19th Annual Report

2017

Annual Meeting of Shareholders

Thursday, April 26, 2018 - 5:30 PM
Naicam Town Hall - Naicam, SK

Please RSVP by 5:00 PM
On April 20, 2018

RSVP by phone at 306-872-2777 or
by email at: abecker@cmiterminal.com

FOR IMMEDIATE RELEASE April 3, 2018

CMI ANNOUNCES FILING ANNUAL FINANCIAL INFORMATION

NAICAM, SASKATCHEWAN – CMI Terminal Ltd. ("**CMI**") has today issued, filed and circulated to shareholders the annual audited consolidated financial statements for the financial period ended December 31, 2017, together with the related Management Discussion and Analysis ("**MD&A**") for that financial period.

In connection with the preparation of CMI's annual audited consolidated financial statements for the year ended December 31, 2017, it was determined by management that, as a result of payables and expenses relating to prior years' cost of sales that were not recorded accurately in CMI's wholly owned subsidiary, CMI Ag Ltd., the previously filed financial statements of CMI contained an error. As a result, the financial results for CMI's financial year ended December 31, 2016 and as at January 1, 2016 have been restated to record the expenses in the proper periods, and such restatement is included in the December 31, 2017 annual audited consolidated financial statements for comparative purposes. The notes to the December 31, 2017, annual audited consolidated financial statements and MD&A for the year ended December 31, 2017, explain the impact of the correction on the restated financials for the financial period ending December 31, 2016 and as at January 1, 2016.

The current financial statements are available under CMI's profile on SEDAR at www.sedar.com, and may also be viewed at CMI's website at www.cmiterminal.com. Shareholders and other interested parties are cautioned that, due to the above noted accounting error and restated financial statements, all prior financial statements of CMI should not be relied upon.

- 30 -

CMI Terminal Ltd. is a producer-owned company that has entered into a joint venture agreement with Viterra Inc. to jointly own and operate an inland grain terminal located near Naicam, Saskatchewan. CMI Terminal Ltd., through its wholly owned subsidiary CMI AG Ltd., also operates a crop production services business from Naicam, Saskatchewan.

CMI Terminal Ltd. is a reporting issuer in Saskatchewan only and its shares are not posted or listed for trading on any recognized stock exchange. CMI Terminal Ltd. utilizes a web-based share trading mechanism found on the CMI Terminal Ltd. website at www.cmiterminal.com.

For more information contact:

Jacqueline Buhs, Controller
CMI Terminal Ltd.
Box 43, #6 Highway
Naicam, Saskatchewan S0K 2Z0
Phone: (306) 872-2777
Fax: (306) 872-2778
E-mail: jbuhs@cmiterminal.com

FORM 51-102F3

Material Change Report

Item 1 Name and Address of Company

CMI Terminal Ltd. ("**CMI**" or the "**Company**")
Box 43
Naicam SK S0K 2Z0

Item 2 Date of Material Change

April 3, 2018

Item 3 News Release

The attached press release reporting on the material change described in this report was issued by the Company on April 3, 2018, and is posted on the Company's website.

Item 4 Summary of Material Change

CMI reports that is has restated its 2016 annual financial information.

Item 5 Full Description of Material Change

In connection with the preparation of CMI's annual audited consolidated financial statements for the year ended December 31, 2017, it was determined by management that, as a result of payables and expenses relating to prior years' cost of sales that were not recorded accurately in CMI's wholly owned subsidiary, CMI Ag Ltd., the previously filed financial statements of CMI contained an error. As a result, the financial results for CMI's financial year ended December 31, 2016 and as at January 1, 2016 have been restated to record the expenses in the proper periods, and such restatement is included in the December 31, 2017 annual audited consolidated financial statements for comparative purposes. The notes to the December 31, 2017, annual audited consolidated financial statements and MD&A for the year ended December 31, 2017, explain the impact of the correction on the restated financials for the financial period ending December 31, 2016 and as at January 1, 2016.

Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

No information has been omitted on the basis that it is confidential information.

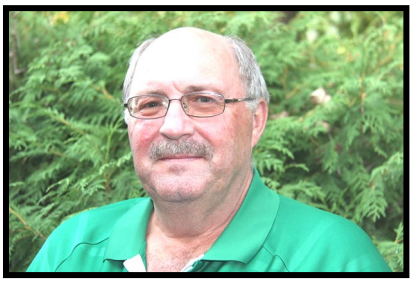
Item 8 Executive Officer

Contact: Jesse Wasmuth – Chief Financial Officer
Phone No.: 1-306-872-2777

Item 9 Date of Report

Dated at the Town of Naicam, in the Province of Saskatchewan, this 3rd day of April, 2018.

PRESIDENT'S ADDRESS



Dear Shareholders,

Well, I finally got to see what people say is the land of plenty. The crop yields I was hearing about were originally thought to be exaggerated, but after further investigation I realized it was fact and not fiction. Disease pressure was minimal, grades and yields were good, and earlier on the weather even seemed to cooperate. Here's to hoping that this is the new norm. Success on the farm translates to success at CMI.

Congratulations to all of the people who contributed to CMI's most successful year in grain; our numbers were better than ever. However, as we travel that road to success there are always a few bumps or potholes along the way. If you as a customer of CMI have a disagreement over grades, price, delivery, service or anything else, I would hope that you would have an open and honest dialogue with the manager of that appropriate department. If you are still not satisfied after that, the next step would be to approach our general manager. Lastly, the directors are all approachable and are willing to get involved in providing some input to resolving any issues that may come up. Communication between parties is always key in understanding the policies and procedures put in place to run a successful company. We at CMI are always interested in providing top of the line services and products for our customers because we recognize that customers are the reason we are successful.

CMI mailed out an early Christmas present again this year. A $15 dividend per share was paid out to all shareholders in order to continue paying a return on your investment in CMI. Paying a regular dividend has solved the share liquidity issue which was a concern for some shareholders earlier on. Shares on CMI's website continue to sell above the value we are allowed to offer by the securities commission with the share buyback program.

Once again I want to thank all those who have contributed to the best year in grain that CMI has had to date. It was my pleasure to work with all of you.

President and Chairman
Fred Draude

GENERAL MANAGER'S ADDRESS

To the Shareholders of CMI Terminal Ltd.,

The grain and crop input business in northeastern Saskatchewan continues to evolve as competitors continue to pursue market share opportunities. CMI JV has responded to this by capturing opportunities in the malt barley market, which has resulted in 2017 being our best year since opening. Barley now accounts for 47.8% of our total handle, with canola following a strong second at 31.4%. CMI JV also hit another milestone this year with total receipts at 222,000 tonnes. Crop protection retail has had a successful sales year however margins in 2017 have come under significant pressure as retailers continue to try and grow market share within our area.

CMI LTD, in 2017 recognized a need for a Chief Financial Officer (CFO) within our senior management team. We successfully filled that void with Jesse Wasmuth taking on the position in January of 2018. Jesse brings with him extensive experience in the grain and crop retail business, combined with being a Chartered Professional Accountant, and having a Bachelor of Commerce degree. In 2017, CMI also strengthened our accounting department with the hire of Amber Becker. Amber has a Bachelor of Commerce degree, majoring in management with a focus on accounting and finance. These two competent individuals along with Jackie Buhs will make our accounting department one of the best in the industry.

In 2017 CMI JV initiated the installation of a new automation system to improve efficiencies in both receiving & shipping, which I am happy to report, has now been commissioned.

I would like to thank the staff of CMI LTD for the effort they put forward in making 2017 a successful year. I would also like to thank our customers who have supported us with their grain, crop protection and nutrient needs. We look forward to continue supporting your business needs in 2018.

Andrew Kolbeck
General Manager

CMI TERMINAL LTD.

NOTICE OF ANNUAL GENERAL MEETING OF THE SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT the **19th Annual General Meeting of the Shareholders** (the "**Meeting**") of CMI Terminal Ltd. ("**CMI**") will be held on **Thursday, 26th day of April 2018 at 5:30 p.m.,** Saskatchewan time, at the **Naicam Town Hall**, in the **Town of Naicam**, Saskatchewan, for the following purposes:

1. To present the financial statements and auditors' report of the corporation for the fiscal period ending December 31, 2017;
2. To receive a report from management of CMI and CMI Terminal Joint Venture for the fiscal year ended December 31, 2017;
3. To elect three (3) directors to the Board of CMI Terminal Ltd.;
4. To appoint the auditors of the Corporation to hold office until the next Annual Meeting of the Shareholders;
5. To transact such other business of CMI Terminal Ltd. as may properly come before the meeting or any adjournment of the meeting.

Accompanying this Notice of Annual General Meeting you will find the following:

1. An Information Circular accompanying this Notice which contains further details relating to the above matters and describes the procedures to be used by shareholders who wish to appoint a proxy holder to attend and act at the meeting on their behalf. Shareholders wishing to appoint a proxy holder may complete and sign the Form of Proxy enclosed with this Notice of Annual Meeting and return it to the office of the Corporation in person or by mail or facsimile to:

   P. O. Box 43, Naicam, Saskatchewan S0K 2Z0, Fax (306) 872-2778

TO BE RECEIVED BY THE OFFICE OF THE CORPORATION NO LATER THAN April 25, 2018 AT 4:00 P.M.

2. The audited financial statements of CMI Terminal Ltd. and audited financial statements of CMI Terminal Joint Venture for their financial year of December 31, 2017, together with Management's discussion and analysis of such financial statements.

Dated this 27th day of March, 2018.

By Order of the Board

Signed by Mark Fouhse

Mark Fouhse, Secretary

CMI Terminal Ltd.

P. O. Box 43
Naicam, Saskatchewan S0K 2Z0
Phone (306) 872-2777, Fax (306) 872-2778

To the shareholders of CMI Terminal Ltd.:

CMI Terminal Ltd.'s 19th Annual General Shareholders' Meeting to be held on **the 26th day of April 2018,** at **5:30 p.m.** at the **Naicam Town Hall**, Naicam, Saskatchewan. **PLEASE RSVP by April 20, 2018 for supper.**

The Meeting must comply with requirements set by Saskatchewan legislation. The enclosed package enables CMI Terminal Ltd. to meet these requirements. It is important that you read the enclosed documents. **Please bring this information with you.**

To assist you with these documents, the following overview has been prepared:

1. The official **Notice of the Annual General Shareholders' Meeting** giving the date, time and location of the meeting.

2. The **Information Circular** has been prepared by the board and management of CMI Terminal Ltd. ("**CMI**"), to provide additional information to shareholders on the business to be conducted at the annual meeting. It includes information regarding business affairs, share structure and election of directors. The shareholders must appoint an auditor for the upcoming year, and this is also covered in the circular.

3. The form of **Proxy** enclosed is for use at the meeting and serves two purposes:

   (a) First, it allows any shareholder that will not be able to attend the meeting to designate an individual who will be in attendance at the meeting to vote their shares. For your convenience, the proxy indicates two officers of CMI who would be willing to act as your proxy. If you will not be able to attend the meeting, please complete, date, and sign the proxy and **return the completed proxy to the CMI Terminal Ltd. office by 4:00 p.m. on April 25, 2018.**

   (b) In the case of shares held in a corporation's name, the corporation must designate an individual who will be in attendance at the meeting and who is authorized to vote the shares of the company. In order for such corporate shareholder to vote its shares at the annual meeting of shareholders, please insert the name of the person who will vote such shares on the proxy. Have the proxy signed and sealed by the signing officers of the corporation, and **return the completed proxy to the CMI Terminal Ltd. office by 4:00 p.m. on April 25, 2018.** This step is necessary, even if the corporate designate will be attending.

4. The audited financial statements of CMI Terminal Ltd., and audited financial statements of CMI Terminal Joint Venture together with management's discussion and analysis of such financial statements for their financial year ending December 31, 2017, have been enclosed.

5. In addition to the foregoing, we have enclosed a Request for Interim Financial Statements Return Card. We know how busy you are, and accordingly we do not wish to send you information about CMI Terminal Ltd., that you have no desire to receive. If you wish to receive the semi-annual unaudited financial statements of CMI Terminal Ltd., please sign and return the enclosed mailing list return card to CMI. If the Return Card is not signed and returned to CMI you will only receive annual information from CMI, although semi-annual information is available through the securities regulator website: **www.sedar.com**.

The Annual General Shareholders' Meeting is your opportunity to participate in the direction of CMI Terminal Ltd.

Thank You!

CMI TERMINAL LTD.
INFORMATION CIRCULAR

FOR THE 19TH ANNUAL GENERAL MEETING OF THE SHAREHOLDERS TO BE HELD ON APRIL 26, 2018

MANAGEMENT PROXY SOLICITATION

This Information Circular is provided in connection with the solicitation of proxies by the Board of Directors for use at the Annual General Meeting of the Shareholders (the "**Meeting**") of CMI Terminal Ltd. ("**CMI**") to be held on **Thursday, the 26th day of April, 2018, at 5:30 p.m.**, at the **Naicam Town Hall** in the Town of Naicam, Saskatchewan, for the purposes set out in the preceding Notice of Annual General Meeting of Shareholders (the "**Notice**").

The directors expect that the solicitation of proxies will be made primarily by mail, but proxies may also be solicited personally at nominal cost. The cost of the solicitation of proxies will be borne by CMI.

PROXY INSTRUCTIONS

A form of proxy (the "**Form of Proxy**") is provided with the Meeting materials for your use in the event you cannot or do not wish to attend the Meeting and yet still wish your vote to count and be heard at the Meeting.

In order to be used at the Meeting, all proxies must be deposited with CMI's business office P.O. Box 43, #6 Highway, Naicam, Saskatchewan, S0K 2Z0, fax: 306-872-2778, or email: jbuhs@cmiterminal.com, by **4:00 p.m. on April 25, 2018,** in order for the proxy to be voted or relied upon at the Meeting. All proxies are required to be deposited with CMI by the aforesaid date and time so that CMI can, reasonably in advance of the Meeting, tabulate all proxies received and determine the number or shares represented by such proxies. **Proxies that are not received by CMI in advance of the Meeting may not be voted or relied upon at the Meeting. This requirement applies even if you wish to appoint someone other than a member of CMI's management as your proxy.**

The Form of Proxy enclosed is for use at the Meeting and serves two purposes:

(c) First, it allows any shareholder that will not be able to attend the meeting to designate an individual who will be in attendance at the meeting to vote their shares. For your convenience the proxy indicates an officer of CMI who would be willing to act as your proxy. If you will not be able to attend the meeting, please complete, date, and sign the proxy and return the completed proxy to CMI by the date and time set out above; and

(d) In the case of shares held in the name of a corporation, partnership or other corporate entity, the corporate entity wishing to vote their shares of CMI must designate an individual who will be in attendance at the Meeting and who is authorized to vote the shares of the corporate entity. In order for such corporate entity to vote its shares at the Meeting, please insert the name of the person who will vote such shares on the oxy. Have the proxy signed and sealed by the proper signing officer(s) of the corporate entity and return the completed proxy to CMI by the date and time set out above. This step is necessary, even if the corporate designate will be attending the Meeting. Without having first received a valid proxy indicating to CMI that the designate has the authority to vote the corporate entity's shares, CMI will have no way of determining or verifying that the designate

attending the Meeting has the requisite authority on behalf of the corporate entity to vote its shares of CMI.

Each shareholder has the right to appoint any person, instead of the person described in the Form of Proxy, to attend and act for him, her or it and on his, her or its behalf at the Meeting, and may exercise such right by inserting the name of the person in the blank space provided in the Form of Proxy or by submitting another appropriate proxy. A person appointed as a proxy need not be a shareholder of CMI. Irrespective of who you designate as your proxy, your proxy is required by law to follow your voting instructions as set out by you in your Form of Proxy.

The Form of Proxy gives the shareholders an opportunity to specify his or her shares to be voted for or against the motions therein specified. The shares represented by the proxy will be voted or withheld from voting in accordance with the instructions of the shareholder on any ballot that may be called for and if the shareholder specifies a choice with respect to any matter to be acted upon, his or her shares will be voted accordingly.

The Form of Proxy gives discretionary authority to the proxy nominees with respect to amendments or variations of matters identified in the Notice of Meeting or other matters which may properly come before the Meeting. At the date hereof, the Board of Directors of CMI knows of no matters to come before the Meeting other than the matters referred to in the foregoing Notice of Meeting. However, if any other matters should properly come before the Meeting, the shares represented by proxies in favour of CMI's nominee will be voted on such matters in accordance with the best judgment of the proxy nominee.

NON-REGISTERED HOLDERS

Only shareholders whose names appear on the records of CMI as the registered holders of shares or duly appointed proxy-holders are permitted to vote at the Meeting.

Some shareholders of CMI are "non-registered" shareholders because the shares they own are not registered in their names but instead registered in the name of a nominee such as a brokerage firm through which they purchased the shares; a bank, trust company, trustee or administrator of self-administered RRSPs, RRIFs, RESPs and similar plans; or a clearing agency such as The Canadian Depository for Securities Limited (each, a "**Nominee**"). If you purchased your shares through a broker or registered dealer, you are likely a non-registered holder. Shares held by Nominees can only be voted in accordance with the instructions of the non-registered holder.

CMI has distributed copies of the Meeting materials, being the Notice of Meeting, this Information Circular and the Form of Proxy, directly to non-registered holders. Nominees often have their own form of proxy and/or voting instruction form (a "**VIF**"), which is used by the Nominee instead of a proxy. **If you, as a non-registered holder owning shares registered in the name of a Nominee, wish to vote on the matters to be decided at the Meeting please contact your Nominee immediately to obtain your Nominee's form of proxy and/or VIF.** By returning the Nominee's form of proxy and/or VIF in accordance with the instructions noted on it, a non-registered shareholder is able to instruct the registered shareholder, the Nominee, how to vote on behalf of the non-registered shareholder.

If you wish to vote by proxy, you should carefully follow the instructions from the Nominee in order that your shares are voted at the Meeting. **If you wish to vote at the Meeting in person, you should appoint yourself as proxy-holder by writing your name in the space provided on the VIF or proxy provided by the Nominee and return the form to the Nominee in accordance with the instructions noted on the VIF or proxy including when and where it is to be delivered.**

REVOCATION OF PROXY

Proxies given by shareholders for use at the meeting may be revoked at any time prior to their use. In addition to revocation in any other manner permitted by law, a proxy may be revoked by an instrument in writing executed by the shareholder or by her or his attorney authorized in writing or, if the shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized, and depositing such instrument at CMI's business office P.O. Box 43, #6 Highway, Naicam, Saskatchewan, S0K 2Z0, Fax: 306-872-2778, or email: jbuhs@cmiterminal.com, at any time up to and including 4:00 p.m. on April 25, 2018, or by depositing such revocation instrument with the chairperson of such meeting on the day of the Meeting, or adjournment thereof, before commencement of the meeting and upon either of such deposits the proxy is revoked. **Only registered shareholders have the right to revoke a proxy. If you, as a non-registered holder, wish to change your vote submitted to CMI via proxy by your Nominee, you must arrange for your Nominee to revoke the proxy on your behalf.**
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MATERIAL INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Save and except for the election of directors, none of CMI's directors or officers, nor any proposed nominees for election as directors of CMI, nor any associate or controlled corporation of such person has any direct or indirect material interest in any matter to be acted on at the Meeting.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The authorized capital of CMI consists of an unlimited number of Class "A" voting shares, of which 20,638 Class "A" Shares, held in the aggregate by 182 Class "A" Shareholders, are issued and outstanding as fully paid and non-assessable as at CMI's fiscal year end of December 31, 2017. There were no shares redeemed in 2017. CMI has not issued options or warrants or any other securities capable of being converted into CMI shares.

Holders of Class "A" shares are entitled to one (1) vote per share at the Annual General Shareholders' Meeting on all matters coming before the shareholders.

The record date as of which shareholders are entitled to vote at the Meeting is at the close of business on the day immediately preceding the day on which the Notice is given.

There are no shares in the capital stock of CMI issued or outstanding, save and except for the issued shares referred to herein.

CONSIDERATION OF FINANCIAL STATEMENTS

A copy of the audited financial statements of CMI Terminal Ltd. and CMI Terminal Joint Venture for their financial years ended December 31, 2017, prepared by Ernst & Young LLP, Chartered Professional Accountants, will be provided to each shareholder together with the Management Discussion and Analysis Report. The directors of CMI have approved the audited financial statements in form and content.

When preparing CMI's semi-annual unaudited financials for the period ending June 30, 2017, CMI determined, with assistance from its auditors, that its' 2016 financial statements should present its ownership in CMI JV using Proportionate Consolidation as opposed to the Equity Method that had been applied in previous years. This change in accounting presentation meant that CMI's previously presented

December 31, 2015, June 30, 2016, and December 31, 2016, interim and annual financial statements, needed to be reformatted and restated in accordance with the accounting pronouncements contained within IFRS 11 so that meaningful comparisons could be made between current financial information and financial information for the same period in the prior year. As this change was applied retrospectively to January 1, 2016, CMI determined that it should file the restated financial statements and related MD&A via SEDAR, and recirculate to shareholders copies of such restated financial statements and MD&A. There was no negative impact on CMI's previously reported retained earnings, total comprehensive income or comprehensive cash flows arising out if this change in presentation.

Opening statement of financial position at January 1, 2016:

	As previously reported at January 1, 2016	**Adjustment**	**Restated at January 1, 2016**
Deposits	**$2,005,637**	**($259,327)**	**$1,746,310**
Income Taxes Receivable	**($22,664)**	**$91,876**	**$69,212**
Accounts Payable and Accrued Liabilities	**($2.081,932)**	**($122,930)**	**($2,204,862)**
Retained Earnings	**($4,965,915)**	**$290,381**	**$4,675,534**
	($5,064,874)	**-**	**$4,286,194**

Statement of financial position December 31, 2016

	As previously reported as at December 31, 2016	**Adjustment**	**Restated as at December 31, 2016**
Deposits	**$2,172,537**	**($355,446)**	**$1,817,091**
Income taxes (payable) receivable	**($46,567)**	**$153,270**	**$106,703**
Accounts payable and accrued liabilities	**($1,360,499)**	**($205,990)**	**($1.566,489)**
Retained earnings (deficit), end of the year	**($5,507,976)**	**$408,166**	**($5,099,810)**
	($4,742,505)	**-**	**($4,742,505)**

The impact on the statement of comprehensive income for the year ended December 31, 2016 is shown below:

	As previously reported for the year ended December 31, 2016	**Adjustment**	**Restated for the year ended December 31, 2016**
Cost of sales	**$11,185,499**	**$179,179**	**$11,364,678**
Income tax expense	**$222,636**	**($61,394)**	**$161,242**
Net income (loss)	**$851,631**	**($117,785)**	**$733,846**
Basic and diluted income per share	**$41.27**	**($5.71)**	**$35.56**

During the year, the company identified expenses relating to prior year cost of sales that had not been recorded in the statements of comprehensive income for the years ended December 31, 2015 and December 31, 2016. As a result, the consolidated financial statements for the comparative years have been retroactively restated to correct this error.

Jesse Wasmuth, CFO for CMI Terminal Ltd. will present the audited consolidated financial statements of CMI Terminal Ltd. and CMI Terminal Joint Venture to the shareholders.

ELECTION OF DIRECTORS

There are seven (7) directors on the Board of Directors (the "**Board**") of CMI. At the annual meeting of shareholders held on November 30, 1999, and in order to ensure a level of continuity on the Board, the shareholders of CMI resolved to elect directors in rotating terms of two years. Accordingly, each year approximately half of the directors retire and such positions on the Board are filled by the shareholders at the Annual General Meeting of shareholders of CMI. A retiring director is eligible for re-election.

CMI has also established a nomination protocol. Each year, a nominating committee consisting of three board members seek to identify interested and qualified candidates for election to the Board. The committee seeks eligible candidates by whatever means the committee wishes to use, including phone solicitation, public advertisement, or volunteers putting their name forward. From the eligible candidates identified, including any incumbent directors seeking re-election, the nominating committee seeks to identify the most eligible candidates possessing the requisite competency and skills that the committee considers necessary for the Board. Those nominees are then presented to the Board for approval and, if approved, are included in the list of nominees for election to the Board of CMI at the Annual General Meeting.

As CMI has adopted a nomination protocol in an effort to put forward the best candidates for consideration and election by the shareholders at each Annual General Meeting, the Chairman of the Annual General Meeting will not seek nominations from the floor for election to the Board. The establishment of the nomination protocol gives shareholders who cannot be in attendance at the Annual General Meeting the comfort that the Board will recommend the best available candidates for election to the Board.

The following persons are the present directors of CMI and have served as board members from the dates indicated. Leslie Sarauer resigned from the board on October 31, 2017. The board appointed Mark Silzer to full fill the remaining one year term. Each director is elected for a two year rotating term. A retiring director is eligible for re-election.

Name	**Province and Country of Residence**	**Position with Corporation**	**Present Occupation, Name and principal business of company that Director is employed with**	**How Long a Director**	**Voting Shares of CMI owned directly or indirectly**
Fred Draude [1, 2, 3, 4]	Saskatchewan, Canada	President and Chairman	Realtor	1998-2017	680
Mark Silzer	Saskatchewan, Canada	Director	Ag Consultant	Dec 20, 2017	200
Mark Fouhse [4,5]	Saskatchewan Canada	Secretary	Farmer	2007-2017	50
Eric Ponath [1,2,4,5]	Saskatchewan, Canada	Director	Retired Farmer	2013-2017	390
Lance Stockbrugger, CPA,CA [1, 3]	Saskatchewan, Canada	Director	Farmer	2011-2017	100

Regan Crone [5]	Saskatchewan. Canada	Director	Farmer	2007-2017	0
Tom Borstmayer [2, 3]	Saskatchewan, Canada	Vice-President and Vice-Chairman	Farmer	2010-2017	200

[1] CMI JV Management Committee
[2] Human Resource Committee
[3] Audit Committee
[4] Governance Committee
[5] Nomination & Education Committee

The two (2) year appointment of each of Fred Draude, Lance Stockbrugger, and Tom Borstmayer expires at the close of this Meeting. Each of Fred Draude, Lance Stockbrugger and Tom Borstmayer have agreed to allow their names to stand for re-election.

To the best of CMI's knowledge, none of the aforementioned nominees are now, nor have they been within ten (10) years before the date of this information circular:

(a) subject of a cease trade or similar order of a securities regulator or an order denying the person access to any exemption under securities legislation, nor a director or officer of a company that was the subject of such order of a securities regulator; or

(b) bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of such person nor a director or officer of a company that became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of such company.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No directors or officers of CMI were indebted to CMI as of its fiscal year ending December 31, 2017.

Compensation of Directors

The Chairman/President of the board of directors receives a $9,000 honorarium and directors each receive a $5,000 honorarium together with a per diem fee based on $75.00 per hour for each meeting they attend. In addition, those directors of CMI who also sit as members of the management committee of CMI Terminal Joint Venture ("**CMI JV**") each receive a $4,000 honorarium and are paid at a rate of $75.00 per hour as well as reimbursed for any approved out of pocket expenses for time spent at meetings pertaining to business conducted by them on behalf of CMI.

The following table sets out the compensation paid to current and past directors during the fiscal period ended December 31, 2017.

Director Compensation table:

Name	CMI Ltd. Honorarium	CMI Ltd. Meeting Fees Paid	Total	CMI JV Honorarium	CMI JV Meeting Fees Paid	Total
Fred Draude	$9,000	$10,500	$19,500	$4,000	$975	$4,975
Leslie Sarauer	$5,000	$ 2,400	$ 7,400	$0	$0	$0
Tom Borstmayer	$5,000	$ 5,250	$10,250	$2,000	$225	$2,225
Regan Crone	$5,000	$ 3,187	$ 8,187	$0	$0	$0
Lance Stockbrugger	$5,000	$ 8,062	$13,062	$4,000	$675	$4,675
Mark Fouhse	$5,000	$ 4,237	$ 9,237	$0	$0	$0
Eric Ponath	$5,000	$ 7,837	$12,837	$2,000	$750	$2,750

Indemnification of Directors

In addition to the foregoing, CMI has in place a policy of indemnifying directors and officers, subject to certain exceptions, for any costs, charges and expenses, including any amount paid to settle an action or satisfy a judgement, reasonably incurred by him in respect of any civil, criminal, or administrative action or proceeding to which he is made a party by reason of being or having been a director and/or officer of CMI. With respect to the purchase of Directors' and Officers' Liability Insurance, the policy states that such insurance shall be purchased in such amounts and on such terms, having regard to insurance premiums and coverage, as the board of directors considers appropriate from time to time.

AUDIT COMMITTEE DISCLOSURE

The Board of Directors annually appoints three of its members to an Audit Committee which is responsible for overseeing the financial disclosure which will be provided to shareholders, CMI's internal controls over accounting practices and the audit process. The text of the Audit Committee's charter is attached as Schedule "A" hereto.

The current members of the Audit Committee are Fred Draude, Lance Stockbrugger and Tom Borstmayer, all of whom are financially literate, within the meaning of such term defined in National Instrument 52-110 Audit Committees ("**NI 52-110**"). All audit committee members are independent as required by NI 52-110.

The audit committee members have an understanding of the accounting principles and general applications used by the issuer to prepare its financial statements. Fred Draude's experience of owning and operating the family farm, and his employment in the real estate insurance business, has contributed to his experience and education required for this committee. Tom Borstmayer has a Bachelor of Science in Agricultural Engineering and has many years of experience in this field. Mr. Borstmayer spent 6 years in Perth, Western Australia to establish Bourgault Australia PTY. Tom has owned and operated the family farm since 2003 which has also given him the experience and knowledge required. Lance D. Stockbrugger, CA, CPA is a registered member of the Institute of Chartered Professional Accountants of Saskatchewan and therefore, has the educational and practical experience to understand the basic financial reporting required to sit on the audit committee. Ernst & Young LLP, Chartered Professional Accountants, are the external auditors retained by CMI to perform audit and audit-related services for the Company and CMI JV. Ernst & Young LLP, Chartered Professional Accountants were first appointed the external auditor of CMI and CMI JV for their respective financial years beginning January 1, 2017. Prior to that, MNP LLP, Chartered Professional Accountants, were the external auditors of CMI and CMI JV. The following table sets out the aggregate fees billed by CMI's external auditors.

External Auditor Service Fees	CMI Ag Ltd. 2016	CMI Ltd. 2016	CMI JV 2016
Audit Fees MNP	**$34,650**	**$39,610**	**$34,125**
Consulting Fees	**$0**	**$ 0**	**$0**
Administrative Fees	**$ 1,650**	**$ 2,637**	**$ 2,085**
Total	**$36,300**	**$42,247**	**$36,210**

External Auditor Service Fees	CMI Ag Ltd. June 2017 Interim Audit	CMI Ltd. June 2017 Interim Audit	CMI JV June 2017 Interim Audit
Audit Fees Ernst & Young	**$26,712**	**$22,896**	**$26,712**
Consulting Fees	**$0**	**$0**	**$0**
Administrative Fees	**$0**	**$0**	**$0**
Total	**$26,712**	**$22,896**	**$26,712**

Notes:
1. Audit related fees are fees for assurance and related services related to the performance of the audit.
2. Consulting fees include any non-recurring consulting fees provided by the external auditor on various aspects of CMI's business and are not included in the foregoing audit fees.

CORPORATE GOVERNANCE DISCLOSURE

1. Board of Directors

All directors are independent of CMI. The Board of Directors exercises independent supervision over management by meeting as a board regularly and at such meetings receiving a report from Management. Any areas of concern expressed by the Board are typically followed up personally by the Chairman of the Board and/or the Board member who expressed the concern.

2. Directorships

No directors are presently a director of any other issuer that is a reporting issuer.

3. Orientation and Continuing Education

The Board of Directors has developed protocols for the orientation of new board members and the continuing education of current board members. The purpose of the protocol is to ensure that all new directors fully understand the role of the Board and its committees and the contribution individual directors are expected to make. The protocols identify and facilitate continuing education opportunities for all directors so that individual directors may maintain and enhance their skills and abilities. The protocol further ensures the directors' knowledge and understanding of CMI's business remains current.

4. Ethical Business Conduct

The Board of Directors has adopted a Code of Ethical Business Conduct, a copy of which has been filed with applicable security regulators and is posted on SEDAR (www.sedar.com).

5. Nomination of Directors

The Board of Directors has developed and adopted protocols to identify and recommend candidates for election at annual shareholder meetings and to identify and recommend candidates to fill vacancies occurring between annual shareholder meetings. These protocols build on the principles advocated by the shareholders at prior annual general meetings that any interested shareholder should have the ability to put their name forward for nomination to the Board of Directors of CMI. Any shareholder wishing to put their name forward for consideration by the nomination committee should contact a member of the nomination committee.

6. Compensation

CMI annually conducts a survey of other members of the Inland Terminal Association of Canada ("**ITAC**") to determine the levels of compensation paid to the board of directors of other such ITAC members. This information is then compiled and presented to the Board of Directors annually, from which the full Board determines the compensation that CMI will pay to its directors.

7. Other Board Committees

a) **Management Committee**: The Management Committee is comprised of three independent directors of CMI and three nominee representatives of Viterra Inc. The Management Committee is established pursuant to the terms of the Joint Venture Agreement entered into with Viterra Inc. and manages the business and affairs of CMI JV.

b**)** **Human Resource Committee**: The Human Resource Committee is comprised of three independent directors, the Chairman and the General Manger of CMI Terminal Ltd., and is delegated the authority for and on behalf of the full Board of Directors, to act in an advisory capacity to the board. The Human Resources Committee is responsible to report to the Board concerning human resource policies and principles of CMI.

c) **Audit Committee:** The Audit Committee is comprised of three independent directors. Each member of the Audit Committee must, in the judgment of the Board, have the ability to read and understand fundamental financial statements. The members of the Committee and the chairperson of the Committee are selected annually by the Board and serve at the pleasure of the Board. The Audit Committee acts as an advisory committee to the Board and is responsible for separately reviewing for accuracy all financial statements or other information concerning CMI to be disseminated to the public.

d) **Governance Committee:** The Committee is comprised of three members that are elected by the Board for rotating three year terms. The Chair of the Board and the General Manager are members of this committee, with the third member appointed annually by the Board. The Governance Committee is responsible to review the entire Corporate Governance section of the Directors Handbook every 3 years and advise the Board if any changes are required.

e) **Nomination & Education Committee**: The Committee is comprised of three independent directors. The members of the Committee and the chairperson of the Committee shall, unless otherwise determined by the Board, consist of directors who are independent and

who are not retiring in such year. Such Committee members shall serve at the pleasure of the Board. The purpose of the Nomination & Education Committee is to advise the Board on matters relating to good education, the orderly renewal of the Board and to ensure that CMI retains and continues to attract high caliber people of the appropriate experience and skill to satisfactorily participate in the oversight and operations of CMI.

8. Assessments

While the Board of Directors has no formal process to satisfy itself that its Board, its committees and its individual directors are performing effectively, the Board of Directors and its committees meet regularly and informally assess the effectiveness of the Board, its committees and its individual directors.

Executive Compensation

Under National Instrument 51-102 *Continuous Disclosure Obligations* ("**NI 51-102**"), CMI is required to disclose the compensation of those who served as Chief Executive Officer ("**CEO**") and Chief Financial Officer ("**CFO**") as well as any executive officer who earns more than $150,000 per annum. While CMI does not have a CEO, Fred Draude, in his capacity as the President of CMI Terminal Ltd. fulfills the role of CEO. On January 1, 2018, Jesse Wasmuth was appointed as CMI's Chief Financial Officer, for a one year term expiring December 31, 2018, subject to earlier termination or extension at the discretion of CMI and Mr. Wasmuth. Mr. Wasmuth has extensive experience in the grain handling industry and currently also serves, on an independent contractor basis, as Chief Financial Officer of Gardiner Dam Terminal Ltd., and as an external accounting consultant for Southwest Terminal Ltd., Westlock Terminals (N.G.C.) Ltd., and Farmer Direct Co-op. Mr. Wasmuth has previously served as Chief Financial Officer of Lethbridge Inland Terminal and controller for South West Terminal Ltd. as well as external accounting consultant to Westmor Terminals Inc.

Mr. Wasmuth is a chartered professional accountant and has a Bachelor of Commerce degree with a marketing focus from the University of Alberta. Mr. Wasmuth will be fulfilling his role as Chief Financial Officer to CMI primarily from his home in Red Deer, Alberta, where he resides with his wife Stacey and two sons, Carson and Cole.

Jackie Buhs has acted as CMI's controller since November 1998. Andrew Kolbeck has acted as the General Manager of CMI JV since April 2002. The following compensation table sets forth the annual compensation awarded to each of Andrew and Jackie, in their capacities as named executive officers for the purpose of NI 51-102 for the fiscal year ended December 31, 2017.

Summary Compensation Table

Name and Position	CFO Jesse Wasmuth	CEO Fred Draude	General Manager Andrew Kolbeck	Controller Jacqueline Buhs
Fiscal Year	**2017**	**2017**	**2017**	**2017**
Salary	**$0**	**$0**	**$140,000**	**$88,396**
Annual Incentive Plans[1] (Bonus)	**$0**	**$0**	**$ 9,800**	**$10,607**
All other Compensation [2] (RRSP)	**$0**	**$0**	**$ 6,990**	**$ 4,402**
Total Compensation	**$0**	**$0**	**$156,790**	**$103,405**

Name and Position	CFO Jesse Wasmuth	CEO Fred Draude	General Manager Andrew Kolbeck	Controller Jacqueline Buhs
Fiscal Year	**2017**	**2017**	**2016**	**2016**
Salary	**$0**	**$0**	**$135,000**	**$85,500**
Annual Incentive Plans[1] (Bonus)	**$0**	**$0**	**$ 9,100**	**$ 9,960**
All other Compensation [2] (RRSP)	**$0**	**$0**	**$ 6,750**	**$ 4,275**
	$0	**$0**	**$150,850**	**$99,735**

Footnotes:
1 – Bonus is based on the employee's performance for the year and the profit of CMI
2 - CMI matching RRSP of 5% of salary

CMI has no long-term incentive plans, stock option plans, securities outstanding under options ("**SUOs**"), stock appreciate rights ("**SARs**"), pension benefit plans or other "plans" (as defined in Form 51-102F6 and for the purpose of NI 51-102).

As employees of CMI, the Chief Financial Officer was not paid anything in 2017 as his contract first began in January of 2018, the Chief Executive Officer is currently paid an annual salary of $140,000 and an RRSP contribution of $6,990 in addition to certain benefits, and the Controller is currently paid an annual salary of $88,396 and an RRSP contribution of $4,402 in addition to certain benefits.

APPOINTMENT OF AUDITOR

Ernst & Young LLP, Chartered Professional Accountants, have been the auditors of CMI since January 1, 2017, and have prepared the audited financial statements for CMI and CMI JV for their financial years ending December 31, 2017, which are attached to the Notice.

ADDITIONAL INFORMATION

Additional information relating to CMI is on SEDAR at www.sedar.com. Current financial information respecting CMI is provided in CMI's comparative financial statements and Management Discussion and Analysis (MD&A) thereon for its most recently completed fiscal year ending December 31, 2017. Security holders may request copies of CMI's issued financial information and MD&A thereon by contacting the Controller of CMI at 306-872-2777, or downloading such information from SEDAR.

APPROVAL OF INFORMATION CIRCULAR

Dated at Naicam, Saskatchewan, this 27th day of March, 2018.

By Order of the Board of Directors of
CMI Terminal Ltd.

Signed by Mark Fouhse
Mark Fouhse, Secretary

Schedule "A"

AUDIT COMMITTEE CHARTER

I. Purpose and Mandate

The Audit Committee (the "**Committee**") is established by the Board of Directors (the "**Board**") of CMI Terminal Ltd. ("**CMI**") primarily for the purpose of overseeing the accounting and financial reporting processes of CMI and the reviews and audits of the financial statements of CMI and CMI Terminal Joint Venture ("**CMI-JV**"). CMI was formed for the purpose primarily of entering into a Joint Venture relationship with Viterra Inc. to construct and operate CMI-JV. The consolidated financial statements of CMI include its 50% proportionate share of the accounts of its joint venture interest in CMI-JV. Under this method of presentation, CMI includes in its accounts its proportionate share of the assets, liabilities, revenues and expenses of CMI-JV.

The Committee shall assist the Board in fulfilling the Board's oversight responsibilities by monitoring, among other things:

(a) the quality and integrity of the financial statements and related disclosure of CMI and CMI-JV;

(b) compliance by CMI with legal and regulatory requirements that could have a material effect upon the financial position of CMI and that are not subject to the oversight of another committee of the Board;

(c) the performance of CMI's internal audit process and external auditor;

(d) CMI's compliance with laws, regulations and the codes of conduct; and

(e) the independent auditor's qualifications and independence.

II. Authority

The Committee is empowered to make such inquiry and investigation and require such information and explanation from management as it considers reasonably necessary. The Committee may also require management to promptly inform the Committee and the auditor of any material misstatement or error in the financial statements following discovery of such situation. The Committee has authority to engage outside advisers where appropriate.

III. Composition of Committee

The Committee shall consist of at least three (3) directors, all of whom shall meet the independent requirements established by the Board and applicable laws, regulations and requirements. Each member of the Committee shall, in the judgment of the Board, have the ability to read and understand fundamental financial statements. The members of the Committee and the chairperson of the Committee shall be selected annually by the Board and serve at the pleasure of the Board. A Committee member may be removed at any time, with or without cause, by the Board.

IV. Meetings

The Committee will meet as often as it determines is appropriate, but not less frequently than quarterly. All Committee members are expected to attend each meeting, in person or via telephone or video conference. The Committee will periodically hold private meetings with management, the internal auditor (if any) and the external auditor. The Committee may invite any officer or employee of CMI, the external auditor, CMI's outside counsel, the Committee's counsel or others to attend meetings and provide pertinent information. Meeting agendas will be prepared by the Chief Audit Executive and provided in advance to members, along with appropriate briefing materials. Minutes will be kept by a member of the Committee or a person designated by the Committee.

V. Specific Responsibilities and Duties

In carrying out its oversight responsibilities, the Committee's policies and procedures should remain flexible to enable the Committee to react to changes in circumstances and conditions so as to ensure that CMI remains in compliance with applicable legal and regulatory requirements.

A. Annual Financial Information

The Committee shall:

1. after discussing with management and the auditors matters pertaining to the annual consolidated financial statements of CMI and CMI-JV, review the annual consolidated financial statements and recommend its approval to the Board;

2. review and approve CMI's annual report to shareholders including management's discussion and analysis ("**MD&**A") contained therein;

3. obtain certifications from the chief executive officer and the chief financial officer (and considering the external auditors' comments, if any, thereon) that to their knowledge:

   (a) the audited financial statements, together with any financial information included in CMI's annual MD&A, fairly represent in all material respects CMI's financial condition, cash flow and results of operation, as of the date and for the periods presented in such filings; and

   (b) the semi-annual financial statements of CMI, together with any financial information included in the semi-annual MD&A, fairly represent in all material respects CMI's financial condition, cash flow and results of operation, as of the date and for the periods presented in such filings.

4. review the planning and results of the external audit of CMI and CMI-JV, including:

   (a) the engagement letter and projected audit fee for CMI and CMI-JV;

   (b) the scope of the audit of CMI and CMI-JV, including areas of audit risk, timetable, deadlines, materiality limits, extent of internal control testing, and co-ordination with internal audit;

(c) various reports issued by the external auditor including:

(i) the auditor's report;
(ii) all critical accounting policies and practices used;
(iii) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management;
(iv) ramifications of the use of alternative disclosures and treatments;
(v) treatment preferred by the external auditors; and
(vi) any material written communications between the external auditors and management; and

(d) any errors detected by the audit, how they were resolved with management and whether they indicate a weakness in the reporting and control system;

5. review any news releases dealing with financial issues before such news releases are released to the public.

B. Interim Financial Statements

The Committee shall review and recommend for approval by the Board of Directors, all interim financial statements, including MD&A thereon, that are published or issued to regulatory authorities and the Committee shall obtain reasonable assurance that the process for preparing these statements is reliable and consistent with the process for preparing annual financial statements.

C. Internal Controls and Risk Management

The Committee shall:

1. consider the effectiveness of CMI's and CMI-JV's internal control systems, including information technology, security and control;

2. review and evaluate the critical areas of risk and exposure as determined by management and the steps management has taken to monitor and control such exposures, including CMI's and CMI-JV's risk assessment and risk management policies;

3. review any emerging accounting issues and their potential impact on CMI's and/or CMI-JV's financial statements;

4. understand the scope of internal audits and external auditor's reviews of internal control or financial reporting, and obtain reports on significant findings and recommendations, together with management's responses;

5. direct the external auditor's examinations to specific areas as deemed necessary by the Committee;

6. review significant control weaknesses identified by the external and the internal auditor, along with management's response; and

7. review management representations regarding salaries and wages, source deductions, tax obligations and environmental liabilities or judgments.

D. External Auditor Independence

The Committee shall ensure that the external auditor understands its ultimate accountability to the Board and to the Committee, as representatives of the CMI shareholders. The Committee is responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing the auditor's report or performing any other audit. The external auditor shall report directly to the Committee, but may also report directly to the Board if requested by the Chairman of the Board or by a Committee member.

The Committee shall strengthen and preserve external auditor independence by:

(a) holding periodic in-camera sessions with the external auditor;

(b) annually reviewing non-audit engagements undertaken by the audit firm for CMI and CMI-JV and assessing their impact on the external auditor's objectivity and independence;

(c) assessing the performance of the external auditor and developing resolutions related to the reappointment or any proposed change in external auditors to the shareholders annual meeting;

(d) reviewing the co-operation received by the external auditor from management and resolving any disagreements between management and the External Auditor regarding financial reporting;

(e) receiving from the external auditor a letter which summarizes the non-audit services provided during the year and declaring their independence from CMI and CMI-JV; and

(f) recommending to the Board the nomination and compensation of the external auditor.

E. Internal Audit

The Committee shall:

1. review with management and the external auditor the plans, activities, staffing and organizational structure of the internal audit function, and any recommended changes thereto, as well as staff qualifications;

2. ensure that internal audit activities conform with the international standards for the professional practice of internal auditing;

3. ensure there are no unjustified restrictions or limitations on the chief audit executive's scope of activities or access to information, and review and concur in the appointment, replacement or dismissal of the chief audit executive; and

4. review significant reports to management prepared by internal audit and management's responses thereto.

F. Ethical and Legal Conduct

The Committee shall:

1. review and evaluate the adequacy of systems and practices in place to provide reasonable assurance of compliance with laws, regulations and standards of ethical conduct, with respect to the financial affairs of CMI and CMI-JV;

2. receive and review updates from management and general counsel on compliance matters and litigation claims or other contingencies that could have a significant impact on the financial position or operating results of CMI and/or CMI-JV;

3. establish procedures, and periodically assess the adequacy of such procedures, for:

   (a) the receipt, retention and treatment of complaints received by CMI regarding accounting, internal accounting controls, or auditing matters;

   (b) the confidential, anonymous submission by employees of CMI or CMI-JV of concerns regarding questionable accounting or auditing matters; and

   (c) the review of CMI's and CMI-JV's public disclosure financial information extracted or derived from financial statements.

4. require reporting of all fraudulent and illegal acts to the Committee along with management's response to them.

G. Reporting Responsibilities

The Committee shall:

1. prepare the report required by applicable securities laws to be included in CMI's annual proxy statement;

2. regularly report to the Board about Committee activities, issues and related recommendations;

3. provide an open avenue of communication between the External Auditor and the Board; and

4. review any other reports CMI or CMI-JV issues that relate to Committee responsibilities.

H. Other

In addition to the foregoing, the Committee shall:

1. annually review the Committee Charter and recommend appropriate changes to the Board of Directors;

2. pre-approve all non-audit services to be provided to CMI or CMI-JV by CMI's auditor;

3. annually self-assess whether the Committee has carried out the responsibilities defined in the Committee Charter and report these results to the Board of Directors;

4. arrange for disclosure of or appropriate access to the Committee Charter for all shareholders of CMI;

5. undertake development and education activities as deemed appropriate;

6. annually review management's succession plans for financial and auditing staff, and approve the appointment, replacement, reassignment, or dismissal of the Chief Financial Officer of CMI, or person holding an equivalent position in CMI;

7. hold in-camera sessions on a quarterly basis and at the discretion of the Chair;

8. perform any other activities consistent with this Charter, CMI bylaws and governing law, as the Committee or Board deems necessary or appropriate; and

9. review and evaluate management's disaster recovery and business resumption plans including the results of testing those plans.

This Audit Committee Charter was first adopted by the Board of Directors of CMI Terminal Ltd. on April 28, 2006 and last revised on February 18, 2009.

CMI Terminal Ltd. December 31, 2017
Annual Management Discussion and Analysis

The following Management Discussion and Analysis **("MD&A")** was prepared as of March 27, 2018 and is based on the accompanying financial information that has been prepared using International Financial Reporting Standards **("IFRS").**

CMI Terminal Ltd. (**"CMI"** or the **"Company"**) holds a 50% interest in CMI Terminal Joint Venture (**"CMI JV"** or the **"Joint Venture"**). The other 50% interest is owned by Viterra Inc. Effective October 11, 2013, CMI acquired Viterra's 50% interest in the Joint Venture's crop production products and services business unit with Viterra retaining its 50% ownership interest in the grain portion of the Joint Venture. CMI now owns 100% of the crop production products and services business unit assets. The acquisition resulted in a new operating arrangement whereby CMI Ag Ltd. ("**CMI Ag")**, a wholly owned subsidiary of CMI, owns and operates the crop production products and services business as a fully independent dealer. In addition, CMI provides management, administrative and operational services to both the Joint Venture and CMI Ag.

The Company recognizes its investment in CMI JV as a joint operation as defined in IFRS 11 "Joint arrangements", and as such, recognizes 50% of the Joint Venture's assets, liabilities, revenue and expenses.

1. Selected Operating Results - Joint Venture

The Joint Venture receipted 218,946 metric tonnes of grain for the year ended December 31, 2017 compared to 184,447 metric tonnes of grain for the year ended December 31, 2016.

CMI JV Assets and Liabilities

	December 31, 2017	**December 31, 2016**
Current Assets	$1,419,037	$2,015,952
Non-Current Assets	$6,269,996	$6,295,373
Current Liabilities	$1,455,497	$2,098,858

CMI JV's Statements of Comprehensive Income

	For the Year Ended December 31, 2017	**For the Year Ended December 31, 2016**
Sales	$4,448,399	$4,424,101
Cost of Sales	$48,046	$34,878
Gross Profit	$4,400,353	$4,389,223
Other Income	$17,686	$17,725
Subtotal	**$4,418,039**	**$4,406,948**
Operating and Administrative Expenses	$2,217,119	$2,378,365
Interest on Term Loan	$41,221	$54,976
Depreciation	$338,630	$326,878
Total Comprehensive Income	**$1,821,069**	**$1,646,729**

1.1 Grain Handling Joint Venture Analysis

The Joint Venture's total revenue from grain handling for the year ended December 31, 2017 was $4,448,399, an increase of $24,298 as compared to the prior year at $4,424,101. The revenue per metric tonne was $20.32 for the year ended December 31, 2017 as compared to $23.99 for the prior year. The decline in revenue was slight; declines were however witnessed in the following revenue categories in particular: first, the crop quality in 2017 was significantly better than in 2016 which resulted in fewer blending opportunities for the Joint Venture; this is reflected

in an audit revenue decline of $104,445 for 2017 when compared to the previous fiscal year. The second account affected by the high quality crop and dry harvesting weather was drying revenue. Dried grain volumes were down, resulting in a drop in revenue of $217,724. Cleaning revenue was also adversely affected by lower wheat deliveries resulting in a $70,000 revenue reduction year-over-year. Finally, a large amount of storage receipts was on hand as at December 31, 2017 which could not be settled. As CMI JV earns a significant portion of its revenue at the time of settlement, and as malt barley cannot be cash ticketed until its germination is confirmed (which can take up to two weeks after delivery), CMI JV could not recognize roughly $212,000 in elevation and cleaning revenue due to its policy in this area. Total operating expenses for 2017 were over $160,000 lower than for fiscal 2016, while grain receipted increased by nearly 31,000 metric tonnes, primarily due to additional barley deliveries and increased rail activity during the last quarter of 2017 which created further delivery opportunities.

2. Consolidated Financial Results for CMI

2.1 Gross Profit and Net Revenue from Sales and Services

The following table should be viewed in conjunction with the accompanying financial information.

CMI *Selected Consolidated Financial Information*	**For the Year Ended December 31, 2017**	**Restated[1] for the Year Ended December 31, 2016**
Sales	$16,041,308	$15,037,534
Cost of Sales	$12,377,992	$11,364,678
Gross Profit	$3,663,316	$3,672,856
Other Income	$259,686	$203,979
Operating and Administrative Expenses	$2,694,982	$2,572,194
EBITDA	**$1,228,020**	**$1,304,641**
Interest on Term Loan	$32,076	$42,189
Depreciation	$368,715	$365,140
Income taxes (Recovery)		
Current	$185,737	$161,242
Future	($6,416)	$2,224
Total Comprehensive Income	**$647,908**	**$733,846**
Basic and Diluted Total Comprehensive Income Per Share	**$31.39**	**$35.56**
Total Assets	$10,517,409	$11,607,905
Total Liabilities	$4,589,701	$6,018,535

[1]During the year, the company identified expenses relating to prior year cost of sales that had not been recorded in the statements of comprehensive income for the years ended December 31, 2015 and December 31, 2016. As a result, the consolidated financial statements for the comparative years have been retroactively restated to correct this error.

The Company's total revenue from sales and services for the year ended December 31, 2017 was $16,041,308 in comparison to $15,037,534 for the year ended December 31, 2016, an increase of $1,003,774. The increase was primarily due to higher sales volumes of anhydrous ammonia and amounts stemming from the supply of associated services. Gross profit of $3,663,316 for the year ended December 31, 2017 was slightly lower than the $3,672,856 for the year ended December 31, 2016. The total decrease was $9,540.

Total operating and administrative expenses for the year ended December 31, 2017 were $2,694,982 in comparison to $2,572,194 for the year ended December 31, 2016. The difference in operating and administrative expenses was $122,788.

Depreciation expense also increased by $3,575 compared to the prior year.
Further details regarding the restatement noted above in note 1are as follows:

Opening consolidated statement of financial position, January 1, 2016

	As Previously Reported January 1, 2016	Adjustment	Restated January 1, 2016
Deposits	$2,005,637	($259,327)	$1,746,310
Income Taxes (Payable) Receivable	($22,664)	$91,876	$69,212
Accounts Payable and Accrued Liabilities	($2,081,932)	($122,930)	($2,204,862)
Retained Earnings	**($4,965,915)**	**$290,381**	**($4,675,534)**

Consolidated statement of financial position, December 31, 2016

	As Previously Reported December 31, 2016	Adjustment	Restated December 31, 2016
Deposits	$2,172,537	($355,446)	$1,817,091
Income Taxes (Payable) Receivable	($46,567)	$153,270	$106,703
Accounts Payable and Accrued Liabilities	($1,360,499)	($205,990)	($1,566,489)
Retained Earnings, End of the Year	**($5,507,976)**	**$408,166**	**($5,099,810)**

The impact on the consolidated statement of comprehensive income for the year ended December 31, 2016 is shown below:

	As Previously Reported for the Year Ended December 31, 2016	Adjustment	Restated for the Year Ended December 31, 2016
Cost of Sales	$11,185,499	$179,179	$11,364,678
Income Tax Expense	$222,636	($61,394)	$161,242
Comprehensive income	**$851,631**	**($117,785)**	**$733,846**
Basic and Diluted Total Comprehensive Income per Share	**$41.27**	**($5.71)**	**$35.56**

2.2 Interest Expense

	For the Year Ended December 31, 2017	Restated for the Year Ended December 31, 2016
Interest on Term Loan	$32,076	$42,189

Interest for the year ended December 31, 2017 was $10,113 lower due to lower year-over-year principal balances; term loans outstanding at the end of the most recent year totaled $898,432 in comparison to $1,385,399 at the end of fiscal 2016.

2.3 Total Comprehensive Income for the Year

Total comprehensive income was $647,908 for the year ended December 31, 2017 ($31.39 per share) compared to $733,846 for 2016 ($35.56 per share).

2.4 Summary of Semi-Annual Financial Information

CMI *Selected Consolidated Semi-Annual Financial Information*	**December 31, 2017**	**Restated[1] June 30, 2017**	**Restated[1] December 31, 2016**	**Restated[1] June 30, 2016**
(Unaudited)	(6 months)	(6 months)	(6 months)	(6 months)
Sales	$5,711,253	$10,330,055	$3,686,133	$11,351,401
Total Comprehensive Income	**$282,895**	**$365,013**	**$270,210**	**$463,636**
Basic and Diluted Total Comprehensive Income Per Share	**$13.71**	**$17.68**	**$13.09**	**$22.47**

[1]Figures have been restated to reflect the correction of the error as noted in note 18 to the 2017 consolidated financial statements and explained in note 1 to section 2.1 above.

Cleaning and elevation revenue are realized at the time of settlement, while shared marketing premiums are recognized upon shipment. Shipments are coordinated with Viterra Inc. and are largely dependent on the performance of the Canadian Pacific Railway. The cyclical nature of CMI's business is such that much of the crop production products and services business's revenue is generated during the spring and fall seasons.

3. Liquidity and Capital Resources for CMI Ltd.

3.1 Working Capital

Current assets were $6,234,785 as at December 31, 2017 in comparison to $7,153,125 as at December 31, 2016, a decrease of $918,340. The change in current assets was primarily attributable to the decreased amount that had been paid to crop production product suppliers by the end of 2017.

Total current liabilities were $4,520,025 as at December 31, 2017 in comparison to $5,942,443 as at December 31, 2016, a decrease of $1,422,418. The operating loan was being used to a lesser extent by CMI Ag at the end of the most recent year and CMI JV also continued to pay down its outstanding term loan.

Working capital was $1,714,760 as at December 31, 2017, $504,078 higher than the $1,210,682 as at the end of 2016 for the reasons mentioned above.

3.2 Cash Flow

Cash balances at the end of 2017 compared with the prior year were relatively unchanged as the year-over-year cash increase owing to fewer supplier prepayments having been made by the end of 2017 was offset by the repayment of operating borrowings and other debt, as well as the issuance of dividends by way of cash payment.

3.3 Off Balance Sheet Obligations and Arrangements

The ownership of grain transfers directly from each producer to Viterra Inc. at the time of purchase.

CMI has a management and administration services agreement (**"MSA"**) and a shared facilities agreement (**"SFA"**). The MSA states that CMI will provide the Joint Venture with the management and administrative services that are

required to operate the grain business. The SFA was entered into by the Joint Venture, CMI and CMI Ag. The SFA enables CMI and CMI Ag to operate the crop production products and services business from the same facilities as in the past.

CMI and Viterra Inc. entered into an agreement with CMI Ag for the lease of office space in the Joint Venture facility to operate the crop production products and services business. With an effective date of June 10, 2016, the current lease term runs to October 10, 2019; it may, however, be extended or renewed if mutually agreed upon by the parties. CMI Ag pays its proportionate share of the operating costs and taxes.

3.4 Capital Requirements & Management

Capital additions of $313,253 were made by CMI JV for the year ended December 31, 2017 (with the Company's portion being 50%), substantially consisting of a programmable logic controller upgrade, grain analysis equipment and miscellaneous plant and equipment improvements. CMI spent an additional approximately $23,763 on a bin in support of the crop production products and services business. These expenditures were financed through operations.

CMI engages in a capital maintenance program. In the 2017 fiscal period, CMI expended $230,900 for such capital maintenance compared with $306,740 paid in the prior year. Capital maintenance expenditures for the year ended December 31, 2017 occurred in accordance with the annual budgeted expense for repairs and maintenance and were financed through operations.

The Company's primary objective when managing capital is to ensure that it has sufficient resources to maintain its ongoing operations. The Company considers bank indebtedness, its term loan and total shareholders' equity in the definition of capital. Under the Company's credit agreement, it is required to maintain a minimum tangible net worth, a minimum current ratio and a consolidated ratio of earnings before interest, taxes, depreciation and amortization (EBITDA) ratio. As at December 31, 2017, the Company was in compliance with all covenants but was in breach of the borrowing conditions related to the CMI Ag line of credit. Management has since taken steps to address this offside position. Its position with respect to the borrowing base calculation will be monitored closely by performing a monthly internal calculation. CMI is also considering furnishing CMI Ag with a revolving credit facility which CMI Ag can use to take advantage of prepay discounts, support operational efforts and to ensure it is onside at the time of its annual report to the lender.

3.5 Outstanding Share Data

The Company's authorized share capital consists of an unlimited number of Class A voting common shares. The number of shares issued as at December 31, 2017 was 20,638 Class A voting common shares. No shares were issued or redeemed during fiscal 2017.

3.6 Share Dividend Record and Return of Capital (ROC)

Applicable Fiscal Year	Date Dividend/ROC Declared	Total Dividend/ROC	Dividend/ROC Per Share
2017	November 26, 2017	$309,570	$15.00 Eligible Dividend
2016	December 15, 2016	$309,570	$15.00 Eligible Dividend
2015	December 15, 2015	$309,570	$15.00 Eligible Dividend
2013-2014	October 31, 2014	$314,700	$15.00 Eligible Dividend
2012-2013	March 27, 2013	$335,680 ROC	$16.00 ROC
2011-2012	March 29, 2012	$343,650 ROC	$15.00 ROC
2010-2011	-	-	-
2009-2010	March 29, 2010	$343,650 ROC	$15.00 ROC
2008-2009	April 2, 2009	$274,920 ROC	$12.00 ROC
2007-2008	March 19, 2008	$274,920 ROC	$12.00 ROC
2006-2007	Dec 8, 2006	$131,732.50	$5.75 Dividend

Applicable Fiscal Year	Date Dividend/ROC Declared	Total Dividend/ROC	Dividend/ROC Per Share
2005-2006	Oct 27, 2005	$115,050	$5.00 Dividend
2004-2005	Nov 9, 2004	$114,050	$5.00 Dividend
2003-2004	-	-	-
2002-2003	-	-	-
2001-2002[1]	Oct 30, 2001	$114,550	$50.00 Dividend

[1]A share split occurred on November 29, 2001, at a ratio of 10.1, with the result being that 22,910 shares were issued and outstanding as of that date. Accordingly, the aggregate amount of dividend declared and issued by the board for the fiscal years 2004, 2005 and 2006 was essentially the same as in 2001, just allocated over more shares.

During the year ended December 31, 2017, the Company approved an eligible dividend to the shareholders of $15.00 per share, totaling $309,570. This dividend was paid out on December 15, 2017.

4. Financial Instruments

The carrying amounts of accounts receivable, accounts payable, accruals and customer deposits approximate their fair value due to the short-term maturities of these items.

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. The fair value of the investments is based on the amount that would be received on redemption of the shares.

Cash and cash equivalents include cash and short-term investments with maturities of three months or less from their date of acquisition, which are readily convertible into a known amount of cash, and are subject to an insignificant risk to changes in their fair value.

5. Risks

- **Foreign Exchange Risk**

Foreign exchange risk is the risk that the value of the Canadian dollar in relation to other currencies changes. Foreign exchange risk arises primarily from purchase transactions. The Company does not hold any financial assets or liabilities in foreign currencies, and foreign exchange risk is limited to a small number of asset purchases in US dollars which are recorded at the spot rate at the time the Company acquires ownership of the asset.

- **Credit Risk**

The Company does have credit risk in accounts receivable of $552,803 (December 31, 2016 - $283,779, January 1, 2016 - $204,895). Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. The Company reduces its exposure to credit risk by performing credit valuations on a regular basis, granting credit upon a review of the credit history of the applicant and creating an allowance for bad debts when applicable. The Company maintains strict credit policies and limits in respect to counterparties. In the opinion of management the credit risk exposure to the Company is low and is not material.
The Company's maximum credit exposure at the statements of financial position date consists primarily of the carrying amounts of accounts receivable. Amounts receivable from Viterra Inc. as at December 31, 2017 represented 30% (December 31, 2016 - 42%, January 1, 2016 - 97%) of total accounts receivable.

- **Interest Rate Risk**

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. 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 their fair value of other financial assets or liabilities, known as price risk. In seeking to minimize the risks from interest rate fluctuations, the Company manages exposure through renewal of debt on a regular basis.

The Company is exposed to interest rate risks with respect to its floating rate and operating line of credit. A 1.0% increase in interest rates relating to the Company's operating line of credit would reduce the Company's net and comprehensive income by approximately $13,415 (2016 - $19,245).

The Company is exposed to interest rate risks with respect to its fixed rate debt. A 1.0% increase in interest rates relating to the Company's debt would reduce the Company's net income and comprehensive income by $8,984 (2016 - $13,854).

- **Price Risk**

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company enters into transactions to purchase crop production products, for which the market prices fluctuate. 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 from the supplier and the actual date of sale to customers. The Company quotes spring prices to many of its customers, which may or may not be higher than the price at which they purchased it for. To mitigate a portion of this risk, the Company attempts to buy a portion of the product it expects to sell in advance of the normal purchasing window to take advantage of available discounts.

- **Liquidity Risk**

The Company does have a liquidity risk in accounts payable and accrued liabilities of $1,531,969 (December 31, 2016 - $1,566,489, January 1, 2016 - $2,204,862). Liquidity risk is the risk that the Company cannot repay its obligations when they become due to its creditors. The Company reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due, maintaining an adequate line of credit to repay trade creditors and repaying debt interest and principal as they become due. In the opinion of management the liquidity risk exposure to the Company is low and is not material.

6. Transactions with Related Parties

During the year ended December 31, 2017, payroll expenses totaling $1,962,253 (2016 - $1,890,313) were paid by CMI, with $1,242,293 being reimbursed by CMI JV.

During the year ended December 31, 2017, other operating and administrative expenses totaling $1,765 (2016 - $19,846) were paid CMI and reimbursed by the Joint Venture, while other operating and administrative expenses amounting to $5,529 (2016 - $1,979) were paid by CMI JV and reimbursed by CMI. Additionally, other operating and administrative expenses of $29,410 (2016 - $31,148) were paid by the Joint Venture and reimbursed by CMI Ag.

The transactions are in the normal course of operations and are measured at amounts which approximated fair value as established and agreed by the related parties.

All intercompany transactions have been eliminated upon consolidation between CMI and CMI Ag.

Of these amounts, the following balances are recorded in the consolidated statements of financial position:

	December 31, 2017	(Restated) December 31, 2016
Due from CMI JV	$128,055	$112,390
Due to CMI JV	($108,054)	($1,103)

Key Management Personnel

Key management personnel consists of the general manager, controller, branch manager, terminal operations manager, manager of grain marketing and logistics, and the sales manager.

Compensation of Directors and Key Management Personnel

Compensation shown includes (where applicable) wages and salaries, paid annual leave and paid sick leave, bonuses and value of benefits received, but excluded out-of-pocket reimbursements.

Compensation paid for the year ended December 31, 2017 to key management personnel totaled $718,949 (2016 - $670,685).

Other Transactions with Directors:

During the year ended December 31, 2017, the Company made $634,698 (2016 - $804,977) sales of crop inputs to directors or corporations controlled by directors.

During the year ended December 31, 2017, the Company purchased grain from the directors or corporations controlled by directors. Of the total revenue reported, $57,159 (2016 - $56,835) was generated as a result of transactions with directors. The sales and purchases were made on the same terms and conditions available to all other customers. Of these amounts, $nil is receivable at December 31, 2017 (2016 - $nil).

7. Governance Disclosure

The Company's management is responsible for ensuring that processes and procedures are in place to provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements for external purposes in accordance with IFRS. Management has a responsibility for ensuring that all information required to be disclosed in the Company's annual filings for the 12 months ended December 31, 2017 is recorded, processed, summarized and reported within the time years specified in the applicable Canadian Securities legislation.

8. Forward Looking Information

Certain statements in this report may constitute forward-looking statements. The results or events predicted in these statements may differ materially from actual results or events. These forward-looking statements can generally be identified by the use of statements that include phrases such as "believe", "expect", "anticipate", "intend", "plan", "likely", "will" or similar words or phrases. Similarly, statements that describe the Company's objectives, plans or goals are or may be forward-looking statements.

These forward-looking statements are based on the Company's current expectations and its projections about future events. However, whether actual results and developments will conform to the Company's expectations and projections is subject to a number of risks and uncertainties, including, among other things, the risks and uncertainties associated with poor weather conditions, agricultural commodity prices, financial leverage, additional funding requirements, international trade and political uncertainty, competition, domestic regulation, environmental risks, diseases and other livestock industry risks, acceptance of genetically modified products, labor disruptions, dependence on key personnel, technological advances, credit and foreign exchange risk. These are not necessarily all of the important facts that could cause actual results to differ materially from those expressed in any of the Company's forward-looking statements. Other known and unpredictable factors could also harm its results. Consequently, there

can be no assurance that the actual results or developments anticipated by the Company will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, the Company. Unless otherwise required by applicable securities laws, the Company disclaims any intention or obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

9. Additional Information

The information contained in the Company's Information Circular dated March 27, 2018 is hereby incorporated by reference. This Management Discussion and Analysis Report, as well as additional information related to CMI can be found at www.sedar.com.

CERTIFICATION OF ANNUAL FILINGS
VENTURE ISSUER BASIC CERTIFICATE

I**, Fred Draude, CEO of CMI Terminal Ltd. (referred to herein as the "Issuer"), acting in my capacity as chief executive officer of the Issuer,** certify the following:

1. ***Review:*** I have reviewed the annual financial statements and annual MD&A, including for greater certainty all documents and information that are incorporated by reference therein (together, referred to herein as the "annual filings") of the Issuer for the financial year ended December 31, 2017.

2. ***No misrepresentations:*** Based on my knowledge, having exercised reasonable diligence, the annual filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, for the period covered by the annual filings.

3. ***Fair presentation*****:** Based on my knowledge, having exercised reasonable diligence, the annual financial statements together with the other financial information included in the annual filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date of and for the periods presented in the annual filings.

Date: March 27, 2018.

"signed by Fred Draude"
Fred Draude
Chief Executive Officer

NOTE TO READER
In contrast to the certificate required for non-venture issuers under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (Nl 52-109), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:
i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's IFRS.
The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate.
Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in Nl 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

CERTIFICATION OF ANNUAL FILINGS
VENTURE ISSUER BASIC CERTIFICATE

I**, Jesse Wasmuth, Chief Financial Officer of CMI Terminal Ltd. (referred to herein as the "Issuer"), acting in my capacity as chief financial officer of the Issuer,** certify the following:

1. ***Review:*** I have reviewed the annual financial statements and annual MD&A, including for greater certainty all documents and information that are incorporated by reference therein (together, referred to herein as the "annual filings") of the Issuer for the financial year ended December 31, 2017.

2. ***No misrepresentations:*** Based on my knowledge, having exercised reasonable diligence, the annual filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, for the period covered by the annual filings.

3. ***Fair presentation*****:** Based on my knowledge, having exercised reasonable diligence, the annual financial statements together with the other financial information included in the annual filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date of and for the periods presented in the annual filings.

Date: March 27, 2018.

"signed by Jesse Wasmuth"
Jesse Wasmuth
Chief Financial Officer

NOTE TO READER
In contrast to the certificate required for non-venture issuers under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (Nl 52-109), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:
i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's IFRS.
The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate.
Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in Nl 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

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working world

Consolidated financial statements

CMI Terminal Ltd.

December 31, 2017 and 2016

Independent auditors' report

To the Shareholders of
CMI Terminal Ltd.

We have audited the accompanying consolidated financial statements of **CMI Terminal Ltd.**, which comprise the consolidated statement of financial position as at December 31, 2017, and the consolidated statement of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility
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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the company's preparation and fair presentation of the consolidated 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 company'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 consolidated 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 consolidated financial statements present fairly, in all material respects, the financial position of **CMI Terminal Ltd.** as at December 31, 2017, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Other matter
The consolidated financial statements of **CMI Terminal Ltd**. for the year ended December 31, 2016 and 2015 (prior to the restatement of the comparative information described in note 18 to the financial statements) were audited by another auditor who expressed an unmodified opinion on those consolidated statements on October 15, 2017. As part of our audit of the consolidated financial statements of **CMI Terminal Ltd**. for the year ended December 31, 2017, we also audited the adjustments described in note 18 that were applied to restate the consolidated financial statements for the year ended December 31, 2016 and as at January 1, 2016. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review or apply any procedures to the consolidated financial statements of **CMI Terminal Ltd**. for the year ended December 31, 2016 and as at January 1, 2016 other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the consolidated financial statements for the year ended December 31, 2016 taken as a whole.

Ernst & Young LLP

Chartered Professional Accountants

Saskatoon, Saskatchewan
March 27, 2018

CMI Terminal Ltd.

Consolidated statements of financial position

	December 31, 2017 $	[Restated - note 18] December 31, 2016 $	[Restated - note 18] January 1, 2016 $
Assets			
Current			
Cash [note 4]	**2,044,669**	1,964,954	1,946,461
Accounts receivable [note 5]	**552,803**	283,779	204,895
Inventory [note 6]	**3,102,738**	2,868,208	3,180,035
Deposits	**212,213**	1,817,091	1,746,310
Income taxes receivable	**194,307**	106,703	69,212
Due from related party [note 12]	**128,055**	112,390	80,936
Total current assets	**6,234,785**	7,153,125	7,227,849
Investments	**106,836**	90,667	-
Property, plant & equipment [note 7]	**4,175,788**	4,364,113	4,419,721
	10,517,409	11,607,905	11,647,570
Liabilities and shareholders' equity			
Current			
Bank indebtedness [note 8]	**530,000**	2,153,000	1,696,000
Accounts payable and accrued liabilities	**1,531,969**	1,566,489	2,204,862
Unearned revenue	**1,451,570**	836,452	701,901
Due to related party [note 12]	**108,054**	1,103	1,809
Current portion of term loan [note 9]	**234,114**	420,402	427,998
Term loans subject to refinancing [note 9]	**664,318**	964,997	-
Total current liabilities	**4,520,025**	5,942,443	5,032,570
Term loan [note 9]	**-**	-	1,376,038
Deferred income taxes	**69,676**	76,092	73,868
Total liabilities	**4,589,701**	6,018,535	6,482,476
Commitments and contingencies [note 15]			
Shareholders' equity			
Share capital [note 10]	**489,560**	489,560	489,560
Retained earnings	**5,438,148**	5,099,810	4,675,534
Total shareholders' equity	**5,927,708**	5,589,370	5,165,094
	10,517,409	11,607,905	11,647,570

See accompanying notes

On behalf of the Board

"Fred Draude" Director "Mark Fouhse" Director

CMI Terminal Ltd.

Consolidated statements of comprehensive income

Years ended Dec 31

	2017 $	[Restated - note 18] 2016 $
Sales [note 12]	**16,041,308**	15,037,534
Cost of sales	**12,377,992**	11,364,678
Gross profit	**3,663,316**	3,672,856
Expenses		
Depreciation	**368,715**	365,140
Office and administration [note 12]	**1,091,946**	1,016,340
Rent	**20,921**	5,285
Repairs and maintenance	**230,900**	306,740
Wages and benefits [note 12]	**1,351,215**	1,243,829
	3,063,697	2,937,334
Income before interest, other income and income taxes	**599,619**	735,522
Interest on term loan	**(32,076)**	(42,189)
Other income	**259,686**	203,979
	227,610	161,790
Income before income taxes [note 11]	**827,229**	897,312
Income tax (recovery)		
Current	**185,737**	161,242
Deferred	**(6,416)**	2,224
	179,321	163,466
Total comprehensive income	**647,908**	733,846
Basic and diluted total comprehensive income per share	**31.39**	35.56
Average weighted number of common shares	**20,638**	20,638

See accompanying notes

CMI Terminal Ltd.

Consolidated statements of changes in equity

	Share capital	Retained earnings	Total
	$	$	$
Balance, January 1, 2015, as previously restated	489,560	4,965,915	5,455,475
Prior period adjustment [note 18]	-	(290,381)	(290,381)
Balance, January 1, 2015, as restated	489,560	4,675,534	5,165,094
Total comprehensive income	-	733,846	733,846
Dividends	-	(309,570)	(309,570)
Balance, December 31, 2016, as restated	489,560	5,099,810	5,589,370
Total comprehensive income	-	**647,908**	**631,681**
Dividends	-	**(309,570)**	**(309,570)**
Balance, December 31, 2017	**489,560**	**5,438,148**	**5,911,481**

CMI Terminal Ltd.

Consolidated statements of cash flows

Years ended December 31

	2017 $	[Restated - note 18] 2016 $
Operating activities		
Total comprehensive income	**647,908**	733,846
Items not affecting cash		
Depreciation	**368,715**	365,140
Deferred income taxes	**(6,416)**	2,224
(Gain) loss on sale of property, plant and equipment	**(4,240)**	1,477
Net change in non-cash working capital balances		
Accounts receivable	**(269,024)**	(78,884)
Inventory	**(234,530)**	311,827
Deposits	**1,604,878**	(70,782)
Income taxes receivable	**(87,604)**	(37,491)
Accounts payable and accrued liabilities	**(34,520)**	(638,372)
Unearned revenue	**615,118**	134,550
Cash provided by operating activities	**2,600,285**	723,535
Investing activities		
Purchase of property, plant & equipment	**(180,390)**	(317,309)
Proceeds on disposal of property, plant & equipment	**4,240**	6,300
Increase in investments	**(16,168)**	(90,667)
Advances to related parties	**(80)**	(706)
Advances from related parties	**91,366**	(31,454)
Cash used in investing activities	**(101,032)**	(433,836)
Financing activities		
Repayment of term loan	**(486,968)**	(418,636)
Advances of bank indebtedness	**(1,623,000)**	457,000
Dividends	**(309,570)**	(309,570)
Cash used in financing activities	**(2,419,538)**	(271,206)
Net increase in cash during the year	**79,715**	18,493
Cash, beginning of year	**1,964,954**	1,946,461
Cash, end of year	**2,044,669**	1,964,954
Cash consists of:		
Cash	**1,399,489**	1,083,910
Cash (Joint Venture)	**645,180**	881,044
	2,044,669	1,964,954
Supplemental disclosure of cash flow information		
Interest paid	**32,076**	42,189
Income taxes paid	**212,479**	198,264

See accompanying notes

CMI Terminal Ltd.

Notes to the consolidated financial statements

December 31, 2017

1. Nature of operations

CMI Terminal Ltd.("the Company") was incorporated on June 4, 1998 under the laws of the Province of Saskatchewan, Canada. The Company is domiciled in Canada near Naicam, Saskatchewan. The address of the Company's registered office is P.O. Box 43, Naicam, Saskatchewan, S0K 2Z0.

The Company was formed for the purpose of entering into a joint venture agreement (the "Agreement") with Viterra Inc. ("Viterra Inc.") to construct and operate an inland grain terminal near Naicam, Saskatchewan. The joint venture's name is CMI Terminal Joint Venture ("the Joint Venture"). The Joint Venture partners, CMI Terminal Ltd. and Viterra Inc., are 50% participants in the Joint Venture.

Under the terms of the Agreement, all export-bound shipments from the Joint Venture facility are exclusively consigned to Viterra Inc. The ownership of grain transfers directly from each producer to Viterra Inc. at the time of purchase. The Company, therefore, does not record grain inventory in its consolidated accounting records.

The Company's subsidiary, CMI Ag Ltd., is in the business of selling crop input products and as a 100% subsidiary, all amounts are consolidated into the financial statements.

Due to the nature of the operations, the Company experiences the effects of seasonality. The business is affected by changes in the agriculture sector, including the impact of weather upon crop yields and fluctuating commodity market prices. The Company's second and third quarters generally have the highest amount of sales given the larger amount of crop input sales through the subsidiary during these time frames.

2. Basis of preparation and statement of compliance

Statement of compliance

The consolidated financial statements have been prepared in accordance with Part I of the Chartered Professional Accountants of Canada (CPA) Handbook - International Financial Reporting Standards (IFRS). The consolidated financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB) and interpretations by the International Financial Reporting Committee (IFRIC).

The consolidated financial statements were approved by the Board of Directors and authorized for issue on March 27, 2018.

The consolidated financial statements have been prepared on the historical cost basis, except for certain items which are measured at fair value, as explained in note 3.

The consolidated financial statements are presented in Canadian dollars, which is the Company's functional currency.

3. Summary of significant accounting policies

The significant accounting policies are as follows:

Basis of consolidation

These consolidated financial statements include the accounts of CMI Terminal Ltd., its wholly owned subsidiary CMI AG Ltd., and its investemnt in CMI Terminal Joint Venture.

The Company's grain handling activities are regarded as joint operations and are conducted under a joint operating agreement, whereby the two parties jointly control the assets. The consolidated financial statements reflect only the Company's 50% share of these jointly controlled assets, liabilities, revenues and costs.

3. Summary of significant accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents include cash and short-term investments with maturities of three months or less from their date of acquisition, which are readily convertible into a known amount of cash, and are subject to an insignificant risk to changes in their fair value.

Accounts receivable

Accounts receivable is reviewed for collectibility at each reporting period. If it is determined that it is probable that the receivable will not be collected, an allowance for doubtful accounts is recognized and bad debt expense is charged to income.

Inventory

Inventories are valued at the lower of cost and net realizable value. Cost is determined using first-in, first-out ("FIFO"). Cost comprises all costs of purchases, costs of conversion and other costs incurred in bringing inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling costs.

Property, plant and equipment

Property, plant and equipment ("PP&E") is stated at cost, less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset.

The cost of major inspections, overhauls and replacement parts of an item of property, plant or equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the inspection, overhauls and replacement part will flow to the Company and its cost can be measured reliably. The cost of day-to-day maintenance of property, plant and equipment is recognized immediately in profit or loss as incurred.

All assets having limited useful lives are depreciated using the straight-line method over their estimated useful lives.

Land has an unlimited useful life and is, therefore, not depreciated.

PP&E are depreciated from the date of acquisition or at the date they become available for use, if these dates differ. Internally constructed assets are depreciated from the date the asset is available for use.

The useful life and depreciation method applied to each class of assets are reassessed at each reporting date. The useful life applicable to each class of asset during the current and comparative period are as follows:

Building	5 - 40 years
Computer equipment	5 years
Crop protection equipment	5 - 40 years
Equipment	3 - 40 years
NH3 equipment	10 years
Rail siding	40 years
Vehicles	3 - 10 years

3. Summary of significant accounting policies (continued)

Property, plant and equipment (continued)

On an annual basis, the Company reviews the carrying amounts of its PP&E to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating business unit to which the asset belongs. Cash generating business units are determined by management based on locations of facilities.

Where an impairment loss subsequently reverses for assets with a finite useful life, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior periods. A reversal of an impairment loss is recognized immediately in comprehensive income.

To date, the Company has recognized no impairments.

Where the components of an item of PP&E have different useful lives, the cost of that item is allocated on a reasonable basis among the components and each component is amortized separately.

The residual values, useful lives and depreciation methods are reviewed and adjusted if appropriate, at each reporting date.

Investments

Investments are equity investments recorded at cost, less any provision for permanent impairment. They have been classified as long-term assets in concurrence with the nature of the investment.

Revenue recognition

Revenue is recognized when it is probable that the economic benefits associated with a transaction will flow to the Company, when the significant risks and rewards of ownership of the goods have been transferred to the buyer and when the amount of revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding trade discounts, volume rebates, and amounts collected.

Grain handling with respect to elevation and cleaning is recognized upon settlement, while shared marketing premium are recognized upon shipment. Crop production services revenue is recognized when risks and rewards of ownership of the goods have been transferred to the buyer. This happens at the time of the delivery.

Borrowing costs

Borrowing costs are expensed as incurred except to the extent that they are directly attributable to the construction of a qualifying asset. Qualifying assets are assets that necessarily take a substantial period of time to reach the stage of their intended use or sale.

Borrowing costs are capitalized into the cost of qualifying assets until they are ready for their intended use or sale.

When the Company borrows funds specifically for the construction of a qualifying asset, the borrowing costs capitalized are the actual borrowing costs incurred, net of any interest earned on those borrowings. When funds borrowed for general purposes are used for the construction of a qualifying asset, borrowing costs are capitalized using a weighted average of the borrowing costs. All other borrowing costs are recognized in profit and loss as incurred.

3. Summary of significant accounting policies (continued)

Foreign currency translation

Transactions denominated in foreign currencies are translated into the functional currency of the Company at the exchange rates prevailing at the transaction dates (spot exchange rate). Monetary assets and liabilities are retranslated at the exchange rates at the consolidated statement of financial position date. Exchange gains and losses on translation or settlement are recognized in profit or loss for the current period.

Non-monetary items are translated using the exchange rates at the date of the transaction. Translation gains and losses are included in comprehensive income.

Income tax

Income tax expense comprises current and deferred income tax. Income taxes are recognized in net income and comprehensive income, except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

Current income tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantially enacted at the reporting date and any adjustments to tax payable in respect of previous years.

Deferred income tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between financial statement carrying amounts and amounts used for tax purposes. These amounts are measured using enacted or substantially enacted tax rates at the reporting date and remeasured annually for rate changes. Deferred income tax assets are recognized for the benefit of deductions available to be carried forward to future periods for tax purposes to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized. Deferred income tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Any effects of the remeasurement or reassessment are recognized in the period of change, except when they relate to items recognized directly in other comprehensive income. The company is taxed at an effective rate of 27% (2016 - 27%) on taxable earnings.

Deferred taxes are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on the same taxable entity or for different tax entities where the company intends to settle its current tax assets and liabilities on a net basis or simultaneously.

Earnings per share

Basic earnings per share is calculated by dividing earnings available to common shareholders 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 period-end.

Financial asset impairment

Management determines when a financial asset is impaired in accordance with IAS 39 Financial Instruments: recognition and measurement. This determination requires significant judgment. Management evaluates the duration and extent to which the fair value of the investment is less than its cost and the financial health of, and short-term business outlook for, the investee, including factors such as industry and sector performance, changes in technology, and operational and financing cash flow.

When the fair value declines, management makes assumptions about the decline in value to determine if it is an impairment to be recognized in profit or loss.

3. Summary of significant accounting policies (continued)

Fair value hierarchy

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair values of financial assets traded in active markets is based on quoted market prices at the close of trading on the reporting date. In the absence of an active market, the Company determines fair value based on internal or external valuation techniques, such as discounted cash flow analysis or using observable market based inputs (bid and ask price) for instruments with similar characteristics and risk profiles.

The Company classifies fair value measurement recognized in the statements of financial position using a three tier fair value hierarchy, which reflects the significance of inputs used in measuring fair value as follows:

•Level 1 : Quoted prices (unadjusted) are available in active markets for identical assets or liabilities;
•Level 2 : Inputs other than quoted prices in active markets (from Level 1) that are observable for the assets or liability, either directly or indirectly; and,
•Level 3 : Valuation techniques that include significant unobservable inputs.

Fair value measurements are classified in the fair value hierarchy based on the lowest level input that is significant to that fair value measurement. This assessment requires judgment, considering factors specific to an asset or liability and may affect placement within the fair value hierarchy. Cash and bank indebtedness are classified as Level 1 investments.

Financial instruments

Financial assets and financial liabilities are initially measured at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

<u>Financial assets at fair value through profit or loss ("FVTPL")</u>

The Company has classified cash and bank indebtedness at FVTPL.

This is in accordance with the Company's risk management strategy since the individual instruments share the same risk exposure. Fair value is determine by the market price quotations in an active market or approximated by the instrument's initial cost in a transaction between unrelated parties. These transactions to purchase or sell these items are recorded on the settlement date, and transaction costs are immediately recognized in profit or loss.

<u>Available for sale</u>

The Company has classified investments as available for sale.

Available for sale assets are non-derivative financial assets that are not classified as loans and receivables. Financial assets classified as available for sale are measured at fair value with unrealized gains or losses recognized in other comprehensive income until the financial instrument is disposed of or impaired, at which time it is recognized in earnings. All interest and dividends received are recorded in earnings. Since fair value of the investment cannot be reliably measured, the investment is measured at cost less any impairment.

3. Summary of significant accounting policies (continued)

Financial instruments (continued)

Loans and receivables

The Company has classified accounts receivables and due from related parties as loans and receivables.

Loans and receivables are subsequently measured at their amortized cost. 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 uncollectibility.

Financial liabilities measured at amortized cost

The Company has classified accounts payable and accrued liabilities and term loans as financial liabilities measured at amortized cost.

Under this method, estimated future cash payments are exactly discounted over the liability's expected life, or other appropriate period, to its net carrying value. Amortized cost is the amount at which the financial liability is measured at initial recognition less principal repayments, and plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount.

Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates, and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainties about these assumptions and estimates could result in outcomes that would require a material adjustment to the carrying amount of the asset or liability affected in the future.

The most significant uses of judgments and estimates are as follows:

a) The fair value of financial instruments is the amount at which the instrument could be exchanged in a current transaction between willing parties. The methods and assumptions used by management in estimating fair value of the Joint Venture's financial instruments are outlined in the fair value hierarchy section of note 3, significant accounting policies. Wherever possible, the Company uses observable inputs, such as quoted prices in active markets, in determining the fair value of financial instruments.

b) Accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. Accounts receivable that relate to rebates and discounts received from suppliers, are estimated based on the total amount of sales of the related product. The amounts estimated are subject to change as a result of amounts differing from the original estimate.

c) Inventory values are based on the lower of cost and net realizable value. Net realizable values are estimates based on the knowledge of the markets at the end of the period as well as consideration of the amount that a producer would purchase the product for.

d) Management must also determine whether a financial asset is impaired. Management evaluates the extent that fair value declines and makes assumptions about the decline in value in order to determine if an impairment adjustment is necessary.

3. Summary of significant accounting policies (continued)

Use of estimates and judgments (continued)

e) Depreciation is based on the estimated useful lives of PP&E.

f) Gains and losses resulting from grading grains and oilseeds, which are subjective in nature, are recognized in the period they occur.

g) For the purpose of assessing impairment of tangible and intangible assets, assets are grouped at the lowest level of separately identified cash flows which make up the cash generating unit ("CGU"). Determination of what constitutes a CGU is subject to management judgment. The asset composition of a CGU can directly impact the recoverability of assets included within the CGU. In assessing the recoverability of tangible assets, each CGU's carrying value is compared to the greater of its fair value less costs to sell and value in use. Management has determined that the appropriate CGU for the company is grain handling and crop production products and services.

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 and in any future periods affected.

Standards issued but not yet effective

The Company has not yet applied the following are new standards, interpretations and amendments to standards that have been issued as at December 31, 2017 but are not yet effective. Unless otherwise stated, the Company does not plan to early adopt any of these new or amended standards and interpretations.

The IASB has issued new and amended IFRS standards under Part I of the CPA Handbook, which are not yet effective for the Company. None of the new or amended standards have been implemented in these financial statements. The significant changes to the standards are as follows:

- IFRS 9 Financial Instruments: sets out the requirements for the classification, measurement and impairment of financial assets and liabilities and a substantially reformed approach to hedge accounting. The new standard will come into effect on January 1, 2018.

- IFRS 15 Revenue from Contracts with Customers: applies to revenue from contracts with customers and replaced all of the revenue standards and interpretations in IFRS. The standard outlines the principles an entity must apply to measure and recognize revenue and the related cash flows. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after January 1, 2018.

- IFRS 16 Leases: outlines requirements for lessees to recognize assets and liabilities for most leases. Lessees are required to recognize the lease liability for the obligations to make lease payments and a right-of-use asset for the right to use the underlying asset for the lease term. Lease liability is measured at the present value of lease payments to be made over the term of the lease. The right-of-use asset is initially measured at the amount of the lease liability and adjusted for prepayments, direct costs and incentives received. The new standard will be effective for annual periods beginning on or after January 1, 2019. Early recognition is permitted, provided the new revenue standard, IFRS 15 Revenue from Contracts with Customers, has been applied or is applied at the same date as IFRS 16.

The Company has not yet determined the effect, if any, of the above standards on the financial statements.

3. Summary of significant accounting policies (continued)

Adoption of new accounting policies

The IASB has issued new and amended IFRS standards under Part I of the CPA Handbook which became effective for the Company during the year. The significant changes to the standards are as follows:

• IAS 7 Disclosure Initiative - Amendments to IAS 7: The amendments to IAS 7 Statement of Cash Flows are part of the IASB's Disclosure Initiative and require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. On initial application of the amendment, entities are not required to provide comparative information for preceding periods. The amendment did not have any impact on the Company.

4. Cash

	December 31, 2017 $	**[Restated - note 18] December 31, 2016** $	**[Restated - note 18] January 1, 2016** $
Cash held in bank accounts	**1,531,789**	1,083,910	545,564
Cash held in bank accounts (joint venture)	**287,890**	506,044	1,400,897
Cash held in treasury account (joint venture)	**224,990**	375,000	-
	2,044,669	1,964,954	1,946,461

Cash held in the Scotiabank treasury account bears interest at Scotia Connect's treasury rate of 0.5% (December 31, 2016 - 1.1%) (January 1, 2016 - 1.1%)

5. Accounts receivable

	December 31, 2017 $	**[Restated - note 18] December 31, 2016** $	**[Restated - note 18] January 1, 2016** $
Trade receivable	**298,515**	88,549	3,187
Viterra	**166,092**	119,542	199,694
Supplier rebates	**79,676**	72,006	-
Goods and services tax receivable	**8,520**	3,682	2,014
	552,803	283,779	204,895

All amounts are considered collectible and all balances are less than 30 days old.

6. Inventory

	December 31, 2017 $	[Restated - note 18] December 31, 2016 $	[Restated - note 18] January 1, 2016 $
Chemical	**2,579,987**	1,570,569	1,665,310
Seed	**282,258**	476,268	964,157
Fertilizer	**166,735**	725,781	260,773
Agriculture equipment	**68,933**	-	119,618
NH3	**4,825**	95,590	170,177
	3,102,738	2,868,208	3,180,035

The cost of inventories recognized as an expense and included in cost of sales amounted to $12,377,992 (2016 - $11,364,678).

7. Property, plant & equipment

	Balance at January 1, 2016 $	Net additions and disposals $	Balance at December 31, 2016 $	Net additions and disposals $	Balance at December 31, 2017 $
Buildings	5,452,826	-	5,452,826	112,965	**5,565,791**
Equipment	1,459,165	117,502	1,576,667	39,899	**1,616,566**
Vehicles	259,269	41,213	300,482	(5,737)	**294,745**
Rail siding	168,691	-	168,691	-	**168,691**
Computer equipment	73,856	-	73,856	-	**73,856**
NH3 equipment	1,135,151	-	1,135,151	-	**1,135,151**
Crop protection equipment	736,350	149,045	885,395	23,764	**909,159**
Land	83,845	-	83,845	-	**83,845**
	9,369,153	307,760	9,676,913	170,891	**9,847,804**

	Balance at January 1, 2016 $	Depreciation and disposals $	Balance at December 31, 2016 $	Depreciation and disposals $	Balance at December 31, 2017 $
Buildings	2,625,642	119,524	2,745,166	120,186	**2,865,352**
Equipment	1,222,451	47,502	1,269,953	54,206	**1,324,159**
Vehicles	161,903	28,934	190,837	25,722	**216,559**
Rail siding	22,844	4,218	27,062	4,218	**31,280**
Computer equipment	71,882	1,217	73,099	706	**73,805**
NH3 equipment	342,861	109,343	452,204	108,914	**561,118**
Crop protection equipment	501,849	52,630	554,479	45,264	**599,743**
	4,949,432	363,368	5,312,800	359,216	**5,672,016**

7. Property, plant & equipment (continued)

Net Book Value

	December 31, 2017 $	**[Restated - note 18] December 31, 2016** $	**[Restated - note 18] January 1, 2016** $
Buildings	**2,700,438**	2,707,660	2,827,184
Equipment	**292,408**	306,714	236,714
Vehicles	**78,186**	109,645	97,366
Rail siding	**137,411**	141,629	145,847
Computer equipment	**51**	757	1,974
NH3 equipment	**574,033**	682,947	792,290
Crop protection equipment	**309,416**	330,916	234,501
Land	**83,845**	83,845	83,845
	4,175,788	4,364,113	4,419,721

8. Bank indebtedness

Bank indebtedness includes an operating loan in the amount of $530,000 (December 31, 2016 - $2,153,000) (January 1, 2016 - $1,696,000) which bears interest at prime plus 0.25%. The Company is subject to certain borrowing conditions and debt covenants, relating to having sufficient levels of inventory and accounts receivable. The Company was in compliance with all covenants, but was in breach of the borrowing conditions as at December 31, 2017. Security on the operating line is a general security agreement. Bank indebtedness is authorized to a maximum of $6,000,000 (December 31, 2016 - $6,000,000) (January 1, 2016 - $6,000,000).

9. Term loan

	December 31, 2017 $	**[Restated - note 18] December 31, 2016** $	**[Restated - note 18] January 1, 2016** $
Term loan payable in monthly instalments of $8,334, plus interest at 2.67%, secured by a general security agreement, with current term maturing in 2018	**602,316**	702,313	374,318
Term loan payable in monthly instalments of $11,722, plus interest at 2.67%, secured by a general security agreement, with current term maturing in 2018	**283,532**	424,860	562,500
Term loan payable in monthly instalments of $4,193, plus interest at 2.67%, secured by a general security agreement, with current term maturing in 2018	**12,584**	62,900	113,214
Term loan payable, repaid in the year	**-**	195,326	326,006
	898,432	1,385,399	1,376,038
Less current portion	**234,114**	420,402	-
Less term loans subject to refinancing	**664,318**	964,997	-
	-	-	1,376,038

9. Term loan (continued)

Long-term debt is subject to certain financial covenants with respect to tangible net worth and interest coverage ratio. As at December 31, 2017, the Company was in compliance with all such covenants.

Subsequent to year end, the Joint Venture refinanced the term loan with a balance at December 31, 2017 of $602,316. Terms of the refinanced term loan are balance payable in monthly instalments of $16,269, plus interest at 4.086%, maturing in 2021.

10. Share capital

Authorized an unlimited number of
Class A voting, common shares which may be issued in series
Class B non-voting, 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; and
(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 rights may only be exercised in lots of 10 Class B Series 1 shares
Class C non-voting, preferred shares, redeemable by the Company, retractable by the holder
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

	December 31, 2017 $	**[Restated - note 18] December 31, 2016** $	**[Restated - note 18] January 1, 2016** $
20,638 Class A shares	**489,560**	489,560	489,560

11. Income taxes

The income tax expense differs from the amount computed by applying Canadian statutory rates to income before taxes for the following reasons:

	December 31, 2017 $	**[Restated - note 18] 2016** $
	27%	27%
Anticipated income tax	**223,352**	242,274
Tax effect of the following		
Effect of small business deduction rates	**(72,500)**	(72,500)
Impact of current year temporary differences at deferred tax rates	**14,515**	-
Other	**13,954**	(6,308)
Income tax expense	**179,321**	163,466

12. Related party transactions

All export-bound shipments from the Joint Venture are consigned to Viterra Inc., a joint venturer; therefore, the Joint Venture receives its grain handling revenues through Viterra Inc. All related party transactions are recorded at the exchange amount agreed upon by both parties, which approximates fair value.

Total sales and cost of sales reported include sales in the amount of $2,224,200 (2016 - $2,212,051) and cost of sales in the amount of $24,023 (2016 - $17,439) which were made with Viterra Inc. Of the total sales and purchases from Viterra, $166,092 (2016 - $119,542) is recorded as a receivable. The balance receivable bears no interest and is payable upon invoicing. No provision for doubtful debts has been recognized in relation to the outstanding balance.

All intercompany transactions have been eliminated upon consolidation between CMI Terminal Ltd. and CMI Ag Ltd.

The transactions are in the normal course of operations and are measured at amounts, which approximated fair value, as established and agreed by the related parties. The balances outstanding are unsecured, bear no interest, and have no set terms of repayment.

Key management personnel

Key management personnel consists of the general manager, controller, branch manager, terminal operations manager, manager of grain marketing and logistics, and the sales manager.

Compensation shown includes (where applicable) wages and salaries, paid annual leave, and paid sick leave, bonuses and value of benefits received, but excluded out-of-pocket reimbursements.

Compensation paid for the year ended December 31, 2017 to key management personnel totaled $718,949 (2016 - $670,685).

Other transactions with directors

During the year ended December 31, 2017, the Company made $634,698 (2016 - $804,977) sales of crop inputs to directors or corporations controlled by directors.

During the year ended December 31, 2017, the Company purchased grain from the directors or corporations controlled by directors. Of the total revenue reported, $57,159 (2016 - $56,835) was generated as a result of transactions with directors. The sales and purchases were made on the same terms and conditions available to all other customers. Of these amounts, $nil is receivable at December 31, 2017 (2016 - $nil).

	December 31, 2017	**[Restated - note 18] December 31, 2016**	**[Restated - note 18] January 1, 2016**
	$	$	$
Due from CMI Joint Venture	**128,055**	112,390	80,936
Due to CMI Joint Venture	**(108,054)**	(1,103)	(1,809)
	20,001	111,287	79,127

13. Capital management

The Company's objective when managing capital is to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for the shareholders.

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, growth and the risk characteristics of the underlying assets. There have been no changes in the monitoring of capital or strategy from the prior year.

The Company manages the following as capital:

	December 31, 2017	**[Restated - note 18] December 31, 2016**	**[Restated - note 18] January 1, 2016**
	$	$	$
Bank indebtedness	**530,000**	2,153,000	1,696,000
Term loan	**898,432**	1,385,402	1,804,036
Share capital	**489,560**	489,560	489,560
Retained earnings	**5,438,148**	5,099,810	4,675,534
	7,356,140	9,127,772	8,665,130

The Company is bound by certain externally imposed covenants on its bank indebtedness and term loans. These covenants restrict the limit to which the Company can borrow to a limit of certain percentages on accounts receivable plus inventory.

14. Segmented information

The company's business operations are grouped into two reportable segments as follows:

a) Grain Handling
This segment provides the following services for grain commodities: elevation, cleaning, drying, storage, procurement and shipping logistics. The grain handling segment's operations are carried out entirely in the Joint Venture.

b) Crop production products and services
This segment consists of sales of fertilizer, crop protection products, seed, seed treatments, and agricultural equipment. The crop production products and services segment's operations are carried out entirely in CMI Ag Ltd.

14. Segmented information (continued)

Total Comprehensive Income December 31, 2017

	Grain Handling $	Crop production products and services $	Total $
Revenues	**2,224,200**	**13,817,108**	**16,041,308**
Cost of sales	**(24,023)**	**(12,353,969)**	**(12,377,992)**
Gross profit	**2,200,177**	**1,463,139**	**3,663,316**
Operating expenses			**(3,063,697)**
Interest on term loan			**(32,076)**
Other revenue			**259,686**
Income taxes			**(179,321)**
Total comprehensive income			**647,908**
Depreciation	**169,315**	**199,400**	**368,715**
Asset additions	**156,626**	**23,764**	**180,390**
Total assets	**3,844,517**	**6,672,892**	**10,517,409**

Total Comprehensive Income December 31, 2016

	Grain Handling $	Crop production products and services $	Total $
Revenues	2,212,051	12,825,483	15,037,534
Cost of sales	(17,439)	(11,347,239)	(11,364,678)
Gross profit	2,194,612	1,478,244	3,672,856
Operating expenses			(2,937,334)
Interest on term loan			(42,189)
Other revenue			203,979
Income taxes			(163,466)
Total comprehensive income			733,846
Depreciation	163,439	201,701	365,140
Asset additions	211,956	105,353	317,309
Total assets	4,155,663	7,452,242	11,607,905

15. Commitments and contingencies

The Company has committed to upgrading the grain elevator computer equipment. They expect that the new equipment will be installed before the spring of 2018. It is estimated that the cost to the Company for the new equipment will be approximately $200,000, to be financed through Joint Venture operations.

At period-end, the Joint Venture held 14,450 (2016 - 16,417) tonnes of grain inventory with a market value of $2,923,098 (2016 - $5,321,999) on behalf of Viterra Inc. and area producers. The Company is contingently liable for 50% of the value of this inventory if losses in quality or quantity occur.

CMI Ag Ltd. rents assets from the Company and as a result has committed to paying rent quarterly based on 3% of the gross sales for that period.

16. Financial instruments

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of consolidated financial statements in assessing the extent of risk related to financial instruments.

Foreign exchange risk

Foreign exchange risk is the risk that the value of the Canadian dollar in relation to other currencies changes. Foreign exchange risk arises primarily from purchase transactions. The Company does not hold any financial assets or liabilities in foreign currencies, and foreign exchange risk is limited to a small number of asset purchases in US dollars which are recorded at the spot rate at the time the Company acquires ownership of the asset.

Fair value of all financial assets and liabilities approximate carrying values

The Company, as part of operations, has established avoidance of undue concentrations of risk as a risk management objective. In seeking to meet this objective, the Company follows a risk management policy approved by its Board of Directors.

The carrying amounts of accounts receivable, accounts payable, accruals and customer deposits approximate their fair value due to the short-term maturities of these items.

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. The fair value of the investments is based on the amount that would be received on redemption of the shares.

	December 31, 2017 Fair value	**[Restated - note 18] December 31, 2016 Fair value**	**[Restated - note 18] January 1, 2016 Fair value**
	$	$	$
Financial assets			
Cash	**2,044,669**	1,964,954	1,946,461
Investments	**106,836**	90,667	-
Financial liabilities			
Bank indebtedness	**530,000**	2,153,000	1,696,000

16. Financial instruments (continued)

	December 31, 2017 Carrying value $	[Restated note 18] December 31, 2016 Carrying value $	[Restated note 18] January 1, 2016 Carrying value $
Financial assets			
Cash	**2,044,669**	1,964,954	1,946,461
Investments	**106,836**	90,667	-
Financial liabilities			
Bank indebtedness	**530,000**	2,153,000	1,696,000

Credit risk

The Company does have credit risk in accounts receivable of $552,803 (December 31, 2016 - $283,779, January 1, 2016 - $204,895) Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. The Company reduces its exposure to credit risk by performing credit valuations on a regular basis, granting credit upon a review of the credit history of the applicant and creating an allowance for bad debts when applicable. The Company maintains strict credit policies and limits in respect to counterparties. In the opinion of management the credit risk exposure to the Company is low and is not material.

The Company's maximum credit exposure at the consolidated statements of financial position date consists primarily of the carrying amounts of accounts receivable. Amounts receivable from Viterra Inc., a venturer as described in note 1, as at December 31, 2017 represents 30% (December 31, 2016 - 42%, January 1, 2016 - 97%) of total accounts receivable.

Liquidity risk

The Company does have a liquidity risk in accounts payable and accrued liabilities and accrued liabilities of $1,531,969 (December 31, 2016 - $1,566,489, January 1, 2016 - $2,204,862) Liquidity risk is the risk that the Company cannot repay its obligations when they become due to its creditors. The Company reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due, maintaining an adequate line of credit to repay trade creditors and repaying long-term debt interest and principal as they become due. In the opinion of management the liquidity risk exposure to the Company is low and is not material.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. 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 their fair value of other financial assets or liabilities, known as price risk. In seeking to minimize the risks from interest rate fluctuations, the Company manages exposure through renewal of debt on a regular basis.

The Company is exposed to interest rate risks with respect to its floating rate and operating line of credit. A 1.0% increase in interest rates relating to the Company's operating line-of-credit would reduce the Company's comprehensive income by approximately $13,415 (2016 - $19,245).

The Company is exposed to interest rate risks with respect to its fixed rate long-term debt. A 1.0% increase in interest rates relating to the Company's long-term debt would reduce the Company's comprehensive income by $8,984 (2016 - $13,854).

16. Financial instruments (continued)

Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company enters into transactions to purchase crop production products, for which the market prices fluctuate. 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 from the supplier and the actual date of sale to customers. The Company quotes spring prices to many of its customers, which may or may not be higher than the price at which they purchased it for. To mitigate a portion of this risk, the Company attemps to buy a portion of the product it expects to sell in advance of the normal purchasing window to take advantage of available discounts.

Commodity price risk is the risk that the value of inventory will fluctuate due to changes in market prices. A change in price and quality will have a direct effect on the value of inventory. Exposure typically includes, but is not limited to, changes in the commodity prices of oilseeds and grain inventories. Prices for these commodities are volatile and are influenced by numerous factors beyond the company's control, such as supply and demand fundamentals, as well as, the weather. A substantial change in prices may affect the Company's comprehensive income and operating cash flows, if not properly managed.

The Company does not take ownership of oilseeds and grain inventories, and does not enter into derivative contracts. The commodity price risk relating to oilseeds and grains is therefore limited to the change in market prices while the company holds inventories that they are contingently liable for as described in note 15.

To mitigate the risks associated with the fluctuations in the market price for all agricultural commodities, the Company has management controls to limit reductions in the value of inventory due to quality loss and changes in prices.

17. Economic Dependence

The Company markets substantially all of its grain products through an arrangement with Viterra Inc. The ability of the Company to sustain operations is dependent upon the continued operation of this arrangement.

18. Correction of accounting error

During the year, the company identified expenses relating to prior year cost of sales that had not been recorded in the statement of comprehensive income in the years ended December 31, 2015 and December 31, 2016. As a result, the consolidated financial statements for the comparative years have been retroactively restated to correct this error. The impact on the consolidated statement of financial position as at January 1, 2016 and December 31, 2016 is shown below:

Opening consolidated statement of financial position, January 1, 2016:

	As previously reported, January 1, 2016	Adjustment	Restated January 1, 2016
	$	$	$
Deposits	2,005,637	(259,327)	1,746,310
Income taxes (payable) receivable	(22,664)	91,876	69,212
Accounts payable and accrued liabilities	(2,081,932)	(122,930)	(2,204,862)
Retained earnings	(4,965,915)	290,381	(4,675,534)

Consolidated statement of financial position, December 31, 2016

	As previously reported, December 31, 2016	Adjustment	Restated December 31, 2016
	$	$	$
Deposits	2,172,537	(355,446)	1,817,091
Income taxes (payable) receivable	(46,567)	153,270	106,703
Accounts payable and accrued liabilities	(1,360,499)	(205,990)	(1,566,489)
Retained earnings, end of the year	(5,507,976)	408,166	(5,099,810)

The impact on the consolidated statement of comprehensive income for the year ended December 31, 2016 is shown below:

	As previously reported for the year ended December 31, 2016	Adjustment	Restated for the year ended December 31, 2016
	$	$	$
Cost of sales	11,185,499	179,179	11,364,678
Income tax expense	222,636	(61,394)	161,242
Comprehensive income	851,631	(117,785)	733,846
Basic and diluted total comprehensive income per share	41.27	(5.71)	35.56

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Financial statements

CMI Terminal Joint Venture

December 31, 2017 and 2016

Independent auditors' report

To the Directors of
CMI Terminal Joint Venture

We have audited the accompanying financial statements of **CMI Terminal Joint Venture**, which comprise the statement of financial position as at December 31, 2017, the statements of comprehensive income, changes in ventures' capital and cash flows for the year then ended, 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 International Financial Reporting Standards, 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.

Auditors' 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 CMI Terminal Joint Venture'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 CMI Terminal Joint Venture'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 **CMI Terminal Joint Venture** as at December 31, 2017, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Other matter
The financial statements of CMI Terminal Joint Venture for the year ended December 31, 2016 were audited by another auditor who expressed an unmodified opinion on those statements on March 10, 2017.

Ernst & Young LLP

Chartered Professional Accountants

Saskatoon, Saskatchewan
March 27, 2018

CMI Terminal Joint Venture

Statement of financial position

As at December 31

	2017 $	2016 $
Assets		
Current		
Cash [note 4]	**1,025,761**	1,762,087
Accounts receivable [note 5]	**387,207**	246,697
Prepaid expenses	**6,069**	7,168
Total current assets	**1,419,037**	2,015,952
Property, plant and equipment [note 6]	**6,269,996**	6,295,373
	7,689,033	8,311,325
Liabilities and venturers' capital		
Current		
Accounts payable and accrued liabilities	**210,864**	81,004
Due to related parties [note 7]	**40,002**	222,574
Current portion of term loans [note 8]	**169,897**	461,364
Term loans subject to refinancing [note 8]	**1,034,734**	1,333,916
Total liabilities	**1,455,497**	2,098,858
Commitments and contingencies [note 9]		
Economic dependence [note 10]		
Venturers' capital	**6,233,536**	6,212,467
	7,689,033	8,311,325

See accompanying notes

On behalf of the Venturers

(Fred Draude) Venturer *(Larry Deydey)* Venturer

CMI Terminal Joint Venture

Statement of comprehensive income

Years ended December 31

	2017 $	2016 $
Sales [note 7]	**4,448,399**	4,424,101
Cost of sales [note 7]	**48,046**	34,878
Gross profit	**4,400,353**	4,389,223
Expenses		
Depreciation [note 6]	**338,630**	326,878
Office and administration [note 7]	**775,592**	821,990
Repairs and maintenance	**199,234**	261,781
Wages and benefits [note 7]	**1,242,293**	1,294,594
	2,555,749	2,705,243
Income before interest and other income	**1,844,604**	1,683,980
Interest on term loans	**(41,221)**	(54,976)
Other income	**17,686**	17,725
	(23,535)	(37,251)
Total comprehensive income	**1,821,069**	1,646,729

See accompanying notes

CMI Terminal Joint Venture

Statement of changes in venturers' capital

Years ended December 31, 2017

				2017
	Balance, beginning of year $	**Comprehensive income** $	**Drawings** $	**Balance, end of year** $
Viterra Inc.	**3,106,234**	**910,534**	**(900,000)**	**3,116,768**
CMI Terminal Ltd.	**3,106,233**	**910,535**	**(900,000)**	**3,116,768**
	6,212,467	**1,821,069**	**(1,800,000)**	**6,233,536**

				2016
	Balance, beginning of year $	**Comprehensive income** $	**Drawings** $	**Balance, end of year** $
Viterra Inc.	2,782,869	823,365	(500,000)	3,106,234
CMI Terminal Ltd.	2,782,869	823,364	(500,000)	3,106,233
	5,565,738	1,646,729	(1,000,000)	6,212,467

See accompanying notes

CMI Terminal Joint Venture

Statement of cash flows

Years ended December 31

	2017 $	2016 $
Operating activities		
Total comprehensive income	**1,821,069**	1,646,729
Item not affecting cash		
Depreciation	**338,630**	326,878
Net change in non-cash working capital balances		
Accounts receivable	**(140,510)**	152,918
Prepaid expenses	**1,099**	(605)
Accounts payable and accrued liabilities	**129,860**	(182,139)
Advances to related parties	**(182,572)**	64,321
Cash provided by operating activities	**1,967,576**	2,008,102
Investing activity		
Purchase of property, plant and equipment	**(313,253)**	(188,057)
Cash used in investing activity	**(313,253)**	(188,057)
Financing activities		
Repayment of term loan	**(590,649)**	(461,360)
Drawings by venturers	**(1,800,000)**	(1,000,000)
Cash used in financing activities	**(2,390,649)**	(1,461,360)
Net (decrease) increase in cash during the year	**(736,326)**	358,685
Cash, beginning of year	**1,762,087**	1,403,402
Cash, end of year	**1,025,761**	1,762,087
Supplemental disclosure of cash flow information		
Interest paid	**41,221**	54,976

See accompanying notes

CMI Terminal Joint Venture

Notes to the financial statements

December 31, 2017

1. Description of the business

CMI Terminal Joint Venture (the "Joint Venture"), was formed on November 2, 1998, pursuant to a Joint Venture Agreement ("the Agreement") between CMI Terminal Ltd. and Viterra Inc. under the laws of the Province of Saskatchewan, Canada.

The Joint Venture was formed to develop, construct and operate a grain handling facility in Naicam, Saskatchewan.

The Joint Venture partners, CMI Terminal Ltd. and Viterra Inc., are 50% participants in the Joint Venture.

Under the terms of the Agreement, all export-bound shipments from the Joint Venture facility are exclusively consigned to Viterra Inc. The ownership of grain transfers directly from each producer to Viterra Inc. at the time of purchase. The Joint Venture, therefore, does not record grain inventory in its accounting records.

The Joint Venture is located near Naicam, Saskatchewan. The address of the Joint Venture's registered office is P. O. Box 43, Naicam, Saskatchewan, S0K 2Z0.

2. Basis of preparation and statement of compliance

The financial statements have been prepared in accordance with Part I of the Chartered Professional Accountants of Canada (CPA) Handbook - International Financial Reporting Standards (IFRS). The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB) and interpretations by the International Financial Reporting Committee (IFRIC).

The financial statements were approved by the Board of of Directors on March 27, 2018.

The financial statements have been prepared on the historical cost basis, except for certain items which are measured at fair value, as explained in note 3.

The financial statements are presented in Canadian dollars, which is the company's functional currency.

3. Summary of significant accounting policies

Cash and cash equivalents

Cash and cash equivalents include cash and short-term investments with maturities of three months or less from their date of acquisition, which are readily convertible into a known amount of cash, and are subject to an insignificant risk to changes in their fair value.

Accounts receivable

Accounts receivable is reviewed for collectibility at each reporting period. If it is determined that it is probable that the receivable will not be collected, an allowance for doubtful accounts is recognized and bad debt expense is charged to income.

3. Summary of significant accounting policies (continued)

Property, plant and equipment

Property, plant and equipment ("PP&E") is stated at cost, less accumulated depreciation and impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset.

The cost of major inspections, overhauls and replacement parts of an item of PP&E is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Joint Venture, and its cost can be measured reliably. The cost of day-to-day maintenance of property, plant and equipment is recognized immediately in profit or loss as incurred.

All assets having limited useful lives are depreciated using the straight-line method over their estimated useful lives.

Land has an unlimited useful life and is therefore not depreciated.

Assets are depreciated from the date of acquisition, or at the date they become available for use. Internally constructed assets are depreciated from the date an asset is available for use.

The useful life and depreciation method applied to each class of assets are reassessed at each reporting date. The useful life applicable to each class of asset during the current and comparative period are as follows:

Buildings	5 - 40 years
Computer equipment	5 years
Equipment	3 - 25 years
Rail siding	40 years
Vehicles	3 - 10 years

On an annual basis, the Joint Venture reviews the carrying amounts of its PP&E to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Joint Venture estimates the recoverable amount of the cash generating business unit to which the asset belongs. Cash generating business units are determined by management based on locations of facilities.

Where an impairment loss subsequently reverses for assets with a finite useful life, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior periods. A reversal of an impairment loss is recognized immediately in net income and comprehensive income.

To date, the Joint Venture has recognized no impairments.

Where the components of an item of PP&E have different useful lives, the cost of that item is allocated on a reasonable basis among the components and each component is amortized separately.

The residual values, useful lives and depreciation methods are reviewed and adjusted if appropriate, at each reporting date.

3. Summary of significant accounting policies (continued)

Revenue recognition

Revenue is recognized when it is probable that the economic benefits associated with a transactions will flow to the Joint Venture and when the amount of revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Grain handling and related revenue with respect to elevation and cleaning are recognized upon settlement, while shared marketing premiums are recognized upon shipment.

Borrowing costs

Borrowing costs are expensed as incurred except to the extent that they are directly attributable to the construction of a qualifying asset. Qualifying assets are assets that necessarily take a substantial period of time to reach the stage of their intended use or sale.

Borrowing costs are capitalized into the cost of qualifying assets until they are ready for their intended use of sale.

When the Joint Venture borrows funds specifically for the construction of a qualifying asset, the borrowing costs capitalized are the actual borrowing costs incurred, net of any interest earned on those borrowings. When funds borrowed for general purposes are used for the construction of a qualifying asset, borrowing costs are capitalized using a weighted average of the borrowing costs. All other borrowing costs are recognized in profit and loss as incurred.

Income taxes

No provision has been made for income taxes in these financial statements, as the income will be taxable to the joint venturers.

Financial asset impairment

The Joint Venture assesses financial assets, other than those recorded at fair value through profit or loss ("FVTPL"), for indicators of impairment at each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated future cash flows of the asset have been negatively affected.

Objective evidence of impairment could include significant financial difficulty of the issuer or counterparty, default or delinquency, disappearance of an active market for the security or prolonged decline in fair value of a security.

Impairment losses on financial assets carried at amortized cost is measured as the difference between the financial asset’s carrying amount and the present value of estimated future cash flows, discounted at the financial asset’s original effective interest rate. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets. When available for sale financial assets are considered impaired, cumulative gains or losses previously recognized in other comprehensive income are reclassified to profit or loss in the period.

With the exception of available for sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be objectively related to an event occurring after the impairment loss was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed, does not exceed what the amortized cost would have been had the impairment not been recognized. Any subsequent recovery in the fair value of an impaired available for sale equity instrument is recognized in other comprehensive income.

3. Summary of significant accounting policies (continued)

Fair value hierarchy

Fair value is the price that would be recieved to sell and asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair values of financial assets traded in active markets is based on quoted market prices at the close of trading on the reporting date. In the absence of an active market, the Joint Venture determines fair value based on internal or external valuation techniques, such as discounted cash flow analysis or using observable market based inputs (bid and ask price) for instruments with similar characteristics and risk profiles.

The joint venture classifies fair value measurement recognized in the statements of financial position using a three tier fair value hierarchy, which reflects the significance of inputs used in measuring fair value as follows:

•Level 1: Quoted prices (unadjusted) are available in active markets for identical assets or liabilities;
•Level 2: Inputs other than quoted prices in active markets (from Level 1) that are observable for the assets or liability, either directly or indirectly; and
•Level 3: Valuation techniques that include significant unobservable inputs.

Fair value measurements are classified in the fair value hierarchy based on the lowest level input that is significant to that fair value measurement. This assessment requires judgment, considering factors specific to an asset or liability and may affect placement within the fair value hierarchy.

Financial Instruments

Financial assets and financial liabilities are initially measured at fair value. Fair value is the price that would be recieved to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

<u>Financial assets at fair value through profit or loss</u>

The Joint Venture has classified cash at FVTPL.

This is in accordance with the Joint Venture's risk management strategy since the individual instruments share the same risk exposure. Fair value is determined by market price quotations in an active market or approximated by the instrument's initial cost in a transaction between unrelated parties. Transactions to purchase or sell these items are recorded on the settlement date, and transaction costs are immediately recognized in profit or loss.

Financial assets at fair value through profit or loss are subsequently measured at their fair value.

3. Summary of significant accounting policies (continued)

Loans and receivables

The Joint Venture has classified the following financial assets as loans and receivables: accounts receivable and amounts due from related parties.

Loans and receivables are subsequently measured at their amortized cost. 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 the initial amount, and the maturity amount, and less any reduction for impairment or uncollectibility.

Financial liabilities measured at amortized cost

The Joint Venture has classified the following financial liabilities as financial liabilities measured at amortized cost: accounts payable and accrued liabilities, due to related parties and term loans.

Financial liabilities measured at amortized cost are subsequently measured at amortized cost. Under this method, estimated future cash payments are exactly discounted over the liability's expected life, or other appropriate period, to its net carrying value. Amortized cost is the amount at which the financial liability is measured at initial recognition, less principal repayments and plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount.

Use of estimates and judgments

The preparation of the Joint Venture's financial statements require management to make judgments, estimates, and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainties about these assumptions and estimates could result in outcomes that would require a material adjustment to the carrying amount of the asset or liability affected in the future. 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 and in any future periods affected.

The most significant uses of judgments and estimates are as follows:

(a) The fair value of financial instruments is the amount at which the instrument could be exchanged in a current transaction between willing parties. The methods and assumptions used by management in estimating fair value of the joint venture’s financial instruments are outlined in the fair value hierarchy section of note 3, significant accounting policies. Wherever possible, the Joint Venture uses observable inputs, such as quoted prices in active markets, in determining the fair value of financial instruments.

(b) Accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. Although grain inventory on hand is owned by one of the Venturers, the Joint Venture is responsible for any differences in grade assessments discovered when product reaches its destination by rail.

c) Depreciation is based on the estimated useful lives of property, plant, and equipment.

d) Current portion of term loans is calculated based on repayment terms and interest rates, in effect at year-end.

3. Summary of significant accounting policies (continued)

Use of estimates and judgments (continued)

(e) Gains and losses resulting from grading and grains and oilseeds, which are subjective in nature, are recognized in the period they occur.

(f) For the purpose of assessing impairment of tangible and intangible assets, assets are grouped at the lowest level of separately identified cash flows which make up the cash generating unit ("CGU"). Determination of what constitutes a CGU is subject to management judgment. The asset composition of a CGU can directly impact the recoverability of assets included within the CGU. In assessing the recoverability of tangible assets, each CGU's carrying value is compared to the greater of its fair value less costs to sell and value in use. Management has determined that the appropriate CGU for the Joint Venture is grain handling services.

Standards issues but not yet effective

The Joint Venture has not yet applied the following new standards, interpretations and amendments to standards that have been issued as at December 31, 2017 but are not yet effective. Unless otherwise stated, the Joint Venture does not plan to early adopt any of these new or amended standards and interpretations

The IASB has issued new and amended IFRS standards under Part I of the CPA Handbook, which are not yet effective for the Joint Venture. None of the new or amended standards have been implemented in these financial statements. The significant changes to the standards are as follows:

- IFRS 9 Financial Instruments: sets out the requirements for the classification, measurement and impairment of financial assets and liabilities and a substantially reformed approach to hedge accounting. The new standard will come into effect on January 1, 2018.

- IFRS 15 Revenue from Contracts with Customers: applies to revenue from contracts with customers and replaces all of the revenue standards and interpretations in IFRS. The standard outlines the principles an entity must apply to measure and recognize revenue and the related cash flows. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after January 1, 2018.

- IFRS 16 Leases: outlines requirements for lessees to recognize assets and liabilities for most leases. Lessees are required to recognize the lease liability for the obligations to make lease payments and a right-of-use asset for the right to use the underlying asset for the lease term. Lease liability is measured at the present value of lease payments to be made over the term of the lease. The right-of-use asset is initially measured at the amount of the lease liability and adjusted for prepayments, direct costs and incentives received. The new standard will be effective for annual periods beginning on or after January 1, 2019. Early recognition is permitted, provided the new revenue standard, IFRS 15 Revenue from Contracts with Customers, has been applied or is applied at the same date as IFRS 16.

The Joint Venture has not yet determined the effect, if any, of the above standards on the financial statements.

3. Summary of significant accounting policies (continued)

Adoption of new accounting policies

The IASB has issued new and amended IFRS standards under Part I of the CPA Handbook which became effective for the Joint Venture during the year. The significant changes to the standards are as follows:

- IAS 7 Disclosure Initiative - Amendments to IAS 7: The amendments to IAS 7 Statement of Cash Flows are part of the IASB's Disclosure Initiative and require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. On initial application of the amendment, entities are not required to provide comparative information for preceding periods. The amendment did not have any impact on the Joint Venture.

4. Cash

	2017	**2016**
	$	$
Cash held in bank accounts	**575,782**	1,012,086
Cash held in treasury account	**449,979**	750,001
	1,025,761	1,762,087

Cash held in the Scotiabank treasury account bears interest at Scotia connects's treasury rate of 0.5% (2016 - 1.1%).

5. Accounts receivable

	2017	**2016**
	$	$
Viterra	**332,678**	239,085
Accruals	**47,593**	248
Goods and Services Tax	**6,936**	7,364
	387,207	246,697

All amounts are considered collectible and all balances are less than 30 days old.

6. Property, plant & equipment

Cost

	Balance at December 31, 2015 $	Additions $	Balance at December 31, 2016 $	Additions $	Balance at December 31, 2017 $
Buildings	10,905,651	-	10,905,651	225,929	**11,131,580**
Computer equipment	147,711	-	147,711	-	**147,711**
Equipment	2,807,215	183,556	2,990,771	79,798	**3,070,569**
Rail Siding	337,381	-	337,381	-	**337,381**
Vehicles	-	4,500	4,500	7,526	**12,026**
Land	101,293	-	101,293	-	**101,293**
	14,299,251	188,056	14,487,307	313,253	**14,800,560**

Accumulated depreciation

	Balance at December 31, 2015 $	Depreciation $	Balance at December 31, 2016 $	Depreciation $	Balance at December 31, 2017 $
Buildings	5,251,284	239,047	5,490,331	240,373	**5,730,704**
Computer equipment	143,764	2,434	146,198	1,411	**147,609**
Equipment	2,424,322	76,286	2,500,608	86,633	**2,587,241**
Rail siding	45,687	8,435	54,122	8,435	**62,557**
Vehicles	-	675	675	1,778	**2,453**
	7,865,057	326,877	8,191,934	338,630	**8,530,564**

Net book value

	2017 $	2016 $
Buildings	**5,400,876**	5,415,320
Computer equipment	**102**	1,513
Equipment	**483,328**	490,163
Rail siding	**274,824**	283,259
Vehicles	**9,573**	3,825
Land	**101,293**	101,293
	6,269,996	6,295,373

7. Related party transactions

All export-bound shipments from the Joint Venture are consigned to Viterra Inc., a joint venturer; therefore, the Joint Venture receives its grain handling revenues through Viterra Inc. All related party transactions are recorded at the exchange amount agreed upon by both parties, which approximates the fair value.

Total sales and cost of sales reported include sales in the amount of $4,448,339 (2016 - $4,424,101) and cost of sales in the amount of $48,046 (2016 - $34,878) which were made with Viterra Inc. Of the total sales and purchases from Viterra, $332,678 (2016 - $239,085) is receivable. The balance receivable bears no interest and is payable upon invoicing. No provision for doubtful debts has been recognized in relation to the outstanding balance.

During the year ended December 31, 2017, payroll expenses attributable to the grain handling operations totaling $1,242,293 (2016 - $1,294,594) and other operating expenses totaling $1,765 (2016 - $19,846) were paid by CMI Terminal Ltd. and reimbursed by the Joint Venture.

During the year ended December 31, 2017, other operating and administrative expenses totaling $5,529 (2016 - $1,979) were paid by the Joint Venture and reimbursed by CMI Terminal Ltd.

During the year ended December 31, 2017, other operating and administrative expenses totaling $29,410 (2016 - $31,148) were paid by the Joint Venture and reimbursed by CMI Ag Ltd.

Of these amounts, the following balances are recorded at the net amount in the Statements of Financial Position:

	2017 $	**2016** $
Receivable from CMI Ag Ltd.	**1,024**	7,883
Payable to CMI Terminal Ltd.	**(41,026)**	(230,457)
	(40,002)	(222,574)

CMI Terminal Ltd. is related to the Joint Venture by virtue of being one of the venturers. CMI Ag Ltd. is related to the Joint Venture by virtue of being a wholly owned subsidiary of CMI Terminal Ltd.

These transactions are in the normal course of operations and are measured at amounts which approximate fair value and is the amount of consideration established and agreed by the related parties.

Key management compensation of the Joint Venture

Key management personnel consists of the general manager, the controller, the terminal operations manager and the manager of grain marketing and logistics.

Compensation shown includes (where applicable) wages and salaries, paid annual leave and paid sick leave, bonuses and value of benefits received, but excludes out of pocket reimbursements.

Compensation paid during the year ended December 31, 2017 to key management personnel totals $394,536 (2016 - $377,314).

Other transactions with directors

During the year ended December 31, 2017, the Joint Venture purchased grain from the directors or corporations controlled by directors, which resulted in revenue of $114,318 (2016 - $113,670) to the Joint Venture. The sales were made on the same terms and conditions available to all other customers. Of these amounts, $nil is payable at year end (2016 - $nil).

8. Term loans

	2017 $	2016 $
Term loan payable in monthly instalments of $16,667, plus interest at 2.67%, secured by a general security agreement, with current term maturing in 2018	**1,204,631**	1,404,631
Term loan payable, repaid during the year	**-**	390,649
	1,204,631	1,795,280
Less current portion	**169,897**	461,364
Less term loans subject to refinancing	**1,034,734**	1,333,916
	-	-

Term loans are subject to certain financial covenants with respect to current ratio, net worth and earnings. As at December 31, 2017, the Joint Venture is in compliance with all such covenants.

Subsequent to year-end, the Joint Venture refinanced the term loan with a balance at December 31, 2017 of $1,204,631. Terms of the refinanced loan are balance payable in monthly instalments of $32,537, plus interest at 4.086%, maturing in 2021.

9. Commitments and contingencies

The Joint Venture has committed to upgrading the grain elevator computer equipment. They expect that the new equipment will be installed and completed before spring of 2018. It is estimated that the cost to the Joint Venture for the new equipment will be approximately $400,000, to be financed through Joint Venture operations.

At year-end, the Joint Venture held 14,450 (2016 - 16,417) tonnes of grain inventory with a market value of $2,923,098 (2016 - $5,321,999) on behalf of Viterra Inc. and area producers. The Joint Venture is contingently liable for the value of this inventory if losses in quality or quantity occur.

10. Economic dependence

The Joint Venture markets substantially all of its product through an arrangement with Viterra Inc. The ability of the Joint Venture to sustain operations is dependent upon the continued operation of this arrangement.

11. Financial instruments

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

11. Financial instruments (continued)

Commodity price risk

Commodity price risk is the risk that the value of inventory will fluctuate due to changes in market prices. A change in price and quality will have a direct effect on the value of inventory. Exposure typically includes, but is not limited to, changes in the commodity prices of oilseeds and grains inventories. Prices for these commodities are volatile and are influenced by numerous factors beyond the company's control, such as supply and demand fundamentals, as well as, the weather. A substantial change in prices may affect the company's comprehensive income and operating cash flows, if not properly managed.

The company does not take ownership of oilseeds and grains inventories, and does not enter into derivative contracts. The commodity price risk relating to oilseeds and grains is therefore limited to the change in market prices while the company holds inventories that they are contingently liable for as described in note 9.

To mitigate the risks associated with the fluctuations in the market price for all agricultural commodities, the Joint Venture has management controls to limit reductions in the value of inventory due to quality loss and changes in prices.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Change 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 liabilities, known as price risk. In seeking to minimize the risks from interest rate fluctuations, the Joint Venture manages exposure through minimizing exposure to long-term financial instruments subject to interest rate risk and obtaining long-term debt with fixed rates. The Joint Venture does not speculate on interest rates.

The Joint Venture is exposed to interest rate risks with respect to its fixed rate term loan. A 1.0% increase in interest rates relating to the Joint Venture's long-term debt would reduce the Joint Venture's net income and comprehensive income by $12,046 (2016 - $17,593)

Financial instruments carrying values and fair values

For all current assets and liabilities, the difference between cost and fair value is assumed to be negligible due to the short-term maturities of these items. Cash is the only financial asset measured at fair value and therefore the carrying amount and fair value included in the statement of financial position, as at December 31, 2017 and December 31, 2016 are the same.

Credit risk

Credit risk is the risk of a financial loss to the Joint Venture if a customer or counterparty to a financial instrument fails to meet its contractual obligation. The Joint Venture is exposed to credit risk in respect of accounts receivable, as well as, to risk if counterparties do not fulfil their contractual obligations. In order to reduce the risk on its accounts receivable, the Joint Venture has adopted credit policies that include the regular review of credit limits and prepayment requirements with certain customers.

The Joint Venture’s maximum credit exposure at the statements of financial position date consists primarily of the carrying amounts of accounts receivable. Amounts receivable from Viterra Inc., a venturer as described in note 5, as at December 31, 2017 represents 98% (December 31, 2016 - 99%) of total accounts receivable.

11. Financial instruments (continued)

Liquidity risk

The Joint Venture does have a liquidity risk in the accounts payable and accrued liabilities of $210,864 (December 31, 2016 - $81,004), and term loans of $1,204,631 (2016 - $1,795,280). Liquidity risk is the risk that the Joint Venture cannot repay its obligations when they become due to its creditors. The Joint Venture reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due, maintaining an adequate line of credit to repay trade creditors and repaying term loan interest and principal as they become due. In the opinion of management, the liquidity risk exposure to the Joint Venture is low and is not material.

Foreign exchange risk

Foreign exchange risk is the risk that the value of the Canadian dollar in relation to other currencies changes. Foreign exchange risk arises primarily from purchase transactions. The Joint Venture does not hold any financial assets or liabilities in foreign currencies, and foreign exchange risk is limited to a small number of asset purchases in US dollars which are recorded at the spot rate at the time the Joint Venture acquires ownership of the asset.

12. Capital management

The Joint Venture's objectives when managing capital is to ensure that it has sufficient resources to maintain ongoing operations and meet debt covenants. The Joint Venture considers debt and venturer's capital in the definition of capital.

The Joint Venture 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 Joint Venture may adjust the amount of distributions paid to Venturers, make cash calls, or sell assets to reduce debt.

The Joint Venture manages the following as capital:

	2017 $	**2016** $
Term loans	**1,204,631**	1,795,280
Venturers' capital	**6,233,536**	6,212,467
	7,438,167	8,007,747

The Joint Venture is bound by certain externally imposed covenants on its term loan. These covenants place restrictions on total debt based on the Joint Venture's current ratios, earnings before interest, depreciation and amortization, and set minimum levels for debt service coverage and a number of operating restrictions. During the year ended December 31, 2017, the Joint Venture complied with capital requirements.