**	3,282,251
Cumulative eligible capital	**12,867**	13,835
Debt issue costs	**3,135**	4,010
Total future income tax assets	**4,371,162**	3,300,096
Future income tax liabilities:		
Property, plant and equipment	**4,593,111**	3,559,449
Total future income tax liabilities	**4,593,111**	3,559,449
Net future income tax liabilities	**(221,949)**	(259,353)

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 30% for active business income in excess of this amount.

The difference between the effective and actual income tax rates is insignificant, therefore a reconciliation has not been provided.

7. 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:

	2010	*2009*
Assets		
Current assets	**1,519,979**	1,409,994
Non-current assets	**4,654,206**	4,718,342
	6,174,185	6,128,336
Liabilities		
Current liabilities	**388,654**	713,826
Long-term liabilities	**2,297,123**	1,834,487
Equity	**3,488,408**	3,580,023
	6,174,185	6,128,336
Operating results		
Revenues	**5,198,913**	6,487,442
Expenses	**(4,653,608)**	(5,583,975)
	545,305	903,467
Cash flows		
Cash flows from operating activities	**826,507**	1,280,801
Cash flows from investing activities	**(328,052)**	(1,564,934)
Cash flows from financing activities	**(111,389)**	288,361
	387,066	4,228

8. 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 $5,179,692 ($6,250,714 - 2009) from Viterra Inc. while cost of goods sold and operating expenses include $2,935,656 ($3,975,778 - 2009) 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.

9. 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.

10. 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, 2010, the amount receivable from Viterra Inc. is $48,436 ($298,634 in 2009).

11. 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:

	2010	*2009*
Share capital	**1,253,664**	1,597,314
Retained earnings	**2,317,563**	1,924,550
	3,571,227	3,521,864

12. Comparative figures

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

13. 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.