



23RD ANNUAL REPORT 2021

ANNUAL MEETING OF SHAREHOLDERS

**Thursday, April 7, 2022
2:00pm, Saskatchewan time
via Teleconference only**

Toll Free: 1-800-967-7148

Meeting ID: 388394

**Please phone or email your name to
306-872-2777 or aprevost@cmiterminal.com
on April 7, 2022 by 1:00 p.m. if you will be joining the meeting.**

Mission Statement

To be the best at servicing our customers by providing quality products and services in order to promote peace of mind and enriching their quality of life through our partnership in the management of the risks they face.

Customer Service Statement

CMI Terminal Ltd. is committed to providing knowledgeable and timely advice to our business partners, along with quality products to assist them with their agricultural business needs.



CHAIRMAN'S ADDRESS



2021 is behind us and I think most people are looking to 2022 for a return to normal. As the world worked through a second year of a pandemic with ups and downs the Ag Industry across most of North America was hit with a record setting drought. The size and severity of the drought was unprecedented and had a major impact on the amount of grain produced in North America. With commodity prices rising early in 2021, producers were optimistic for a profitable year, locking in prices for their commodities at levels rarely seen before. Spring started early with timely rain after seeding to further increase the optimism and have producers take advantage of even higher prices with a crop that was off to a good start. Then the rain stopped and producers found themselves looking to the sky for that one rain that would save the crop, but it didn't come for most areas, instead we saw record breaking temperatures for prolonged periods. Optimism that was high in the spring soon turned to worries about yields and having enough production to fulfill contract commitments. The area yields were approximately ½ of an average crop, with some areas doing better because they "caught a shower" and others less that were hit with early fall hail storms.

This drought certainly had its affect on CMI but with the grain handling industry it is going to take time for all the impacts to filter through. At CMI JV, the year started out with regular shipping and continued on into the fall. Sale contracts by producers all but stopped once the drought was evident and uncertainty about the future was on everyone's minds. Harvest started early due to the heat and wrapped up in record time with deliveries being made to cover contracts. 2021 saw record amounts of buybacks of contracts at significantly higher prices. Dealing with the contract shortfalls was the responsibility of Viterra, the actual grain merchant, but shortfalls affected CMI JV with reduced handle of grain that was scheduled for delivery. At the close of 2021, CMI JV unloaded 202,307 gross tonnes. The year ended with less tonnes handled compared to 2020, but profitability increased by over \$500,000, due to the commodity mix and managing costs wherever possible.

CMI Ag was under the same conditions. With a widespread drought after in-crop herbicides were applied the sprayers ground to a halt, so a fungicide season that was planned for didn't happen. The CMI Ag team took on the challenge put forth with the drought and continued to provide the products their customers requested. Late fall rains allowed some area producers to apply fertilizer, which given the current prices of fertilizer, was an excellent opportunity. Overall profitability for CMI Ag ended very similar to 2020. The industry is setting new highs with fertilizer prices which will make for a very interesting 2022. CMI Ag is well positioned with stocks and product available for their customers.

Given all the impacts by the drought, 2021 turned out to be a very respectable year profit-wise for CMI Terminal Ltd. The good profitability is reflected with one of the highest earnings per share since I have been on the board of \$50.78/share. The Board of Directors also declared a dividend of \$25/share paid on December 15th. Since inception, shareholders have received, in cash, a total return of \$232.75/share. As I mentioned early, with the grain handling industry the affects of the drought will be felt more significantly in the 2022 fiscal year, so the board and staff are hoping for a return to a normal growing season so that CMI Terminal Ltd can make up for shipping shortfalls that will occur in the first 3 quarters of 2022 and demand for crop inputs will return to normal as well.

Thank you for the opportunity to serve as your Chair. Feel free to contact me with any questions or concerns you might have.

Lance Stockbrugger
Chairman

CHIEF EXECUTIVE OFFICER'S ADDRESS

To the Shareholders of CMI Terminal Ltd.,

I am pleased to announce another successful year for 2021, in which CMI LTD recorded a consolidated operating profit of \$1,047,675. This is an increase of \$187,474 over 2020 with both departments contributing to net operating profits.

The JV reached shipping of 202,307 gross tonnes, with 195,207 gross tonnes of grain receipted. This resulted in a net operating profit of \$1,895,536, for an increase of \$581,216 when compared to 2020. These are solid results when you consider the impact of the drought on the 4Q shipping opportunities. In 2021 CMI JV did not acquire any new debt and continues to remain debt free, along with allocating a total of \$914,786 in retained earnings to each of the JV partners, which is also an increase of \$164,786 per partner. This was all accomplished while retaining \$1,880,053 in cash, for a net increase of \$500,479 over 2020.

CMI AG LTD had sales growth over 2020 which seen its total sales increase by \$887,275 for a total of \$17,582,557, which was slightly below CMI AG budgeted sales targets. CMI AG, apart from an operating line of credit, has a small asset debt on a NH3 trailer it acquired in 2019, and improvements to our fertilizer blender.

In 2021 CMI LTD continued to support its local communities with total donations of more than \$11,000. CMI JV also continued its support of the local Spalding & Naicam growers project with donations of crop input products, early delivery and drying discounts.

Significant cash reserves, minimal debt, and a cost management plan will allow CMI LTD to weather the impacts of the drought, with CMI AG and the JV budgeting for net operating profits in 2022.

I would like to thank our staff who have made this year a success, without them these results would not be possible. I would also like to thank the shareholders who have entrusted their asset to CMI LTD's management team. Our commitment to the shareholders is to make CMI JV & CMI AG a prosperous partnership of customers, employees, business partners, and community.

Andrew Kolbeck
Chief Executive Officer/President



CMI LTD. BOARD OF DIRECTORS



Lance Stockbrugger
Chairman
2012 to present



Tom Borstmayer
Director
2010 to present



Fred Draude
Vice Chairman
1998 to present



Eric Ponath
Director
2013 to present



Mark Fohse
Secretary
2007 to present



Chad Ferguson
Director
2019 to present



Mark Silzer
Director
2017 to present



OUR STAFF



Andrew Kolbeck
Chief Executive Officer & President



Jackie Buhs
Controller & Corporate Secretary



Jesse Wasmuth
Chief Financial Officer



Troy Leicht
Branch Manager



Derek Patterson
Manager
Grain Marketing & Logistics



Jason Hutchison
Crop Inputs Manager



Andrew Kolbeck Jr.
Facility Operations Manager



Matthew Nystuen
Facility Operations
Assistant Manager



Kristen Lissel
Agribusiness Consultant



Darren Flaata
Grain Procurement



Rachelle Anholt
Agribusiness Administrator



Amber Prevost
Accounting Administrator



Jodie Draude
Payroll Administrator/
Human Resources



Stephanie Andersen
Receptionist



Jesse Talloden
Crop Protection Yard Worker
NH3 Coordinator



Brandon Sloan
Crew Supervisor



Curtis Strome
Facility Assistant



Cody Richardson
Crew Supervisor



Justin Ulrich
Facility Assistant



Soren Seykora
Facility Assistant



Brennen Rausch
Facility Assistant



SCHOLARSHIPS

McKenna Nygren of Naicam School and Claire Daubeneld of St. Breiux School were the deserving recipients of \$2500.00 each to continue their education.

Both McKenna and Claire will be attending the University of Saskatchewan to further their studies in medicine.

CMI Terminal Ltd. wishes both McKenna and Claire much success in their future endeavors.

COMMUNITY INVOLVEMENT

John Doherty Memorial Arena

Lake Lenore School of Dance

Melfort RCMP Golf Tournament

Melfort U13AA Mustangs

Naicam Communities & Development

Naicam Legion

Naicam Senior Vikings Hockey

Naicam/Spalding Growers Project

Northeast Outreach Winter Gala

Northeast U15AA Wolfpack

Spalding School of Dance

St. Brioux & District Recreation Centre

St. Front Ski Doo Rally

Watson & District Arena Association

CMI TERMINAL LTD. SHARE TRADING

How to Place Trades

To place your trades, go to www.cmiterminal.com and click on the Investors tab and select Share Trading.

- Read the rules and fill out the Authorization to Transfer Shares form under the link that says: [Click Here to view our Trading Rules](#).
- Use the BUY / SELL buttons beside the offers on the website.
- Contact Jackie Buhs at 1-877-209-0977 (8-4 Mon-Fri).
- Click one of either the Offer Shares For Sale or Offer To Buy Shares buttons.

Frequently Asked Questions

Q: *Are all CMI Share Trades shown on the website?*

A: This website represents all CMI Share Trades clearing through CMI either by website, phone, or in person. Trades made between shareholders that are not cleared through CMI are not shown on the website.

Q: *What does Trade Pending mean?*

A: All offers marked "Trade Pending" have had offers placed against them. These offers have to yet be confirmed in the order they were placed. If an offer is declined for any reason, the next offer placed for that block of shares would be considered.

Q: *How do I cancel or change my offer?*

A: If you have already posted an offer to buy or sell and would like to change or cancel your offer please contact CMI at 1-877-209-0977 (8-5 Mon-Fri).

Q: *When are the offers confirmed and posted?*

A: All offers are verified between 8am and 10am each business day.

CMI TERMINAL LTD. SHARE TRADING

CURRENT OFFERS TO BUY

	ASK/SHARE	# OF SHARES	DATE
Transaction No. 1279	\$350.00	100	01/20/2021

CURRENT OFFERS TO SELL

There are currently no offers to sell.

SUMMARY OF LAST 10 TRADES

1. 50 shares @ \$420.00 per share on 02/22/2022
2. 51 shares @ \$410.00 per share on 02/16/2022
3. 50 shares @ \$400.00 per share on 02/15/2022
4. 50 shares @ \$400.00 per share on 02/15/2022
5. 60 shares @ \$400.00 per share on 05/26/2021
6. 130 shares @ \$400.00 per share on 04/06/2021
7. 50 shares @ \$425.00 per share on 02/09/2021
8. 50 shares @ \$425.00 per share on 03/27/2020
9. 50 shares @ \$420.00 per share on 01/13/2020
10. 50 shares @ \$425.00 per share on 12/12/2019

CMI TERMINAL LTD.
NOTICE OF ANNUAL GENERAL MEETING OF THE SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT the 23rd Annual General Meeting, of the Shareholders (the “Meeting”) of CMI Terminal Ltd. (“CMI”) will be held on Thursday, the 7th day of April 2022 at 2:00 p.m. Saskatchewan time, via teleconference, for the following purposes:

1. To receive the financial statements and auditors’ report of the corporation for the fiscal period ending December 31, 2021;
2. To receive a report from the management of CMI and CMI Terminal Joint Venture for the fiscal year ended December 31, 2021;
3. To elect three (3) directors to the Board of CMI;
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 as may properly come before the meeting or any adjournments thereof.

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

1. An Information Circular 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, email or facsimile to:

P.O. Box 43, Naicam, Saskatchewan S0K 2Z0; Fax (306) 872-2778; email: jbuhs@cmiterminal.com

PLEASE NOTE THAT ALL SIGNED PROXIES MUST BE RECEIVED BY CMI NO LATER THAN 4:00 P.M. ON APRIL 6, 2022, IF THE PROXY HOLDER WISHES TO RELY ON SUCH PROXY AT THE MEETING.

2. The audited financial statements of CMI Terminal Ltd. and audited financial statements of CMI Terminal Joint Venture for the year ended December 31, 2021, together with Management's discussion and analysis of such financial statements.

Dated this 17th day of March 2022.

By Order of the Board
Signed by Mark Fohse
Mark Fohse, 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 23rd Annual General Shareholders' Meeting is to be held on **the 7th day of April 2022**, at **2:00 p.m.**, Saskatchewan time, via teleconference.

The conduct of 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.

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 and time 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 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 office by 4:00 p.m. on April 6, 2022.**
 - (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 the 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 office by 4:00 p.m. on April 6, 2022.** 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, 2021, 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, 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 Shareholders' Meeting is your opportunity to participate in the direction of CMI Terminal Ltd.

Thank You!

**CMI TERMINAL LTD.
INFORMATION CIRCULAR**

**FOR THE 23rd ANNUAL GENERAL MEETING OF THE SHAREHOLDERS TO
BE HELD ON APRIL 7, 2022**

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 7th day of April, 2022, at 2 :00 p.m.**, Saskatchewan time, via teleconference, for the purposes set out in the preceding Notice of Annual General Meeting of Shareholders (the “**Notice**”).

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, voted or relied upon 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 6, 2022**. 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 of 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 proxy. 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 6, 2022 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.**

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 181 Class "A" Shareholders, are issued and outstanding as fully paid and non-assessable as at CMI's fiscal year end of December 31, 2021. There were 60 shares redeemed in 2021. CMI has not issued options or warrants or any other securities capable of being converted into CMI shares.

The following persons exercise control or direction over ten (10%) percent or more of the issued and outstanding voting securities of CMI:

Name	Class "A" Shares Held	Percentage of Total Class "A" Shares
CIBC 22 Front St., 7th Floor Toronto, ON M5J 2W5	2,250	11%

CIBC is the trustee of 23 Self-Directed Retirement Savings Plans, which, in the aggregate, comprise the total number of shares held by CIBC. CIBC has provided written authorization to CMI permitting each annuitant to vote the shares held by CIBC to which such annuitant is beneficially entitled. This same authorization has been provided by all other self-directed retirement plan trust companies which hold shares of CMI.

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

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, 2021, 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.

Lance Stockbrugger, Chairman, 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 and special 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 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 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 Meeting, the Chairman of the Annual 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 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. 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	Period(s) When a Director	Expiry of Current Term	Voting Shares of CMI owned directly or indirectly
Lance Stockbrugger, CPA, CA 1,2,3,4	Saskatchewan, Canada	Chairman	Farmer	2012-Present	2022	100
Fred Draude 4	Saskatchewan, Canada	Vice Chairman	Realtor	1998-Present	2022	780
Mark Silzer 1,2,3,5	Saskatchewan, Canada	Director	Ag Consultant	Dec 20, 2017 - Present	2021	430
Mark Fohse 3,4,5	Saskatchewan Canada	Secretary	Farmer	2007-Present	2021	50
Eric Ponath 1,2,4,5	Saskatchewan, Canada	Director	Retired Farmer	2013-Present	2021	572 1/3
Tom Borstmayer 2	Saskatchewan, Canada	Director	Farmer	2010-Present	2022	300
Chad Ferguson 4,5	Saskatchewan, Canada	Director	Farmer	2019-Present	2021	350

Notes to Table:

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 Lance Stockbrugger, Fred Draude, and Tom Borstmayer expire at the close of this Meeting. Lance Stockbrugger, Fred Draude and Tom Borstmayer have agreed to allow their names to stand for re-election. In accordance with the above noted nomination protocol.

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.

The Board of Directors recommends that shareholders vote for the election of each of Lance Stockbrugger, Fred Draude and Tom Borstmayer to the Board of Directors, each for a two year term.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No directors or officers of CMI were indebted to CMI as of its fiscal year ending December 31, 2021.

Compensation of Directors

The Chairman of the board of directors receives an \$11,000 honorarium and directors each receive a \$7,000 honorarium together with a per diem fee based on \$75.00 per hour for each meeting they attend.

The following table sets out the compensation paid to current and past directors during the fiscal period ended December 31, 2021.

Director Compensation table:

Name	CMI Ltd. Honorarium	CMI Ltd. Meeting Fees Paid	Total
Lance Stockbrugger	\$11,000	\$5,400	\$16,400
Fred Draude	\$ 7,000	\$2,212	\$ 9,212
Mark Silzer	\$ 7,000	\$2,775	\$ 9,775
Tom Borstmayer	\$ 7,000	\$1,237	\$ 8,237
Mark Fohse	\$ 7,000	\$1,575	\$ 8,575
Eric Ponath	\$ 7,000	\$3,056	\$10,056
Chad Ferguson	\$ 7,000	\$1,275	\$8,275

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 AND APPOINTMENT OF AUDITOR

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 Lance Stockbrugger, Mark Silzer and Mark Fohse 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. 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. Mark Silzer has been a self-employed business owner for the past forty years. Owning and operating businesses both in and outside of agriculture as well as serving as an independent business consultant. Mark has extensive experience on National and Provincial boards and advisory committees for both not for profit and for profit corporations. This has provided him with the knowledge and expertise to serve on the Audit Committee. Mark Fohse has been farming and raising cattle on the family farm since 1985 with his parents, and took over the operation in 2008. Mark has served 10 years on the Board of Directors of the Spalding Coop, two years of which he served as the Chairman of the board. Mark was also a member of the audit committee of the Spalding Coop and has an understanding of accounting principles and practices. 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. The following table sets out the aggregate fees billed by CMI’s external auditors.

External Auditor Service Fees	CMI Ltd. 2021	CMI JV 2021	CMI Ag Ltd. 2021	CMI LTD. 2020	CMI JV 2020	CMI Ag Ltd. 2020
Audit Fees Ernst & Young	\$26,244	\$29,150	\$28,885	\$14,628	\$31,058	\$50,095
Total	\$26,244	\$29,150	\$28,885	\$14,628	\$31,058	\$50,095

The Board of Directors recommends that shareholders vote for the appointment of Ernst & Young LLP, Chartered Professional Accountants, as the auditors of CMI for the ensuing financial year of CMI at a remuneration and on terms to be determined and agreed to by the Board of CMI.

CORPORATE GOVERNANCE DISCLOSURE

1. Board of Directors

All directors are independent of CMI. The Board of Directors exercise 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. Andrew Kolbeck is CMI Terminal Ltd.’s and CMI Ag Ltd.’s Chief Executive Officer, and has acted as the General Manager of CMI Terminal JV since April 2002. Jesse Wasmuth is CMI Terminal’s Chief Financial Officer. Jackie Buhs has acted as CMI’s Controller/Corporate Secretary since November 1998.

The following compensation table sets forth the annual compensation awarded to each of the CFO, CEO, General Manager and Controller as named executive officers for the purpose of NI 51-102 for the fiscal year ended December 31, 2021.

Summary Compensation Table

Name and Position	CFO Jesse Wasmuth	CEO/President Andrew B. Kolbeck	Controller/Corporate Secretary Jacqueline Buhs
Fiscal Year	2021	2021	2021
Salary	\$66,000	\$149,350	\$94,962
Annual Incentive Plans¹ (Bonus)	\$0	\$20,126	\$5,571
All other Compensation² (RRSP)	\$0	\$7,467	\$4,732
Total Compensation	\$66,000	\$176,943	\$105,265

Name and Position	CFO Jesse Wasmuth	CEO/General Manager Andrew B. Kolbeck	Controller/Corporate Secretary Jacqueline Buhs
Fiscal Year	2020	2020	2020
Salary	\$66,000	\$149,350	\$92,850
Annual Incentive Plans¹ (Bonus)	\$0	\$20,419	\$12,324
All other Compensation² (RRSP)	\$0	\$7,754	\$4,821
	\$66,000	\$177,523	\$109,995

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).

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, 2021. 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 17th day of March, 2022.

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

Signed by Mark Fohse
Mark Fohse, 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 to review and report to the Board on the semi-annual unaudited and annual audited reports and financial statements of CMI, CMI AG Ltd. (“**CMI Ag**”), and CMI Terminal Joint Venture (“**CMI-JV**”). The consolidated financial statements of CMI include its investment in CMI-JV using the equity method and the assets, liabilities, revenues and expenses of CMI’s wholly owned subsidiary, CMI Ag.

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, CMI Ag and CMI-JV;
- (b) provided such oversight is not the mandate of another committee of the Board, the Committee shall monitor compliance by CMI with legal and regulatory requirements that could have a material effect upon the financial position of CMI;
- (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 of CMI, CMI Ag and CMI-JV as it considers reasonably necessary to fulfil the Committee’s mandate and function. 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 professional advisers where appropriate.

III. Composition of Committee

Unless otherwise resolved by the Board, 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 corporate counsel, the Committee's independent counsel or others to attend meetings and provide pertinent information. Meeting agendas will be prepared by the Chair of the Committee 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. Minutes of meetings of the Committee shall be open for inspection and review by any member of the Board at any time.

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, CMI Ag and CMI-JV, review the semi-annual unaudited and annual audited consolidated financial statements and recommend their approval to the Board before approved by 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, CMI Ag and CMI-JV, including:
 - (a) the engagement letter and projected audit fee for CMI, CMI Ag and CMI-JV;
 - (b) the scope of the audit of CMI, CMI Ag and CMI-JV, including areas of audit risk, timetable, deadlines, materiality limits, extent of internal control testing, and coordination 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 press releases dealing with financial issues before such press 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, CMI Ag'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, CMI Ag's and CMI-JV's risk assessment and risk management policies;
3. review any emerging accounting issues and their potential impact on the CMI'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, CMI Ag 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, CMI Ag 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, CMI Ag and CMI-JV;
2. receive and review updates from management and corporate 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, CMI Ag 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 of concerns regarding questionable accounting or auditing matters; and
 - (c) the review of CMI's, CMI Ag'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, CMI Ag 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;
2. pre-approve all non-audit services to be provided to CMI, CMI Ag or CMI-JV by CMI's external 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;
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 at the discretion of the Chair of the Committee;
8. perform any other activities consistent with this Charter, CMI's 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.

CMI Terminal Ltd. December 31, 2021

Annual Management Discussion and Analysis

Dated: March 3, 2022

Management prepared the following Management Discussion and Analysis (“**MD&A**”) as of March 3, 2022, in conjunction with the accompanying financial information, both of which, in their preparation, use 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**”). Viterra Inc. owns the other 50%. Effective October 11, 2013, CMI acquired Viterra’s 50% interest in the Joint Venture’s crop production products and services business unit. Viterra retained its 50% ownership interest in the Joint Venture’s grain handling business unit; 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. CMI also provides management, administrative and operational services to the Joint Venture and CMI Ag.

The Company views 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 in its consolidated financial statements.

1. Selected Operating Results - Joint Venture

The Joint Venture received 193,115 metric tonnes of grain for the year ended December 31, 2021, compared to 227,929 metric tonnes of grain in 2020.

CMI JV Assets and Liabilities

	December 31, 2021	December 31, 2020
Current Assets	\$2,158,025	\$1,821,510
Non-Current Assets	\$5,527,877	\$5,823,172
Current Liabilities	\$251,738	\$276,482

CMI JV’s Statements of Comprehensive Income

	For the Year Ended December 31, 2021	For the Year Ended December 31, 2020
Sales	\$4,313,753	\$4,315,661
Cost of Sales	\$107,854	\$162,366
Gross Profit	\$4,205,899	\$4,153,295
Other Income	\$12,375	\$35,199
Subtotal	\$4,218,274	\$4,188,494
Operating and Administrative Expenses	\$1,990,203	\$2,540,068
Depreciation	\$332,535	\$334,106
Total Comprehensive Income	\$1,895,536	\$1,314,320

1.1 Grain Handling Joint Venture Analysis

The Joint Venture’s total revenue from grain handling for the year ended December 31, 2021, was \$4,313,753, a decrease of \$1,908 compared to the prior year at \$4,315,661. The revenue per metric tonne was \$22.34 for the year ended December 31, 2021, compared to \$18.93 for the preceding year. CMI Terminal’s 2021, unloads declined year over year, the main factor for the decline in unloads was the result of the prolonged drought which resulted in 23,440

tonnes of contract shortfalls which were the result of decreased production. Despite this the JV only realized a \$1,908 decline in gross revenue. During the same period CMI JV's net operating profit increased by \$581,216, ending the year at \$1,895,536. CMI JV was able to capitalize on increased purchases of CWRS and Malt barley compared to last year which helped off set the revenue lost on lower unloads.

The contributing factors for increased gross revenue were:

1. CMI JV was able to capitalize on barley quality which resulted in an increase of malt unloads of 29,040 over 2020 and at the same time increase its overall barley handle 6,081 metric tonnes
2. CMI JV was also able to increase its CWRS handle by 14,498 metric tonnes

Total operating expenses declined in 2021. As a participant in the CEWS program, the JV successfully claimed \$151,844 to help offset its wages and benefits costs last year. Expenditures on utilities and repairs and maintenance were also down in accordance with the lower volume handled. Finally, less was spent on promotion, freight and courier, safety equipment, and contract services compared to the previous year. Depreciation was similar in 2021 to that recorded in 2020, with the JV experiencing a slight year-over-year decline of \$1,571.

2. Consolidated Financial Results for CMI

2.1 Gross Profit and Net Revenue from Sales and Services

Users should view the following table in conjunction with the accompanying financial information.

CMI <i>Selected Consolidated Financial Information</i>	For the Year Ended December 31, 2021	For the Year Ended December 31, 2020
Sales	\$19,739,434	\$18,853,113
Cost of Sales	\$15,763,228	\$14,826,656
Gross Profit	\$3,976,206	\$4,026,457
Other Income	\$270,421	\$179,615
Operating and Administrative Expenses	\$2,534,299	\$2,825,973
EBITDA	\$1,712,328	\$1,380,099
Interest on Term Loan	\$7,115	\$9,375
Depreciation	\$377,190	\$372,860
Income taxes		
Current	\$297,076	\$72,065
Future	(\$16,728)	\$65,598
Total Comprehensive Income	\$1,047,675	\$860,201
Basic and Diluted Total Comprehensive Income Per Share	\$50.78⁽¹⁾	\$41.68
Total Assets	\$13,723,848	\$10,781,771
Total Liabilities	\$6,117,689	\$3,688,213

⁽¹⁾ 2021 Earnings per Share is a weighted average of 20,638 shares through October 31, 2021, and then 20,578 shares to December 31, 2021. This result is due to the Company's 2021 issuer bid, further explained in Section 2.4 of this document.

The Company's total revenue from sales and services for the year ended December 31, 2021, was \$19,739,434 compared to \$18,853,113 for the year ended December 31, 2020, an increase of \$886,321. CMI Ag was the main contributor to increasing revenue, as sales of dry fertilizer, and NH₃ and associated services rose markedly in the past 12 months, with only seed sales seeing a significant drop-off. CMI Ag was able to leverage logistical opportunities to source dry fertilizer at competitive prices, selling more than 12,412 tonnes of dry fertilizer to area growers. A focus on customer relationships and inventory management allowed it to remain competitive in the market for crop nutrient

and protection products. Sales of NH3 came in at 6,093 tonnes and associated services also jumped, as the Company's crop production products and services business unit attracted new NH3 customers while keeping existing ones in the fold. Year-over-year, sales of chemical, recorded a decrease of \$223,022 which was a result of drought and producers reducing chemical requirements. Fertilizer, and NH3 climbed \$539,134, and \$572,022, respectively. The decline in seed sales came as larger growers chose to bypass CMI Ag and go directly to seed growers for their needs. CMI Ag chose to take a measured approach to the canola seed market and not make assumptions regarding volume-related purchase discounts. Total seed sales decreased \$31,670 in the year ended December 31, 2021, compared to the previous year.

Total operating and administrative expenses for the year ended December 31, 2021, were \$2,534,299 compared to \$2,825,973 for the year ended December 31, 2020. The difference in operating and administrative expenses was \$291,674. Depreciation expense increased by \$4,330 compared to the prior year. The Company added capital assets worth \$352,622 during 2021, with the bulk of the acquisitions made by the Company's crop production products and services business.

2.2 Interest Expense

	For the Year Ended December 31, 2021	For the Year Ended December 31, 2020
Interest on Term Loans	\$7,115	\$9,375

Interest for the year ended December 31, 2021, was \$2,260 lower than the previous year. CMI did not enter into any new financing arrangements during 2021. Loans outstanding at the end of the most recent year totaled \$150,010 compared to \$202,295 at the end of fiscal 2020. The Company anticipates borrowing approximately \$500,000 next year to upgrade the distributor in its grain facility. Monies will also be spent to replace bins that comprise its bulk fertilizer handling system, but the Company anticipates financing that project internally.

2.3 Total Comprehensive Income for the year

Total comprehensive income was \$1,047,675 for the year ended December 31, 2021, or \$50.78 per share (see the note at the bottom of the table in Section 2.1), compared to \$860,201 or \$41.68 per share for 2020.

2.4 Summary of Semi-Annual Financial Information

CMI <i>Selected Consolidated Semi-Annual Financial Information</i>	December 31, 2021	June 30, 2021	December 31, 2020	June 30, 2020
	(6 months)	(6 months)	(6 months)	(6 months)
Sales	\$6,852,677	\$12,886,757	\$8,167,585	\$10,685,528
Total Comprehensive Income	\$369,921	\$677,754	\$347,885	\$512,316
Basic and Diluted Total Comprehensive Income Per Share	\$17.94*	\$32.84	\$16.86	\$24.82

*During the year ended December 31, 2021, the Company completed the repurchase and cancellation of 60 Class A shares for \$343.72 per share as part of an issuer bid. Accordingly, the total comprehensive income per share figures above have been calculated using the weighted average number of common shares outstanding for each period shown in the table. The average number of shares outstanding for the full year ended December 31, 2021, was 20,633, which produces a result of \$50.78 per share, slightly different from the sum of the same figures for the two six-month periods falling in 2021 due to the use of averages by period.

Shipments are coordinated with Viterra Inc. and are primarily dependent on the performance of the Canadian Pacific Railway. The cyclical nature of CMI's business is such that it generates much of its crop production products and services business's revenue during the spring and fall seasons.

3. Liquidity and Capital Resources for CMI Ltd.

3.1 Working Capital

Current assets were \$9,564,842 as of December 31, 2021, in comparison to \$6,690,166 as of December 31, 2020, an increase of \$2,874,676. Deposits increased as the Company purchased a larger volume of crop production products at the end of 2021 versus the prior year due to supplier incentives, including purchase discounts. Inventory also rose as the price of many products, particularly fertilizer, rose drastically throughout the year. Finally, CMI's cash balance was higher at the end of 2021 than the previous year.

Total current liabilities were \$6,041,757 as of December 31, 2021, as compared to \$3,584,348 on December 31, 2020, an increase of \$2,457,409. CMI Ag processed significant customer deposits toward the end of 2021, as growers looked to defer tax and avoid further fertilizer price inflation. Additionally, CMI JV deferred \$141,913 of elevation and cleaning revenue at year-end (with the Company's portion being 50%), an increase of \$31,115 over the amount of grain revenue it deferred as of December 31, 2020. The Company was also carrying \$1,269,444 in accounts payable and accrued liabilities at year-end, a significant increase from the year before, as it purchased products in lock-step with the inflow of customer deposits.

Working capital was \$3,523,085 as of December 31, 2021, \$417,267 higher than the \$3,105,818 as of the end of 2020 for the reasons mentioned above.

3.2 Cash Flow

Compared with the prior year, cash balances finished higher at the end of 2021. The Company received a sizeable amount of cash from area growers during the tax-buy season while at the same time making use of its trade credit. The Company also paid less tax during the year, making \$58,245 in payments in 2021 versus \$294,985 during 2020.

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 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 conduct the crop production products and services business from the same facilities as in the past.

CMI and Viterra Inc. agreed with CMI Ag regarding leasing office space in the Joint Venture facility to operate the crop production products and services business. An addendum to this agreement was executed on October 11, 2019, extending the current lease term to October 10, 2022. CMI Ag pays its proportionate share of the operating costs and taxes.

3.4 Capital Requirements & Management

CMI JV made capital additions totaling \$37,240 for the year ended December 31, 2021 (with the Company's portion being 50%), consisting substantially of a rotary divider and a new telephone system. CMI Ag made capital additions of \$334,002 for the year ended December 31, 2021 (with the Company's portion being 100%), consisting of upgrades to the leg of its bulk fertilizer handling system, additional fertilizer storage bins, conveyancing equipment, and a fertilizer treater.

CMI engages in a capital maintenance program. In the 2021 fiscal period, CMI expended \$280,178 for capital maintenance compared with \$416,852 paid in the prior year. Capital maintenance expenditures for the year ended

December 31, 2021, occurred as per the annual budgeted expense for repairs and maintenance and were financed through operations.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for the shareholders. The Company considers bank indebtedness, its term loans, and total shareholders' equity in the definition of capital. The Company's current credit agreement requires it to maintain a maximum ratio of debt to tangible net worth and a minimum debt service ratio, calculated by dividing EBITDA, or earnings before interest, taxes, depreciation, and amortization by the sum of interest expense and the current portion of any long-term debt and capital leases. As of December 31, 2021, the Company complied with all covenants. It was also in compliance with the borrowing conditions related to the CMI Ag line of credit.

3.5 Outstanding Share Data

The Company's authorized share capital consists of an unlimited number of Class A voting common shares. As of December 31, 2021, the number of shares issued was 20,578 Class A voting common shares. No shares were issued during the year, but the Company repurchased and cancelled 60 Class A shares (.29% of total shares) by way of cash payment to shareholders of \$343.72 per share for a total of \$20,624. As a result, the stated capital on the Class A shares was reduced by \$1,424.

3.6 Share Dividend Record and Return of Capital (ROC)

Applicable Fiscal Year	Date Dividend/ROC Declared	Total Dividend/ROC	Dividend/ROC Per Share
2021	November 2, 2021	\$514,450	\$25.00 Eligible Dividend
2020	October 29, 2020	\$412,760	\$20.00 Eligible Dividend
2019	October 28, 2019	\$412,760	\$20.00 Eligible Dividend
2018	October 31, 2018	\$350,846	\$17.00 Eligible Dividend
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
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

¹A 10:1 share split occurred on November 29, 2001, with the result being that 22,910 shares were issued and outstanding as of that date. Accordingly, the aggregate amount of dividends declared and paid by the board in 2004, 2005, and 2006 was essentially the same as in 2001, just allocated over more shares.

During the year ended December 31, 2021, the Company approved an eligible dividend to the shareholders of \$25.00 per share, totaling \$514,450. CMI paid this dividend on December 15, 2021.

4. Financial Instruments

The carrying amounts of cash, accounts receivable, deposits, due from related party, investments, bank indebtedness, accounts payable and accrued liabilities, and term loans approximate their fair value due to the short-term maturities of these items.

Management estimates fair values 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 approximates the amount it would receive on redemption of the shares.

Cash consists of balances with financial institutions.

5. Risks

5.1 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.

5.2 Credit Risk

The Company does have credit risk in accounts receivable of \$218,546 (2020 - \$512,536). 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 evaluations on a regular basis, granting credit upon a review of the applicant's credit history and creating an allowance for bad debts when applicable. The Company maintains strict credit policies and limits with 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 of December 31, 2021, represents 61% (December 31, 2020 - 39%) of total accounts receivable.

5.3 Liquidity Risk

The Company does have a liquidity risk in accounts payable and accrued liabilities of \$1,269,444 (2020 - \$513,373) and term loans of \$150,010 (2020 - \$202,295). 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, maintains an adequate credit line to repay trade creditors, and repays term loans 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.

5.4 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 the 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 1.00% change in interest rates relating to the Company's operating line of credit would impact the Company's comprehensive income by approximately \$6,035 (2020 - \$9,010).

The Company is exposed to interest rate risks with respect to its fixed and floating rate term loans. A 1.00% increase in interest rates relating to the Company's long-term debt would reduce the Company's comprehensive income by \$1,346 (2020 - \$2,023).

5.5 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.

5.6 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 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 responsibly 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.

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.

6. Related Party Transactions

During the year ended December 31, 2021, payroll expenses attributable to the grain handling operations totaling \$1,237,364 (2020 - \$1,376,800) and other operating expenses totaling \$39,270 (2020 - \$49,106) were paid by CMI Terminal Ltd. and reimbursed by the Joint Venture.

During the year ended December 31, 2021, other operating and administrative expenses totaling \$11,943 (2020 - \$6,779) were paid by the Joint Venture and reimbursed by CMI Terminal Ltd.

During the year ended December 31, 2021, other operating and administrative expenses totaling \$7,610 (2020 - \$9,524) were paid by the Joint Venture and reimbursed by CMI Ag Ltd.

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

	December 31, 2021	December 31, 2020
Due from CMI JV	\$31,301	\$50,170

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.

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.

6.1 Key Management Personnel

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

6.2 Compensation of Directors and Key Management Personnel

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

Compensation paid during the year ended December 31, 2021, to key management personnel totaled \$538,540 (2020 – \$605,453).

6.3 Other Transactions with Directors

During the year ended December 31, 2021, the Company made \$435,000 (2020 - \$317,052) in sales of crop inputs to directors or corporations controlled by directors.

During the year ended December 31, 2021, the Company purchased grain from the directors or corporations controlled by directors. Of the total revenue reported, \$64,064 (2020 - \$41,991) 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 on December 31, 2021 (2020 - \$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, 2021 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 17, 2022, 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, **Andrew B. Kolbeck, CEO/President 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, 2021.

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 17, 2022.

“signed by Andrew B. Kolbeck”

Andrew B. Kolbeck
Chief Executive Officer/President

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* (NI 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 NI 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, 2021.

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 17, 2022

“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* (NI 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 NI 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.

CMI Terminal Ltd.

Consolidated financial statements
December 31, 2021 and 2020



Independent auditor's report

To the Shareholders of
CMI Terminal Ltd.

Opinion

We have audited the financial statements of **CMI Terminal Ltd.** and its subsidiaries [collectively, the "Company"], which comprise the consolidated statements of financial position as at December 31, 2021 and 2020, and the consolidated statements of comprehensive income, consolidated statements of changes in equity, and consolidated statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021 and 2020, and its consolidated financial performance and cash flows for the years then ended in accordance with International Financial Reporting Standards ["IFRS"].

Basis for opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises:

- ◆ Management's Discussion and Analysis

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, and remain alert for indications that the other information appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.



Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ◆ Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ◆ Obtain an understanding of internal control relevant to the audit 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.
- ◆ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ◆ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ◆ Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ◆ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Saskatoon, Canada
March 3, 2022

Ernst & Young LLP

Chartered Professional Accountants



CMI Terminal Ltd.**Consolidated statements of financial position**

As at December 31

	2021 \$	2020 \$
Assets		
Current		
Cash <i>[note 4]</i>	3,688,206	1,895,601
Accounts receivable <i>[note 5]</i>	218,546	512,536
Inventory <i>[note 6]</i>	3,826,408	3,010,522
Deposits	1,800,381	1,068,513
Income taxes receivable	-	152,824
Due from related party <i>[note 15]</i>	31,301	50,170
Total current assets	9,564,842	6,690,166
Investments	269,565	177,596
Property, plant and equipment <i>[notes 7 & 8]</i>	3,889,441	3,914,009
	13,723,848	10,781,771
Liabilities and shareholders' equity		
Current		
Bank indebtedness <i>[note 9]</i>	442,000	765,000
Accounts payable and accrued liabilities	1,269,444	513,373
Income taxes payable	213,514	-
Deferred revenue	3,993,851	2,141,947
Current portion of term loans <i>[note 10]</i>	54,361	52,280
Callable portion of term loans <i>[note 10]</i>	68,587	111,748
Total current liabilities	6,041,757	3,584,348
Term loans <i>[note 10]</i>	27,062	38,267
Deferred income taxes	48,870	65,598
Total liabilities	6,117,689	3,688,213
Commitments and contingencies <i>[note 18]</i>		
Shareholders' equity		
Share capital <i>[note 11]</i>	488,136	489,560
Retained earnings	7,118,023	6,603,998
Total shareholders' equity	7,606,159	7,093,558
	13,723,848	10,781,771

See accompanying notes

On behalf of the Board

(Lance Stockbrugger) Director(Mark Fohse) Director

CMI Terminal Ltd.

Consolidated statements of comprehensive income

Years ended December 31

	2021 \$	2020 \$
Sales [notes 12 & 15]	19,739,434	18,853,113
Cost of sales	15,763,228	14,826,656
Gross profit	3,976,206	4,026,457
Expenses		
Depreciation [note 7]	377,190	372,860
Interest and bank charges	42,049	32,424
Office and administration [note 15]	914,160	1,023,027
Rent [note 8]	26,060	26,095
Repairs and maintenance	280,178	416,852
Wages and benefits [notes 13 & 15]	1,271,852	1,327,575
	2,911,489	3,198,833
Income before interest, other income and income taxes	1,064,717	827,624
Other income (expenses)		
Interest on term loans	(7,115)	(9,375)
Other income	270,421	179,615
	263,306	170,240
Income before income taxes	1,328,023	997,864
Income tax (recovery) [note 14]		
Current	297,076	72,065
Deferred	(16,728)	65,598
	280,348	137,663
Total comprehensive income for the years	1,047,675	860,201
Basic and diluted income per share	50.78	41.68
Average weighted number of common shares	20,633	20,638

See accompanying notes

CMI Terminal Ltd.

Consolidated statements of changes in equity

Years ended December 31

	Share capital	Retained	Total equity
	\$	\$	\$
Balance, December 31, 2019	489,560	6,156,557	6,646,117
Net income and comprehensive income for the years	-	860,201	860,201
Dividends	-	(412,760)	(412,760)
Balance, December 31, 2020	489,560	6,603,998	7,093,558
Net income and comprehensive income for the years	-	1,047,675	1,047,675
Share cancellation <i>[note 11]</i>	(1,424)	(19,200)	(20,624)
Dividends	-	(514,450)	(514,450)
Balance, December 31, 2021	488,136	7,118,023	7,606,159

See accompanying notes

CMI Terminal Ltd.**Consolidated statements of cash flows**

Years ended December 31

	2021	2020
	\$	\$
Operating activities		
Total comprehensive income for the years	1,047,675	860,201
Add (deduct) items not involving cash		
Depreciation	377,190	372,860
Deferred income taxes	(16,728)	65,598
Gain on sale of property, plant and equipment	(2,000)	(29,383)
Accretion of lease liabilities	-	795
Increase in investments	(91,969)	(20,080)
Net change in non-cash working capital balances		
Accounts receivable	293,990	(135,859)
Inventory	(815,886)	(162,486)
Deposits	(731,868)	(350,308)
Income taxes	152,824	(152,824)
Accounts payable and accrued liabilities	756,071	(291,331)
Income taxes payable	213,514	(83,590)
Deferred revenue	1,851,904	1,202,184
Cash provided by operating activities	3,034,717	1,275,777
Investing activities		
Purchase of property, plant and equipment	(352,622)	(177,503)
Proceeds on disposal of property, plant and equipment	2,000	89,900
Advances to related party	18,869	62,603
Cash used in investing activities	(331,753)	(25,000)
Financing activities		
Decrease of bank indebtedness	(323,000)	(272,000)
Repayment of lease liabilities	-	(43,000)
Repayment of term loans	(52,285)	(45,604)
Proceeds from issuance of term loans	-	56,000
Share cancellation	(20,624)	-
Dividends	(514,450)	(412,760)
Cash used in financing activities	(910,359)	(717,364)
Net increase in cash during the year	1,792,605	533,413
Cash, beginning of years	1,895,601	1,362,188
Cash, end of years	3,688,206	1,895,601
Cash consists of:		
Cash	2,748,179	1,205,814
Cash [Joint Venture]	940,027	689,787
	3,688,206	1,895,601
Supplemental disclosure of cash flow information		
Interest paid	49,164	42,570
Income taxes paid	58,245	294,985

See accompanying notes

CMI Terminal Ltd.

Notes to consolidated financial statements

December 31, 2021 and 2020

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

The consolidated financial statements have been prepared in accordance with Part I of the *CPA Canada Handbook - Accounting*, "International Financial Reporting Standards" ["IFRS"]. The consolidated financial statements comply with IFRS as issued by the International Accounting Standards Board ["IASB"] and interpretations adopted by the International Financial Reporting Interpretations Committee ["IFRIC"].

The consolidated financial statements were approved by the Board of Directors on March 3, 2022.

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 investment 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.

Cash

Cash consists of balances with financial institutions.

CMI Terminal Ltd.

Notes to consolidated financial statements

December 31, 2021 and 2020

3. Summary of significant accounting policies [continued]

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 PP&E 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 PP&E 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, 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:

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

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.

Notes to consolidated financial statements

December 31, 2021 and 2020

3. Summary of significant accounting policies [continued]

Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease [i.e., the date the underlying asset is available for use]. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment consistent with the impairment policy as described in the property, plant and equipment policy above. To date, the Company has recognized no impairments.

Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments [including in-substance fixed payments] less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses [unless they are incurred to produce inventories] in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments [e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments] or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of other equipment and vehicles [i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option]. It also applies the lease of low-value assets recognition exemption to leases of office and other equipment that are considered to be low-value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Notes to consolidated financial statements

December 31, 2021 and 2020

3. Summary of significant accounting policies [continued]

Revenue recognition

The Company principally generates revenue through two main streams; crop production products and services and grain handling.

Crop production products and services consists of the sale of crop input products and servicing the application of fertilizer to farmer's fields. Each promised good or service is accounted for separately as a performance obligation if it is distinct and revenue is recognized when performance obligations are fulfilled. For the sale of crop input products, revenue is recognized at the point in time when the goods are transferred to the customer which is upon delivery of goods. For fertilizer application revenue, the revenue is recognized over the time that the service is provided to the customer. Revenue is measured based on the transaction price specified in the contract with the customer.

Grain handling services are comprised of various activities including grain elevation, cleaning, drying and storage. Although each activity is capable of being distinct, the activities are not distinct within the context of the contract with the customer and are therefore considered one overall service or performance obligation. The customer benefits from the services as activities are performed and therefore revenue recognition over time is appropriate. However, as the timing, sequence and duration of activities during the process varies and thus there is no reasonable basis to measure progress of the satisfaction of the performance obligation, revenue is not recognized until the point of shipment as that is when progress can be reasonably measured as all of the required activities are complete. The transaction price for grain handling includes variable components specified in the contract with the customer including grade blending adjustments and shared marketing fees which are recognized in conjunction with the processing revenue for the related grain.

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.

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 translated 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.

Government assistance

Government assistance is recognized where there is reasonable assurance the assistance will be received and all attached conditions will be complied with. When the assistance relates to an expense item it is deducted from the related employee expense on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

Notes to consolidated financial statements

December 31, 2021 and 2020

3. Summary of significant accounting policies [continued]

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% [2020 - 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

The Company recognizes an allowance for expected credit losses ["ECLs"] for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months [a 12-month ECL]. For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default [a lifetime ECL].

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date.

Notes to consolidated financial statements

December 31, 2021 and 2020

3. Summary of significant accounting policies [continued]

Financial asset impairment [continued]

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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, accounts receivable, deposits, due from related party, investments, bank indebtedness, accounts payable and accrued liabilities and term loans are classified as Level 1 instruments.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income ["OCI"], and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15.

Notes to consolidated financial statements

December 31, 2021 and 2020

3. Summary of significant accounting policies [continued]

Financial assets [continued]

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' ["SPPI"] on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial asset, or both.

Purchases or sales of financial assets that required delivery of assets within a time frame established by regulation or convention in the market place are recognised on the trade date.

Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost
- Financial assets at fair value through OCI ["FVOCI"] with recycling of cumulative gain and losses [debt instrument]
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition [equity instrument]
- Financial assets at fair value through profit or loss ["FVTPL"]

Financial assets at amortized cost

The Company has classified cash, accounts receivable, and due from related party at amortized cost.

The Company measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and,
- The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount owing.

Financial assets at amortized cost are subsequently measured using the effective interest ["EIR"] method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

Financial assets at fair value through OCI [debt instrument]

The Company has not classified any financial asset as fair value through OCI [debt instrument].

The Company measures financial assets at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling and,
- The contractual term of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount owing.

For financial assets at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the statement of profit or loss and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI, upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

Notes to consolidated financial statements

December 31, 2021 and 2020

3. Summary of significant accounting policies [continued]

Financial assets [continued]

Financial assets at fair value through OCI [equity instrument]

The Company has not classified any financial asset as fair value through OCI [equity instrument].

Upon initial recognition, the Company can elect to classify irrevocably its equity investment as equity investments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial assets at fair value through profit or loss

The Company has classified deposits and investments at fair value through profit or loss.

Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at FVTPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not SPPI are classified and measured at FVTPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through OCI, as described above, debt instruments may be designated at FVTPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss.

This category includes equity investments which the Company has not irrevocably elected to classify at fair value through OCI. Dividends on equity instruments are recognized as other income in the statement of profit and loss when the right of payment has been established.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include bank indebtedness, accounts payable and accrued liabilities, and term loans.

Notes to consolidated financial statements

December 31, 2021 and 2020

3. Summary of significant accounting policies [continued]

Financial liabilities [continued]

Subsequent measurement

The measurement of financial liabilities depends on their classification as described below:

Financial liabilities at fair value through profit or loss

The Company has designated bank indebtedness as at fair value through profit or loss.

Financial liabilities measured at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognized in the statement of profit or loss. Financial liabilities designated upon initial recognition at FVTPL are designated at the initial date or recognition, and only if the criteria in IFRS 9 are satisfied.

Loans and borrowings

The Company has designated accounts payable and accrued liabilities, and term loans as loans and borrowings.

After initial recognition, loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

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.

CMI Terminal Ltd.

Notes to consolidated financial statements

December 31, 2021 and 2020

3. Summary of significant accounting policies [continued]

Use of estimates and judgments [continued]

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 Company'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. 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.

[b] Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for ECLs is provided where considered necessary. The Company uses a provision matrix to calculate ECLs for accounts receivable. The provision rates are based on days past due for groups of various customer segments that have similar loss patterns. The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

[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] Provisions for future expenditures are recognized as accounts payable and accrued liabilities when the Company has a legal or constructive obligation as a result of past events, it is more likely than not that an outflow of economic resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

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 IASB has issued new and amended IFRS standards under Part I of the *CPA Handbook*, which are not yet effective for the Company. The Company has not yet applied the new standards, interpretations and amendments to standards that have been issued as at December 31, 2021 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. None of the new or amended standards are expected to have a material impact on the Company.

4. Cash

	2021 \$	2020 \$
Cash held in bank accounts	2,748,179	1,205,814
Cash held in business investment account [Joint Venture]	882,793	356,189
Cash held in bank accounts [Joint Venture]	57,234	333,598
	<u>3,688,206</u>	<u>1,895,601</u>

Cash held in the Scotiabank business investment account bears interest at Scotia's treasury rate of 0.45% [2020 - 0.10%].

CMI Terminal Ltd.

Notes to consolidated financial statements

December 31, 2021 and 2020

5. Accounts receivable

	2021	2020
	\$	\$
Viterra Inc.	133,559	202,283
Supplier rebates	80,412	85,683
Goods and Services Tax receivable	3,517	18,170
Trade receivable	1,058	206,400
	218,546	512,536

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

6. Inventory

	2021	2020
	\$	\$
Chemical	1,693,627	1,333,593
Fertilizer	1,789,399	1,093,020
Seed	260,224	342,463
NH3	81,678	133,668
Agriculture equipment	1,480	107,778
	3,826,408	3,010,522

The cost of inventories recognized as an expense and included in cost of sales amounted to \$15,709,301 [2020 - \$14,745,473].

7. Property, plant and equipment

Cost

	Balance at December 31, 2019	Net additions and disposals	Balance at December 31, 2020	Net additions and disposals	Balance at December 31, 2021
	\$	\$	\$	\$	\$
Buildings	5,738,246	-	5,738,246	-	5,738,246
Computer equipment	87,151	-	87,151	-	87,151
Crop protection equipment	1,221,417	134,007	1,355,424	293,907	1,649,331
Equipment	1,735,078	(25,757)	1,709,321	62,666	1,771,987
NH3 equipment	1,143,658	-	1,143,658	-	1,143,658
Rail siding	168,691	-	168,691	-	168,691
Right-of-use assets	80,666	(80,666)	-	-	-
Vehicles	274,745	40,573	315,318	-	315,318
Land	83,845	-	83,845	-	83,845
	10,533,497	68,157	10,601,654	356,573	10,958,227

CMI Terminal Ltd.

Notes to consolidated financial statements

December 31, 2021 and 2020

7. Property, plant and equipment [continued]

Accumulated depreciation

	Balance at December 31, 2019	Depreciation and disposals	Balance at December 31, 2020	Depreciation and disposals	Balance at December 31, 2021
	\$	\$	\$	\$	\$
Buildings	3,123,272	130,193	3,253,465	130,153	3,383,618
Computer equipment	75,185	2,659	77,844	2,659	80,503
Crop protection equipment	678,655	64,834	743,489	84,941	828,430
Equipment	1,420,807	21,522	1,442,329	44,179	1,486,508
NH3 equipment	759,791	102,294	862,085	96,129	958,214
Rail siding	39,712	4,217	43,929	4,217	48,146
Right-of-use assets	21,511	(21,511)	-	-	-
Vehicles	244,681	19,823	264,504	18,863	283,367
	6,363,614	324,031	6,687,645	381,141	7,068,786

Net book value

	2021	2020
	\$	\$
Buildings	2,354,628	2,484,781
Computer equipment	6,648	9,307
Crop protection equipment	820,901	611,935
Equipment	285,479	266,992
NH3 equipment	185,444	281,573
Rail siding	120,545	124,762
Right-of-use assets	-	-
Vehicles	31,951	50,814
Land	83,845	83,845
	3,889,441	3,914,009

CMI Terminal Ltd.

Notes to consolidated financial statements

December 31, 2021 and 2020

8. Leases

The Company had lease contracts for a fertilizer spreader used in its operations. The lease had a term of 3 years and was secured by the lessor's title to the leased asset. During the prior year, the Company bought out the remainder of the lease and sold the fertilizer spreader.

The Company also has certain leases of other equipment, vehicles and office equipment with lease terms of 12 months or less or that are low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

The carrying amounts of the right-of-use assets recognized and the changes in the period are as follows:

	2021 \$	2020 \$
Opening balance	-	59,155
Disposals	-	(59,155)
Ending balance	-	-

The carrying amounts of lease liabilities and the changes during the period are as follows:

	2021 \$	2020 \$
Opening balance	-	42,205
Depreciation expense	-	795
Disposals	-	(43,000)
Ending balance	-	-

The following amounts have been recognized in profit or loss:

	2021 \$	2020 \$
Interest expense on lease liabilities	-	795
Expense relating to short-term and low-value leases	22,026	48,620
	22,026	49,415

As of December 31, 2021, the Company had no lease commitments requiring recognition.

9. Bank indebtedness

Bank indebtedness includes an operating loan amounting to \$442,000 [2020 - \$765,000] and bearing interest at prime [2020 - prime]. At December 31, 2021 the prime rate was 2.45% [2020 - 2.45%]. The Company is subject to certain borrowing conditions and debt covenants, relating to having sufficient levels of inventory and accounts receivable. The Company is in compliance with all covenants for the year ended December 31, 2021. Security on the operating line is a general security agreement and a guarantee given by the parent company to an unlimited amount. Bank indebtedness is authorized to a maximum of \$6,000,000 [2020 - \$6,000,000].

CMI Terminal Ltd.

Notes to consolidated financial statements

December 31, 2021 and 2020

10. Term loans

	2021 \$	2020 \$
4.99% Affinity Credit Union demand term loan payable in blended semi-annual instalments of \$24,100, secured by equipment, due May 2024	111,743	152,828
Prime plus 0.25% Bank of Nova Scotia revolving term loan, payable in monthly instalments of \$933, plus interest, secured by equipment and a general security agreement, due May 2025	38,267	49,467
	150,010	202,295
Less current portion	54,361	52,280
Less callable portion	68,587	111,748
	27,062	38,267

Callable portion of term loan

Under International Financial Reporting Standards, all long-term debt that is demand in nature must be present as current. Accordingly, the Company's demand term loan is considered a current liability and, therefore, is included in the current portion of term loans, even though payment terms extending beyond one year have been arranged with the bank.

Management does not believe the demand features of the callable debt will be exercised in the current period. Assuming payment of the callable debt is not demanded, regular principal repayments are as follows:

	\$
2022	54,361
2023	56,541
2024	34,441
2025	4,667
	150,010

11. Share capital

Authorized

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

Unlimited 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

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

Unlimited 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

	2021 \$	2020 \$
20,578 Class A shares [2020 - 20,638]	488,136	489,560

CMI Terminal Ltd.

Notes to consolidated financial statements

December 31, 2021 and 2020

11. Share capital [continued]

On December 15, 2021, the Company paid dividends on the Class A shares in the amount of \$25 per share for a total of \$514,450 by way of cash payment. On December 15, 2020, the Company paid dividends on the Class A shares in the amount of \$20 per share for a total of \$412,760 by way of cash payment.

During the year, the Company repurchased and cancelled 60 Class A shares [0.29% of total shares] by way of cash payment, to shareholders in the amount of \$344 per share for a total of \$20,624. As a result, the stated capital on the Class A shares was reduced by \$1,424 [2020 - \$nil]. The excess of redemption value over the carrying value has been recorded as an adjustment to retained earnings.

12. Sales

The Company principally generates revenue through two main streams; crop production products and services and grain handling.

Crop production products and services include the sale of crop input products and servicing the application of fertilizer to farmer's fields. Ancillary revenue is also earned through equipment sales, equipment rentals and through storage services.

For crop input revenue, revenue is recognized at the point in time when the goods are transferred to the customer which is upon delivery of goods to the farmer. For application revenue, the revenue is recognized over the time that the service is provided to the customer.

Grain handling includes grain elevation, cleaning, drying, and storage.

All of the Company's crop production products and services and grain handling revenue is earned within the region of Saskatchewan, Canada and therefore, the Company does not disaggregate revenue geographically. The Company disaggregates revenue by category as follows:

	2021	2020
	\$	\$
Crop input sales	17,041,961	16,248,697
Grain handling	2,156,877	2,157,831
Application of fertilizer	342,432	372,893
Equipment sales	188,564	64,092
Rental and storage sales	9,600	9,600
	19,739,434	18,853,113

The Company applies the practical expedient where disclosure of remaining performance obligations is not required if the original expected contract duration is less than 12 months. At December 31, 2021, the Company has no remaining performance obligations for contracts in place where the expected duration of the contract is greater than 12 months.

CMI Terminal Ltd.

Notes to consolidated financial statements

December 31, 2021 and 2020

13. Canada emergency wage subsidy

In response to the negative economic impact of COVID-19, various government programs have been announced to provide financial relief to affected businesses. The Company determined that it qualified for the Canada Emergency Wage Subsidy ["CEWS"] program which provided government assistance in the form of a wage subsidy for qualifying businesses that have experienced specific levels of revenue decline designed to keep Canadians employed.

During the year ended December 31, 2021, the Company recognized \$85,130 [2020 - \$90,244] under this program which has been recorded as a deduction to wages and benefits expense in the statement of comprehensive income.

14. Income taxes

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

	2021	2020
	\$	\$
	27%	27%
Anticipated income tax	358,566	269,423
Tax effect of the following:		
Effect of small business deduction rates	(78,245)	(77,850)
Impact of lease payments	-	(11,610)
Deferred tax asset not recognized	-	(50,100)
Foreign taxes withheld	27,491	12,835
Foreign tax credits utilized	(27,491)	(3,235)
Other	27	(1,800)
Income tax expense	280,348	137,663

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Differences relating to property, plant and equipment make up the majority of the Company's deferred liability.

CMI Terminal Ltd.

Notes to consolidated financial statements

December 31, 2021 and 2020

15. 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 \$2,156,877 [2020 - \$2,152,240] and cost of sales in the amount of \$53,927 [2020 - \$66,467] which were made with Viterra Inc. Of the total sales and purchases from Viterra Inc., \$133,559 [2020 - \$202,283] 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.

Key management personnel

Key management personnel consists of the chief executive officer, 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 excludes out-of-pocket reimbursements.

Compensation paid for the year ended December 31, 2021, to key management personnel totaled \$538,540 [2020 - \$605,453].

Other transactions with directors

During the year ended December 31, 2021, the Company made \$435,000 [2020 - \$317,052] sales of crop inputs to directors or corporations controlled by directors.

During the year ended December 31, 2021, the Company purchased grain from the directors or corporations controlled by directors. Of the total revenue reported, \$64,064 [2020 - \$41,991] 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, 2021 [2020 - \$nil].

	2021	2020
	\$	\$
Due from CMI Joint Venture	<u>31,301</u>	<u>50,170</u>

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.

CMI Terminal Ltd.

Notes to consolidated financial statements

December 31, 2021 and 2020

16. Capital management

The Company's objective when managing capital is to safeguard the Company'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:

	2021	2020
	\$	\$
Bank indebtedness	442,000	765,000
Term loans	150,010	202,295
Share capital	488,136	489,560
Retained earnings	7,118,023	6,603,998
	<u>8,198,169</u>	<u>8,060,853</u>

The Company is bound by certain externally imposed covenants on its bank indebtedness. These covenants restrict the limit to which the Company can borrow to a limit of certain percentages on accounts receivable plus inventory and place restrictions on total debt based on the Company's earnings before interest, depreciation and amortization and set minimum levels for debt service coverage and a number of operating restrictions.

CMI Terminal Ltd.

Notes to consolidated financial statements

December 31, 2021 and 2020

17. 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.

Total comprehensive income December 31, 2021

	Grain handling \$	Crop production products and services \$	Total \$
Revenues	2,156,877	17,582,557	19,739,434
Cost of sales	(53,927)	(15,709,301)	(15,763,228)
Gross profit	2,102,950	1,873,256	3,976,206
Operating expenses			(2,911,489)
Interest on term loan			(7,115)
Other revenue			270,421
Income taxes			(280,348)
Total comprehensive income			1,047,675
Depreciation	166,268	210,922	377,190
Asset additions	18,620	334,002	352,622
Total assets	3,842,951	9,880,897	13,723,848

CMI Terminal Ltd.

Notes to consolidated financial statements

December 31, 2021 and 2020

17. Segmented information [continued]

Total comprehensive income December 31, 2020

	Grain handling \$	Crop production products and services \$	Total \$
Revenues	2,157,831	16,695,282	18,853,113
Cost of sales	(81,183)	(14,745,473)	(14,826,656)
Gross profit	2,076,648	1,949,809	4,026,457
Operating expenses			(3,198,833)
Interest on term loan			(9,375)
Other revenue			179,615
Income taxes			(137,663)
Total comprehensive income			860,201
Depreciation	167,053	205,807	372,860
Asset additions	11,723	165,780	177,503
Total assets	3,822,341	6,959,430	10,781,771

18. Commitments and contingencies

At year-end, the Joint Venture held 10,271 [2020 - 17,642] tonnes of grain with a market value of \$3,474,186 [2020 - \$3,734,616] on behalf of Viterro Inc. and area producers. The Company is contingently liable for 50% of the value of this grain if losses in quality or quantity occur. This grain is not included in the Company's inventory.

19. 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 the consolidated financial statements in assessing the extent of risk related to financial instruments.

Risk management policy

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.

CMI Terminal Ltd.

Notes to consolidated financial statements

December 31, 2021 and 2020

19. Financial instruments [continued]

Fair value of all financial assets and liabilities approximate carrying values

The carrying amounts of cash, accounts receivable, deposits, due from related party, investments, bank indebtedness, accounts payable and accrued liabilities and term loans 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.

	2021 Fair value \$	2020 Fair value \$
Financial assets		
Cash	3,688,206	1,895,601
Accounts receivable	227,943	512,536
Deposits	1,800,381	1,068,513
Due from related party	31,301	50,170
Investments	269,565	177,596
Financial liabilities		
Bank indebtedness	442,000	765,000
Accounts payable and accrued liabilities	1,278,841	513,373
Term loans	150,010	202,295
	2021 Carrying value \$	2020 Carrying value \$
Financial assets		
Cash	3,688,206	1,895,601
Accounts receivable	277,943	512,536
Deposits	1,800,381	1,068,513
Due from related party	31,301	50,170
Investments	269,565	177,596
Financial liabilities		
Bank indebtedness	442,000	765,000
Accounts payable and accrued liabilities	1,278,841	513,373
Term loans	150,010	202,295

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.

Notes to consolidated financial statements

December 31, 2021 and 2020

19. Financial instruments [continued]

Credit risk

The Company does have credit risk in accounts receivable of \$227,943 [2020 - \$512,536]. 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, 2021 represents 61% [2020 - 39%] of total accounts receivable.

Liquidity risk

The Company does have a liquidity risk in accounts payable and accrued liabilities of \$1,269,444 [2020 - \$513,373] and term loans of \$150,010 [2020 - \$202,295]. 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 term loans 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 operating line-of-credit. A 1.00% change in interest rates relating to the Company's operating line-of-credit would impact the Company's comprehensive income by approximately \$6,035 [2020 - \$9,010].

The Company is exposed to interest rate risks with respect to its fixed and variable rate term loans. A 1.00% change in interest rates relating to the Company's term loans debt would impact the Company's comprehensive income by \$1,346 [2020 - \$2,023].

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.

Notes to consolidated financial statements

December 31, 2021 and 2020

19. 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 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 18.

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.

20. Economic dependence

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

21. Other uncertainties

The outbreak of the Coronavirus disease ["COVID-19"] has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. The duration and impact of the COVID-19 outbreak is not known at this time, nor is the efficacy of the government and central bank monetary and fiscal interventions designed to stabilize economic conditions. As a result, it is not possible to reliably estimate the length and severity of these developments or the impact on the financial position and financial results of the Company in future periods.

CMI Terminal Joint Venture

Financial statements
December 31, 2021 and 2020



Independent auditor's report

To the Venturers of
CMI Terminal Joint Venture

Opinion

We have audited the financial statements of **CMI Terminal Joint Venture** [the "Joint Venture"], which comprise the statements of financial position as at December 31, 2021 and 2020, and the statements of comprehensive income, statements of changes in venturers' capital, and statements of cash flows for the years then ended, and notes to financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Joint Venture as at December 31, 2021 and 2020, and its financial performance and cash flows for the years then ended in accordance with International Financial Reporting Standards ["IFRS"].

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Joint Venture in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements

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

In preparing the financial statements, management is responsible for assessing the Joint Venture's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Joint Venture or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Joint Venture's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ◆ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- ◆ Obtain an understanding of internal control relevant to the audit 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 Joint Venture's internal control.
- ◆ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ◆ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Joint Venture's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Joint Venture to cease to continue as a going concern.
- ◆ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Saskatoon, Canada
March 3, 2022

Ernst & Young LLP

Chartered Professional Accountants



CMI Terminal Joint Venture

Statements of financial position

As at December 31

	2021	2020
	\$	\$
Assets		
Current		
Cash <i>[note 4]</i>	1,880,053	1,379,574
Accounts receivable <i>[note 5]</i>	269,523	441,936
Prepaid expenses	8,449	-
Total current assets	2,158,025	1,821,510
Property, plant and equipment <i>[note 6]</i>	5,527,877	5,823,172
	7,685,902	7,644,682
Liabilities and venturers' equity		
Current		
Accounts payable and accrued liabilities	47,223	65,344
Deferred revenue	141,913	110,798
Due to related parties <i>[note 8]</i>	62,602	100,340
Total liabilities	251,738	276,482
Commitments and contingencies <i>[note 9]</i>		
Economic dependence <i>[note 10]</i>		
Venturers' capital	7,434,164	7,368,200
	7,685,902	7,644,682

See accompanying notes

On behalf of the Venturers

(Lance Stockbrugger) _____ Venturer

(Larry Deydey) _____ Venturer

CMI Terminal Joint Venture

Statements of comprehensive income

Years ended December 31

	2021	2020
	\$	\$
Sales [note 8]	4,313,753	4,315,661
Cost of sales [note 8]	107,854	162,366
Gross profit	4,205,899	4,153,295
Expenses		
Depreciation [note 6]	332,535	334,106
Office and administration [note 8]	738,239	861,159
Repairs and maintenance	166,444	410,402
Wages and benefits [notes 8 & 11]	1,085,520	1,268,507
	2,322,738	2,874,174
Income before other income	1,883,161	1,279,121
Other income	12,375	35,199
Total comprehensive income for the years	1,895,536	1,314,320

See accompanying notes

CMI Terminal Joint Venture

Statements of changes in venturers' capital

Years ended December 31

	2021			
	Balance, beginning of year \$	Net income for the years \$	Drawings \$	Balance, end of year \$
Viterra Inc.	3,684,100	947,768	(914,786)	3,717,082
CMI Terminal Ltd.	3,684,100	947,768	(914,786)	3,717,082
	7,368,200	1,895,536	(1,829,572)	7,434,164

	2020			
	Balance, beginning of year \$	Net income for the years \$	Drawings \$	Balance, end of year \$
Viterra Inc.	3,776,940	657,160	(750,000)	3,684,100
CMI Terminal Ltd.	3,776,940	657,160	(750,000)	3,684,100
	7,553,880	1,314,320	(1,500,000)	7,368,200

See accompanying notes

CMI Terminal Joint Venture

Statements of cash flows

Years ended December 31

	2021 \$	2020 \$
Operating activities		
Total comprehensive income for the years	1,895,536	1,314,320
Add (deduct) items not involving cash		
Depreciation	332,535	334,106
Gain on sale of property, plant and equipment	-	(2,276)
Net change in non-cash working capital balances		
Accounts receivable	172,413	116,977
Prepaid expenses	(8,449)	12,924
Accounts payable and accrued liabilities	(18,121)	(7,031)
Deferred revenue	31,115	65,772
Cash provided by operating activities	2,405,029	1,834,792
Investing activities		
Purchase of property, plant and equipment	(37,240)	(23,446)
Proceeds on disposal of property, plant and equipment	-	5,000
Cash used in investing activities	(37,240)	(18,446)
Financing activities		
Repayment of advances from related party	(37,738)	(125,206)
Drawings by venturers	(1,829,572)	(1,500,000)
Cash used in financing activities	(1,867,310)	(1,625,206)
Net increase in cash during the year	500,479	191,140
Cash, beginning of years	1,379,574	1,188,434
Cash, end of years	1,880,053	1,379,574

See accompanying notes

CMI Terminal Joint Venture

Notes to financial statements

December 31, 2021 and 2020

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 *CPA Canada Handbook - Accounting*, "International Financial Reporting Standards" ["IFRS"]. The financial statements comply with IFRS as issued by the International Accounting Standards Board ["IASB"] and interpretations adopted by the International Financial Reporting Interpretations Committee ["IFRIC"].

The financial statements were approved by the Board of Directors on March 3, 2022.

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 Joint Venture's functional currency.

3. Summary of significant accounting policies

The significant accounting policies used are as follows:

Cash

Cash consists of balances with financial institutions.

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 PP&E is recognized immediately in profit or loss as incurred.

CMI Terminal Joint Venture

Notes to financial statements

December 31, 2021 and 2020

3. Summary of significant accounting policies [continued]

Property, plant and equipment [continued]

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	3 - 10 years
Equipment	5 years
Rail siding	40 years
Vehicles	3 - 25 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.

CMI Terminal Joint Venture

Notes to financial statements

December 31, 2021 and 2020

3. Summary of significant accounting policies [continued]

Leases

The Joint Venture assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Joint Venture applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Joint Venture recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Joint Venture recognizes right-of-use assets at the commencement date of the lease [i.e., the date the underlying asset is available for use]. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Joint Venture at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment consistent with the impairment policy as described in the property, plant and equipment policy above. To date, the Joint Venture has recognized no impairments.

Lease liabilities

At the commencement date of the lease, the Joint Venture recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments [including in-substance fixed payments] less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Joint Venture and payments of penalties for terminating the lease, if the lease term reflects the Joint Venture exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses [unless they are incurred to produce inventories] in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Joint Venture uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments [e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments] or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Joint Venture applies the short-term lease recognition exemption to its short-term leases of other equipment and vehicles [i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option]. It also applies the lease of low-value assets recognition exemption to leases of office and other equipment that are considered to be low-value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

CMI Terminal Joint Venture

Notes to financial statements

December 31, 2021 and 2020

3. Summary of significant accounting policies [continued]

Revenue recognition

The Joint Venture principally generates revenue from grain handling services. Grain handling services are comprised of various activities including grain elevation, cleaning, drying and storage. Although each activity is capable of being distinct, the activities are not distinct within the context of the contract with the customer and are therefore considered one overall service or performance obligation. The customer benefits from the services as activities are performed and therefore revenue recognition over time is appropriate. However, as the timing, sequence and duration of activities during the process varies and thus there is no reasonable basis to measure progress of the satisfaction of the performance obligation, revenue is not recognized until the point of shipment as that is when progress can be reasonably measured as all of the required activities are complete. The transaction price for grain handling includes variable components specified in the contract with the customer including grade blending adjustments and shared marketing fees which are recognized in conjunction with the processing revenue for the related grain.

All of the Joint Venture's revenue is earned within the region of Saskatchewan, Canada and therefore the Joint Venture does not disaggregate revenue geographically.

The Joint Venture applies the practical expedient where disclosure of remaining performance obligations is not required if the original expected contract duration is less than 12 months. At December 31, 2021, the Joint Venture has no remaining performance obligations for contracts in place where the expected duration of the contract is greater than 12 months.

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.

Government assistance

Government assistance is recognized where there is reasonable assurance the assistance will be received and all attached conditions will be complied with. When the assistance relates to an expense item it is deducted from the related employee expense on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

CMI Terminal Joint Venture

Notes to financial statements

December 31, 2021 and 2020

3. Summary of significant accounting policies [continued]

Financial asset impairment

The Joint Venture recognizes an allowance for expected credit losses ["ECLs"] for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Joint Venture expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months [a 12-month ECL]. For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default [a lifetime ECL].

For trade receivables, the Joint Venture applies a simplified approach in calculating ECLs. Therefore, the Joint Venture does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date.

The Joint Venture considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Joint Venture may also consider a financial asset to be in default when internal or external information indicates that the Joint Venture is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Joint Venture. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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 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. Cash, accounts receivable, accounts payable and accrued liabilities and due to related parties are classified as Level 1 instruments.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

CMI Terminal Joint Venture

Notes to financial statements

December 31, 2021 and 2020

3. Summary of significant accounting policies [continued]

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income ["OCI"], and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Joint Venture's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Joint Venture has applied the practical expedient, the Joint Venture initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Joint Venture has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest ["SPPI"]' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Joint Venture's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial asset, or both.

Purchases or sales of financial assets that required delivery of assets within a time frame established by regulation or convention in the market place are recognised on the trade date.

Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost
- Financial assets at fair value through OCI ["FVOCI"] with recycling of cumulative gain and losses [debt instrument]
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition [equity instrument]
- Financial assets at fair value through profit or loss ["FVTPL"]

Financial assets at amortized cost

The Joint Venture has classified cash and accounts receivable at amortized cost.

The Joint Venture measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and,
- The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount owing.

CMI Terminal Joint Venture

Notes to financial statements

December 31, 2021 and 2020

3. Summary of significant accounting policies [continued]

Financial assets [continued]

Financial assets at amortized cost are subsequently measured using the effective interest ["EIR"] method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

Financial assets at fair value through OCI [debt instrument]

The Joint Venture has not classified any financial asset as fair value through OCI [debt instrument].

The Joint Venture measures financial assets at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling and,
- The contractual term of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount owing.

For financial assets at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the statement of profit or loss and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI, upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit of loss.

Financial assets at fair value through OCI [equity instrument]

The Joint Venture has not classified any financial asset as fair value through OCI [equity instrument].

Upon initial recognition, the Joint Venture can elect to classify irrevocably its equity investment as equity investments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the statement of profit or loss when the right of payment has been established, except when the Joint Venture benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial assets at fair value through profit or loss

The Joint Venture has not classified any financial assets at fair value through profit or loss.

Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at FVTPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not SPPI are classified and measured at FVTPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through OCI, as described above, debt instruments may be designated at FVTPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss.

CMI Terminal Joint Venture

Notes to financial statements

December 31, 2021 and 2020

3. Summary of significant accounting policies [continued]

Financial assets [continued]

This category includes equity investments which the Joint Venture has not irrevocably elected to classify at fair value through OCI. Dividends on equity instruments are recognized as other income in the statement of profit and loss when the right of payment has been established.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Joint Venture's financial liabilities include accounts payable and accrued liabilities and due to related parties.

Subsequent measurement

The measurement of financial liabilities depends on their classification as described below:

Financial liabilities at fair value through profit or loss

The Joint Venture has not designated any financial liabilities at fair value through profit or loss.

Financial liabilities measured at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognized in the statement of profit or loss. Financial liabilities designated upon initial recognition at FVTPL are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied.

Loans and borrowings

The Joint Venture has designated accounts payable and accrued liabilities and due to related parties as loans and borrowings.

After initial recognition, loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

CMI Terminal Joint Venture

Notes to financial statements

December 31, 2021 and 2020

3. Summary of significant accounting policies [continued]

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 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. 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.

[b] Accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance ELCs 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. The Joint Venture uses a provision matrix to calculate ECLs for accounts receivable. The provision rates are based on days past due for groups of various customer segments that have similar loss patterns. The provision matrix is initially based on the Joint Venture's historical observed default rates. The Joint Venture will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

[c] Provisions for future expenditures are recognized as accounts payable and accrued liabilities when the Joint Venture has a legal or constructive obligation as a result of past events, it is more likely than not that an outflow of economic resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

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 IASB has issued new and amended IFRS standards under Part I of the CPA Handbook, which are not yet effective for the Joint Venture. The Joint Venture has not yet applied the new standards, interpretations and amendments to standards that have been issued as at December 31, 2021 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. None of the new or amended standards are expected to have a material impact on the Joint Venture.

CMI Terminal Joint Venture

Notes to financial statements

December 31, 2021 and 2020

4. Cash

	2021 \$	2020 \$
Cash held in bank accounts	114,467	667,196
Cash held in business investment account	1,765,586	712,378
	1,880,053	1,379,574

Cash held in the Scotiabank business investment account bears interest at Scotia's treasury rate of 0.45% [2020 - 0.10%].

5. Accounts receivable

	2021 \$	2020 \$
Viterra Inc.	267,118	404,565
Goods and Services Tax receivable	1,811	35,951
Accruals	594	1,420
	269,523	441,936

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

6. Property, plant and equipment

Cost

	Balance at December 31, 2019 \$	Additions \$	Balance at December 31, 2020 \$	Net additions and disposals \$	Balance at December 31, 2021 \$
Buildings	11,476,492	-	11,476,492	-	11,476,492
Computer equipment	174,302	-	174,302	-	174,302
Equipment	3,252,470	(21,513)	3,230,957	37,240	3,268,197
Rail siding	337,381	-	337,381	-	337,381
Vehicles	12,026	(4,500)	7,526	-	7,526
Land	101,293	-	101,293	-	101,293
	15,353,964	(26,013)	15,327,951	37,240	15,365,191

CMI Terminal Joint Venture

Notes to financial statements

December 31, 2021 and 2020

6. Property, plant and equipment [continued]

Accumulated depreciation

	Balance at December 31, 2019	Depreciation	Balance at December 31, 2020	Depreciation and disposals	Balance at December 31, 2021
	\$	\$	\$	\$	\$
Buildings	6,246,542	260,385	6,506,927	260,305	6,767,232
Computer equipment	150,370	5,318	155,688	5,318	161,006
Equipment	2,733,806	15,103	2,748,909	56,972	2,805,881
Rail siding	79,427	8,435	87,862	8,435	96,297
Vehicles	7,263	(1,870)	5,393	1,505	6,898
	<u>9,217,408</u>	<u>287,371</u>	<u>9,504,779</u>	<u>332,535</u>	<u>9,837,314</u>

Net book value

	2021	2020
	\$	\$
Buildings	4,709,260	4,969,565
Computer equipment	13,296	18,614
Equipment	462,316	482,048
Rail siding	241,084	249,519
Vehicles	628	2,133
Land	101,293	101,293
	<u>5,527,877</u>	<u>5,823,172</u>

7. Leases

The Joint Venture has certain leases of office equipment with lease terms of 12 months or less or that are low value. The Joint Venture applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

The following amounts have been recognized in profit or loss:

	2021	2020
	\$	\$
Expense relating to short-term and low-value leases	12,031	45,050

As of December 31, 2021, the Joint Venture had no lease commitments requiring recognition under IFRS 16.

CMI Terminal Joint Venture

Notes to financial statements

December 31, 2021 and 2020

8. 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 \$4,313,753 [2020 - \$4,304,479] and cost of sales in the amount of \$107,854 [2020 - \$132,934] which were made with Viterra Inc. Of the total sales and purchases from Viterra Inc., \$267,118 [2020 - \$404,565] 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, 2021, payroll expenses attributable to the grain handling operations totaling \$1,237,364 [2020 - \$1,376,800] and other operating expenses totaling \$39,270 [2020 - \$49,106] were paid by CMI Terminal Ltd. and reimbursed by the Joint Venture.

During the year ended December 31, 2021, other operating and administrative expenses totaling \$11,943 [2020 - \$6,779] were paid by the Joint Venture and reimbursed by CMI Terminal Ltd.

During the year ended December 31, 2021, other operating and administrative expenses totaling \$7,610 [2020 - \$9,524] 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:

	2021	2020
	\$	\$
Amount due to CMI Terminal Ltd.	<u>(62,602)</u>	<u>(100,340)</u>

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, 2021 to key management personnel totals \$429,805 [2020 - \$462,494].

Other transactions with directors

During the year ended December 31, 2021, the Joint Venture purchased grain from the directors or corporations controlled by directors, which resulted in revenue of \$128,129 [2020 - \$83,982] 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 [2020 - \$nil].

CMI Terminal Joint Venture

Notes to financial statements

December 31, 2021 and 2020

9. Commitments and contingencies

At year-end, the Joint Venture held 10,271 [2020 - 17,642] tonnes of grain with a market value of \$3,474,186 [2020 - \$3,734,616] on behalf of Viterro Inc. and area producers. The Joint Venture is contingently liable for the value of this grain if losses in quality or quantity occur.

10. Economic dependence

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

11. Canada emergency wage subsidy

In response to the negative economic impact of COVID-19, various government programs have been announced to provide financial relief to affected businesses. The Joint Venture determined that it qualified for the Canada Emergency Wage Subsidy ["CEWS"] program which provided government assistance in the form of a wage subsidy for qualifying businesses that have experienced specific levels of revenue decline designed to keep Canadians employed.

During the year ended December 31, 2021, the Joint Venture recognized \$151,844 [2020 - \$108,293] under this program which has been recorded as a deduction to wages and benefits expense in the statements of comprehensive income.

12. 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 the financial statements in assessing the extent of risk related to financial instruments.

Risk management policy

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

Financial instruments carrying values and fair values

The carrying amounts of cash, accounts receivables, accounts payable and accrued liabilities and due to related parties 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 Joint Venture may incur in actual market transactions.

CMI Terminal Joint Venture

Notes to financial statements

December 31, 2021 and 2020

12. Financial instruments [continued]

	2021 Fair value \$	2020 Fair value \$
Financial assets		
Cash	1,880,053	1,379,574
Accounts receivable	269,523	441,936
Financial liabilities		
Accounts payable and accrued liabilities	47,223	65,344
Due to related parties	62,602	100,340
	2021 Carrying value \$	2020 Carrying value \$
Financial assets		
Cash	1,880,053	1,379,574
Accounts receivable	269,523	441,936
Financial liabilities		
Accounts payable and accrued liabilities	47,223	65,344
Due to related parties	62,602	100,340

Foreign exchange risk

Foreign exchange risk is the risk that the value of the Canadian dollar will change 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.

Credit risk

The Joint Venture does have credit risk in accounts receivable of \$269,523 [2020 - \$441,936]. 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. 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. In the opinion of management, the credit risk exposure to the Joint Venture is low and is not material.

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, 2021, represents 99% [December 31, 2020 - 92%] of total accounts receivable.

Liquidity risk

The Joint Venture does have a liquidity risk in the accounts payable and accrued liabilities of \$47,223 [2020 - \$65,344]. 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.

CMI Terminal Joint Venture

Notes to financial statements

December 31, 2021 and 2020

12. Financial instruments [continued]

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 fair value risk with respect to its interest-bearing cash account. A 1.00% change in interest rates related to the Joint Venture's business investment account would impact the Joint Venture's net and comprehensive income by \$17,656 [2020 - \$7,124].

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 Joint Venture's control, such as supply and demand fundamentals, as well as, the weather. A substantial change in prices may affect the Joint Venture's comprehensive income and operating cash flows, if not properly managed.

The Joint Venture 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 Joint Venture holds grain 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.

13. 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 the Venturers, make cash calls, or sell assets to reduce debt.

The Joint Venture manages the following as capital:

	2021	2020
	\$	\$
Venturers' capital	<u>7,434,164</u>	<u>7,553,880</u>

CMI Terminal Joint Venture

Notes to financial statements

December 31, 2021 and 2020

14. Other uncertainties

The outbreak of the Coronavirus disease ["COVID-19"] has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. The duration and impact of the COVID-19 outbreak is not known at this time, nor is the efficacy of the government and central bank monetary and fiscal interventions designed to stabilize economic conditions. As a result, it is not possible to reliably estimate the length and severity of these developments or the impact on the financial position and financial results of the Joint Venture in future periods.