CMI TERMINAL

25th Annual Report 2023

Annual Meeting of Shareholders

Thursday April 18, 2024 - 5:00 PM
Naicam Town Hall - Naicam, SK
Supper - 5:30 PM

Please RSVP by 4:00 PM
On April 10, 2024

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

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

2024 AGM marks the 25th year for CMI Terminal Ltd. and with that another successful year for both CMI JV and CMI Ag Ltd. Things have certainly changed since the process of raising capital to build a terminal was started in 1998. CMI JV was able to achieve many of its original goals by establishing a terminal in the Spalding/Naicam area and keeping the branch CP Line active. This line has proved to be more than just an asset to move grain, it is actively used by CMI Ag Ltd. to have fertilizer delivered via railcar, thus reducing truck traffic on the highways and offer a more competitive freight rate on delivery.

CMI JV has had one of the best shipping years despite the issues it faced in 2023. The growing year provided a solid average crop in the area, however, harvest weather resulted in a significant portion of malt barley to be down graded to feed. Malt Barley is a staple commodity in CMI JV's handle, so plans had to be made and executed on to make up for this loss. The staff turned their focus to wheat and did a great job of being able to capture a significant portion of the wheat market in CMI JV's trading area. Canola forms nearly 50% of the acres in the growing area and therefore a significant portion of the shipping as well. However, the inability of the merchants to compete on the world stage, there has been very little export of canola, thereby resulting in a smaller canola handle. Despite all this the terminal still managed to load and ship in excess of 230K MT in 2023. Kudos to the staff of CMI JV in performing at high standard to achieve this success.

CMI Ag Ltd. had the best financial year since its inception as a standalone ag input facility. Dealing with the changes in consumer demands for products has been the focus of the staff, making sure that they handle the products customers are demanding. Introduction of new and innovative products such as the Croplan canola seed line and various fertilizer stabilizers have met the needs of local producers. Aggressive purchasing and use of rail for fertilizer delivery is making sure that CMI Ag has the products customers want and at a price that is competitive in a highly competitive marketplace. Good work to the team on achieving many sales targets this past year.

The ag industry has seen numerous changes over the past 25 years with many consolidations of entities and the introduction of new entrants as well. Certainly, CMI has been apart of these changes with three different venture partners over the years and with the announcement of a potential merger of Bunge and Viterra there may be another. A merger of this magnitude certainly takes a lot of background work to occur before an announcement is even made and then to finalize it. The announcement was made in early 2023 and indications now point to a potential start date in Q4 of 2024. CMI JV is anticipating this merger to be very beneficial to the terminal with the ability to source canola for the crushers that Bunge has across Western Canada.

The board has continued to focus on generating shareholder value by enhancing the business and pushing the staff to achieve their very best. Increased shipping of commodities and record sales of crop inputs by CMI Ag Ltd. have resulted in another profitable year for the shareholders of CMI Ltd. A dividend was declared and paid in 2023 of $35/share, the highest dividend since inception and bringing the total paid on an original $100 share investment to $292.75.

As always, the board welcomes any suggestions any shareholder might have with regards to the business and how we might enhance value for the shareholders. The board will ensure that it gets discussed and if any action is needed will be undertaken. I would like to thank the shareholders and the board who have entrusted me as their chairman and look forward to another successful year with CMI.

Lance Stockbrugger
Chairman

CHIEF EXECUTIVE OFFICER'S ADDRESS

To the Shareholders of CMI Terminal Ltd.,

2023 has been a successful year for CMI AG and CMI Terminal JV. CMI JV recorded a comprehensive income of $1,489,465, from the shipping of 230,000 mt. During 2023 G3 opened its doors within our draw area, which has resulted in a more competitive atmosphere especially in our north draw. Even with the increased competition CMI JV was able to ship 230,000 tonnes, which exceeded our 5-year average by 28,253 mt. CMI JV ended the year with a market share of 25% of our defined market draw. The expectation in the draw area was that G3 would be the price leader, however, CMI JV for the most part was able to compete with a combination of Viterra marketing programs and CMI premiums. In fact, CMI JV was able to record a record handle in the wheat account ending the year with 122,831 mt, exceeding our 5-year average by 64,796 mt. CMI JV exceeded all its 5-year averages with the exception of our barley account. This was affected by lower seeded acres and quality issues which hampered shipping and sales as the industry struggled to find sales for the lower quality.

CMI JV was able to distribute a total of $2,050,000 in retained earnings, $1,025,000 per venture holder. CMI JV at the end of the year retained a strong balance sheet and carries no long-term debt. Current assets at year end were recorded at $2,021,506.

CMI AG has also recorded a very successful year, ending the year with a net operating profit of $337,799. CMI AG's fertilizer business continues to grow, with this year recording a total sales volume of 25,984 mt which is a record and exceeds our best year by 6,878 mt. CMI AG's chemical and seed business remained relatively unchanged from previous years, however, our ag protection business was able to record steady margin growth with an increase of 6% over a 4 year average. Canola seed margins and sales volumes remained flat when compared to a 4 year average. CMI AG currently carries a small term loan balance of $239,128.

I would like to thank our staff, who continue to contribute to the success of the organization. Thanks to our strong focus on internal training CMI was able to make substantial changes within our organization to reorganize and fill vacant positions with the exit of our two senior sales positions. Darren Flaata moved into senior sales, and Andrew Kolbeck moved from manager of grain operations to grain sales. Matt Nystuen moved from assistant operations manager to manager, and Brandon Sloan moved to assistant operations manager. On the AG side of the business Kristen Lissel moved from sales to assistant business manager, and we hired Dwight Goddard as a new sales associate.

I would also like to thank all of our customers who have continued to support CMI over the past years and we look forward to earning your support in the future. Hopefully 2024 will bring continued prosperity to your farms.

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 Fouhse

Secretary

2007 to present

Chad Ferguson

Director

2019 to present

Mark Silzer

Director

2017 to present

CMI TERMINAL

BOARD OF DIRECTORS NOMINEES

Lance Stockbrugger, CPA, CA

I own and operate LD Stockbrugger Farms near Englefeld, SK. In addition, I am a CPA, CA in good standing with the Chartered Professional Accountants of Saskatchewan for the past 26 years. I have been on the CMI Board since 2012 and elected as Chairman by the board in 2018. I was a director and Vice-chair on the Canaryseed Development Commission of Saskatchewan for 8 years.

My experiences both as a business owner and as a Chartered Professional Accountant brings a well-rounded experience when dealing with board issues. I have a strong financial knowledge with regards to financial statements, annual audits and income taxes which proves to be an asset to the board and company.

Fred Draude

Mr. Fred Draude has an extensive farming background. He was also involved in the Insurance & Real Estate industry for years with Rumberger Agencies. He was very involved in Minor Hockey, The Fire Dept, On the Town Council and treasurer for the Lions Club for years.

Fred was involved with the terminal since the idea was conceived in December 1997. He was instrumental in dealing with grain companies and CPR, was on the sales team that sold 2.1 million dollars of shares. Fred was the President and chairman of CMI Ltd. and has served on the management committee for years.

Fred and his wife Lorna have two children, Michelle and Mitchell and 7 grandchildren.

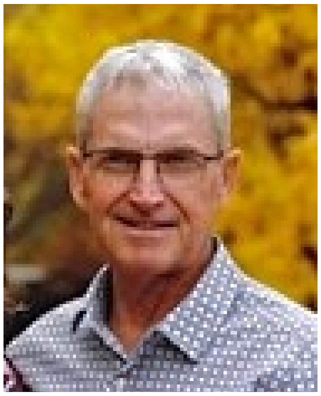
“I want to stay involved to help ensure the profitability of the company and return dividends when ever possible to the shareholders, I have always had the best interests of the shareholders in mind,” states Fred “We have a good group of employees that makes our job easier."

Tom Borstmayer

Tom Borstmayer was born and raised on the family farm west of Naicam, third generation owner/operator. His degree in Agricultural Engineering, led him to a position in Research and Development at Bourgault Industries, a stepping stone to becoming Territory Rep for Bourgault Australia for eight years. Tom came back to take over operations of the family farm and be closer to family in 2003.

Tom has been a member of the CMI Board of Directors since 2010, passing along knowledge and experience, advocating for the farming community when he can and supporting the wellbeing and advancement of the CMI entity.

BOARD OF DIRECTORS NOMINEES



Ron Loyns

My name is Ron Loyns and I have lived in the Naicam area most of my life. My wife Colette and I farmed in the Lac Vert/Naicam area from 1986 until 2010. From 2011 - 2015 I worked as the farm manager for a large farm corporation located in the Archerwill, Wadena and Canora areas. I presently work for Curtis Construction Ltd. as the foreman for the Alberta Ag Plastic Recycling Operation.

As one of the original CMI Ltd. members, sales committee member and a shareholder I'm very proud of our accomplishments and think that CMI Terminal has lived up to all that was expected.

I appreciate the staff and management of CMI JV for their hard work and dedication over the years.

I'm happy with how things have been operated over the years. The board of directors has maintained a profitable business and has consistently paid out a dividend.

However, a significant number of shareholders no longer farm, are retired, or are close to retirement. CMI Ltd. shares do not trade in any significant volume which makes share liquidity difficult.

I'm seeking a position on the board of directors of CMI Ltd. and I feel that I could contribute in a positive way by working with the other board members, keeping CMI Ltd. running smoothly, profitably, and also trying to find some solutions to share liquidity and appreciation in share value.

I very much appreciate your support and if elected look forward to working with the other board members to keep CMI Ltd. strong and profitable.

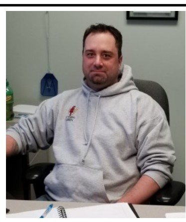
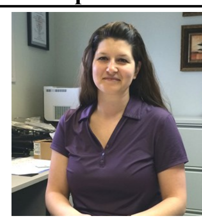
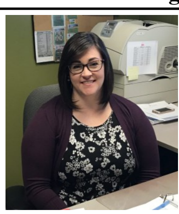
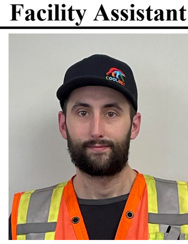
Thank you.

Dean Crozon

I've lived in the Naicam district almost my entire life. I attended school in Naicam and after graduating in 1976 I enrolled in the Diploma in Agriculture program at the University of Saskatchewan, graduating in 1979. I began farming in 1976, growing pedigreed seed and operating a cleaning plant, and ended that career in 2006. During that time I married Valerie Shields, had a family of two daughters and one son, served as a councillor for the RM of Lake Lenore, member of the Spalding Union Hospital Board, Naicam Arena Committee and CMI Terminal sales and construction committees. In 2005, we moved to Pennsylvania, operating a bird seed and pet food business. We returned home in 2008, and operated a trucking company, running Canada and USA routes. In 2012 we purchased a mobile grain cleaner and added a second unit in 2019.

As one of the founding members of the terminal, I'm proud of the results we have obtained. I am running for a position on the board of CMI Terminal with these objectives: to maintain and improve on the profitability of the terminal, to begin a process to determine fair market value for our shares, and address the lack of liquidity of those shares.

OUR STAFF

 Andrew Kolbeck Chief Executive Officer & President	 Jackie Buhs Controller & Corporate Secretary	 Jesse Wasmuth Chief Financial Officer	 Troy Leicht Branch Manager
 Darren Flaata Grain Marketing Manager	 Matthew Nystuen Operations Manager	 Brandon Sloan Assistant Operations Manager	 Kristen Lissel Assistant Agribusiness Manager
 Andrew Kolbeck Jr. Grain Marketing	 Dwight Goddard Ag Sales Representative	 Rachelle Anholt Agribusiness Administrator	 Amber Prevost Accounting Administrator
 Jodie Draude Payroll Administrator/ Human Resources	 Stephanie Andersen Receptionist	 Jesse Talloden NH3 Coordinator	 Justin Ulrich Facility Assistant
 Curtis Strome Facility Assistant	 Brennen Rausch Facility Assistant	 Soren Seykora Facility Assistant	 Kyle Biehn Facility Assistant
 Landon Woolsey Facility Assistant	 John Mercer Facility Assistant	 Ashten Wright Student Facility Assistant	CMI TERMINAL

SCHOLARSHIPS

Meikka Ehlert of Watson School and John Cross of Naicam School were the deserving recipients of $2,000.00 each to continue their education.

Meikka will be attending the University of Saskatchewan to further her studies in Crop Science. John will also be attending the University of Saskatchewan to pursue his studies in Computer Science.

CMI Terminal Ltd. wishes both Meikka & John much success in their future endeavors.

COMMUNITY INVOLVEMENT

Farming With Friends
Horizon School Division
Lake Lenore Fishing Derby
Lake Lenore School of Dance
Leroy Curling Club
Leroy Mixed Golf Night
Melfort RCMP Golf Tournament
Melfort Storm Volleyball
Naicam & District Community Council
Naicam Farmers Bonspiel
Naicam Golf Course
Naicam Legion
Naicam Minor Sports
Naicam Playground
Naicam/Spalding Growers Project
Naiverdale Fishing Derby
Nirvana Assisted Living
Northeast U13 AA Wolfpack
Northeast U15 AA Wolfpack
Northern Sask Predators Lacrosse
Reynauld Rapp Museum
Rose Valley School
Saskatchewan Lacrosse Assoc.
Spalding New Horizons Club
Spalding School of Dance
St. Front Poker Rally
Watson & District Arena
Watson Fire Dept. Pink Ball Tournament
Watson Regional Daycare
Watson School

CMI Terminal Ltd. December 31, 2023
Annual Management Discussion and Analysis

Dated: March 12, 2024

Management prepared the following Management Discussion and Analysis **("MD&A")** as of March 12, 2024, 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 211,443 tonnes of grain for the year ended December 31, 2023, compared to 155,467 tonnes of grain in 2022.

CMI JV Assets and Liabilities

	December 31, 2023	**December 31, 2022**
Current Assets	$2,021,506	$2,504,653
Non-Current Assets	$5,133,376	$5,393,785
Current Liabilities	$130,594	$313,616

CMI JV's Statements of Comprehensive Income

	For the Year Ended December 31, 2023	**For the Year Ended December 31, 2022**
Sales	$4,519,492	$3,169,031
Cost of Sales	$318,935	$168,526
Gross Profit	$4,200,557	$3,000,505
Other Income	$64,759	$47,789
Subtotal	**$4,265,316**	**$3,048,294**
Operating and Administrative Expenses	$2,430,445	$1,958,850
Depreciation	$345,405	$338,786
Total Comprehensive Income	**$1,489,466**	**$750,658**

1.1 Grain Handling Joint Venture Analysis

Current assets were $2,021,506 on December 31, 2023, compared to the $2,504,653 at the end of the prior year. The $483,147 decrease can be attributed to a smaller receivable balance from Viterra. The non-current asset year-over-year difference of $260,409 is primarily due to a reduction in net PP&E assets. The current liabilities figure of $130,594 represents a drop of $183,022 from the year before, with the dip in deferred revenue responsible. The Joint Venture's total revenue from grain handling for the year ended December 31, 2023, was $4,519,492, an increase of $1,350,461 compared to the prior year at $3,169,031. The revenue per tonne was $21.37 for the year ended December 31, 2023, compared to $20.38 for the preceding year.

CMI JV ended the year with unloads of 220,825 tonnes, 78,015 higher than in 2022. The increase was due to a recovery in production following the drought of 2021. The Joint Venture predominantly handles wheat, barley, oats, and canola, with the balance comprised of peas and screenings. Wheat unloads rose significantly, with 2023's total of 114,322 tonnes 48,060 higher than in 2022. Seeded acres of wheat increased drastically year-over-year, as did yield; CMI JV also focused on increasing its wheat market share to offset lower anticipated canola volumes. Canola unloads, however, ended the year at 41,644 tonnes, 28,585 higher than the year before. Increased production and market access allowed for more competitive pricing and shipping opportunities. Oats unloads tallied 17,325, 8,314 tonnes higher than the previous year. Oats production returned to traditional levels in the past year. Total barley unloads reached 45,357, 7,501 tonnes less than year ended December 31, 2022. Producers switched production to wheat in 2023, and mediocre quality delayed or eliminated shipping opportunities, requiring the company to adjust its shipping program to match the quality of the crop. Screenings unloads, meanwhile, increased by 161 tonnes as wheat cleaning generated additional screenings.

Total operating and administrative expenses rose by $471,595 in 2023. As yield quantity and quality returned to levels approximating normal for the region, several employees returned from the temporary layoff initiated in 2022 to assist in handling the crop, contributing to the rise in wages and benefits payments year-over-year. The increased handlings drove utility costs higher, while repairs and maintenance expenses went in the same direction, with the Joint Venture expending $258,190 on capital maintenance compared to $147,045 in the prior year. CMI JV's insurance costs also went up by $51,182 in 2023, a trend witnessed over the last few years. Finally, depreciation was slightly higher in 2023 than in 2022, as the Joint Venture added $84,838 in new capital assets.

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 *Selected Consolidated Financial Information*	**For the Year Ended December 31, 2023**	**For the Year Ended December 31, 2022**
Sales	$26,083,010	$27,920,435
Cost of Sales	$21,349,102	$23,852,929
Gross Profit	$4,733,908	$4,067,506
Other Income	$86,084	$434,865
Operating and Administrative Expenses	$3,432,973	$2,939,404
Social Engineering Loss [3]	-	$509,458
EBITDA	**$1,387,019**	**$1,053,509**
Term Loan Interest	$2,412	$5,693
Depreciation	$376,600	$382,222
Income taxes		
Current	$169,270	$70,267
Deferred	$10,923	$49,058
Total Comprehensive Income	**$827,814**	**$546,269**
Basic and Diluted Total Comprehensive Income Per Share	**$40.88**[1]	**$26.61**[2]
Total Assets	$11,634,625	$12,876,627
Total Liabilities	$4,018,706	$5,345,484

[1] 2023 Earnings per Share is a weighted average of 20,268 shares through October 31, 2023, and then 20,168 to December 31, 2023. This result is due to the Company's 2023 share redemption, further explained in Section 2.4.

[2] 2022 Earnings per Share is a weighted average of 20,578 shares through October 31, 2022, and then 20,268 to December 31, 2022. This result is due to the Company's 2022 share redemption, further explained in Section 2.4.

[3] The Social Engineering Loss is explained in Section 7 below.

The Company's total revenue from sales and services for the year ended December 31, 2023, was $26,083,010 compared to $27,920,435 for the year ended December 31, 2022, a decrease of $1,837,425.

CMI Ag ended the year with $23,809,277 in sales, $2,520,152 less than in 2022. The main contributor was a fertilizer price correction from 2022's highs, as supplies increased with the challenges of COVID-19 waning over the past year. Gross profit, however, was still $58,880 higher than in 2022. Net profit was $51,457 higher when compared to 2022, despite repairs and maintenance expenses growing by $77,162. CMI Ag generates revenue from the sale of crop nutrients, crop protection products, and canola seed. Sales of fertilizer including NH3 of 25,984 tonnes were reached in 2023, 6,878 higher than in 2022 and 2,588 mt better than CMI Ag's previous record. Chemical sales ended the year at $3,224,159, $603,850 lower when compared to 2022; sales were lower as the market reset from its highs of 2022. Canola seed sales ended the year down from 2022 by $199,003; product line volumes remain flat as CMI continues to look for growth opportunities.

Total operating and administrative expenses for the year ended December 31, 2023, were $3,432,973 compared to $2,939,404 for the year ended December 31, 2022. The difference in operating and administrative expenses was $493,569. CMI spent an additional $132,734 on capital maintenance year-over-year, paid $120,753 in professional fees compared to $55,091 in 2022, and recognized an inventory impairment loss of $49,281 as part of its standard practice of recognizing and recording the value of obsolete inventory. Depreciation decreased by $5,622 compared to the prior year, despite CMI JV's depreciation expense having grown by $6,619, or $3,310 given the Company's 50% share. The value of assets that became fully amortized in 2023 outweighed the $182,507 in capital additions made by CMI in 2023, contributing to the decline in depreciation. CMI Ag made the bulk of the acquisitions of new assets.

2.2 Interest Expense

	For the Year Ended December 31, 2023	**For the Year Ended December 31, 2022**
Term Loan Interest	$2,412	$5,693

Interest for the year ended December 31, 2023, was $3,281 lower than the previous year. Loans outstanding on December 31, 2023, totaled $239,128 compared to $319,203 at the end of fiscal 2022. The Company does not anticipate further borrowing in 2024.

2.3 Total Comprehensive Income for the year

Total comprehensive income was $827,814 for the year ended December 31, 2023, or $40.88 per share (see the note at the bottom of the table in Section 2.1), compared to $546,269 or $26.61 per share for 2022.

2.4 Summary of Semi-Annual Financial Information

CMI *Selected Consolidated Semi-Annual Financial Information*	**December 31, 2023**	**June 30, 2023**	**December 31, 2022**	**June 30, 2022**
(Unaudited)	(6 months)	(6 months)	(6 months)	(6 months)
Sales	$9,598,782	$16,484,228	$11,994,426	$15,926,009
Total Comprehensive Income	**$400,348**	**$427,466**	**$350,460**	**$195,809**
Basic and Diluted Total Comprehensive Income Per Share	**$19.79**[(1)]	**$21.09**	**$17.12**	**$9.52**

[(1)] During the year ended December 31, 2023, the Company completed purchasing and cancelling 100 Class A shares for $371.58 per share as part of CMI's share redemption protocol (as contained in CMI's Articles). Accordingly, the total comprehensive income per share figures have been calculated using the weighted average number of common shares outstanding for the periods shown in the table. The average number of shares outstanding for the entire year ended December 31, 2023, was 20,251, which produces a result of $40.88 per share, the same as the sum of the figures for the two six-month periods falling in 2023 despite 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 most 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 $7,139,362 as of December 31, 2023, compared to $8,251,563 as of December 31, 2022, a decrease of $1,112,201. CMI's cash balance was lower at the end of 2023 than the previous year. The Company is expected to make tax payments in respect of the current year over and above the instalments already paid and is therefore not carrying an income taxes receivable balance. Finally, payments to suppliers intended to capture supplier incentives, including purchase discounts, were also down from the prior year, while the amount receivable from CMI JV declined slightly compared to 2022.

Total current liabilities were $3,728,702 as of December 31, 2023, compared to $5,031,669 on December 31, 2022, a decrease of $1,302,967. CMI Ag was not making use of its line of credit at the end of the year, as it chose not to engage in an aggressive prepurchase campaign leading up to the year-end. Customer deposits fell in tandem with these reduced prepurchases; on December 31, 2023, the Company held $1,464,844 in prepayments from customers, as compared to $2,643,708 from the previous year. Total deferred revenue of $2,715,943 on December 31, 2022, included $72,235 in deferred grain handling revenue. The Company is also expecting to pay a further $54,969 in income taxes for 2023. The Company's current liabilities balance also shrank as it continued to make its scheduled loan payments, with only $57,975 in principal payments due in 2024.

For the above reasons, working capital was $3,410,660 as of December 31, 2023, $190,766 higher than the $3,219,894 as of the end of 2022.

3.2 Cash Flow

Compared with the prior year, cash balances finished lower at the end of 2023. Fewer customer deposits were taken in at the end of 2023, and the Company repaid the $670,000 line of credit balance owing at the end of 2022. The Company also spent $182,507 to purchase property, plant, and equipment. Further, it paid a higher dividend than last year, distributing $705,880, or $35 per share, while continuing to buy and cancel shares under its redemption protocol, expending $37,158 as part of that effort.

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 Joint Venture, CMI, and CMI Ag entered into the SFA. 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 November 1, 2022, extending the current lease term to November 1, 2031. CMI Ag pays its proportionate share of the operating costs and taxes.

3.4 Capital Requirements & Management

CMI JV made capital additions totaling $84,838 for the year ended December 31, 2023 (with the Company's portion being 50%), consisting of remedial work undertaken on the Joint Venture's rail siding, and improvements made to elevator equipment, including hydraulic actuators and heating appliances. CMI Ag made capital additions of $139,887 for the year ended December 31, 2023 (with the Company's portion being 100%), consisting of two trucks and a new belt conveyor.

CMI engages in a capital maintenance program. In the 2023 fiscal period, CMI expended $426,315 for capital maintenance compared with $293,581 in the prior year. Capital maintenance expenditures for the year ended December 31, 2023, 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, 2023, the Company complied with all covenants. It was also onside with the borrowing conditions related to the CMI Ag line of credit.

3.5 Outstanding Share Data

The Company's authorized share capital comprises unlimited Class A common voting shares. As of December 31, 2023, 20,168 Class A common voting shares were issued. No shares were issued during the year, but the Company purchased and cancelled 100 Class A shares (.49% of total shares) through cash payment to shareholders of $371.58 per share totaling $37,158. As a result, the stated capital on the Class A shares was reduced by $2,372.

3.6 Share Dividend Record and Return of Capital (ROC)

Applicable Fiscal Year	Date Dividend/ROC Declared	Total Dividend/ROC	Dividend/ROC Per Share
2023	November 1, 2023	$705,880	$35.00 Eligible Dividend
2022	November 1, 2022	$506,700	$25.00 Eligible Dividend
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

Applicable Fiscal Year	Date Dividend/ROC Declared	Total Dividend/ROC	Dividend/ROC Per Share
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

[1]A 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, 2023, the Company approved an eligible dividend to the shareholders of $35.00 per share, totaling $705,880. CMI paid this dividend on December 15, 2023.

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 $737,057 (2022 - $782,416). 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 pecuniary 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, 2023, represents 14% (December 31, 2022 - 78%) of total accounts receivable.

5.3 Liquidity Risk

The Company does have a liquidity risk in accounts payable and accrued liabilities of $2,150,914 (2022 - $1,542,410) and term loans of $239,128 (2022 - $319,203). Liquidity risk is the risk that the Company cannot repay its obligations when they become due to its creditors. CMI 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 management's opinion, the liquidity risk exposure to CMI 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 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 the 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 operating line of credit. A 1.00% change in interest rates relating to the Company's operating line of credit would impact CMI's comprehensive income by approximately $3,350 (2022 - $5,560).

The Company is exposed to interest rate risks with respect to its fixed and variable rate term loans. A 1.00% increase in interest rates relating to the Company's term loans debt would reduce CMI's comprehensive income by $2,171 (2022 - $3,192).

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 CMI'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, CMI attempts to buy a portion of the product it expects to sell before 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 and the weather. A substantial price change may affect CMI's comprehensive income and operating cash flows if not responsibly managed.

CMI 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 for which they are contingently liable.

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

6. Related Party Transactions

During the year ended December 31, 2023, payroll expenses attributable to the grain handling operations totaling $1,326,679 (2022 - $1,126,170) and other operating expenses totaling $35,504 (2022 - $45,287) were paid by CMI Terminal Ltd. and reimbursed by the Joint Venture.

In 2023, the Joint Venture paid other operating and administrative expenses totaling $11,847 (2022 - $9,647) and was reimbursed by CMI Terminal Ltd.

In 2023, the Joint Venture paid other operating and administrative expenses totaling $18,007 (2022 - $7,588) and was reimbursed by CMI Ag Ltd.

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

	December 31, 2023	December 31, 2022
Due from CMI JV	$40,225	$46,884

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 approximating fair value as established and agreed upon by the related parties.

6.1 Key Management Personnel

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

6.2 Compensation of Directors and Key Management Personnel

The 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, 2023, to key management personnel totaled $526,192 (2022 – $593,735).

6.3 Other Transactions with Directors

During the year ended December 31, 2023, the Company made $345,269 (2022 - $409,313) in sales of crop inputs to directors or corporations controlled by directors.

During the year ended December 31, 2023, CMI purchased grain from the directors or corporations controlled by directors. Of the total revenue reported, $84,713 (2022 - $86,125) 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, 2023 (2022 - $nil).

7. Social Engineering Loss

During the prior year, the Company was subjected to a social engineering attack wherein funds were directed to fraudulent bank accounts. A total of $509,458 was lost due to the incident.

8. 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, 2023 is recorded, processed, summarized, and reported within the time years specified in the applicable Canadian Securities legislation.

9. 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 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, labour disruptions, dependence on key personnel, technological advances, credit and foreign exchange risk. These are not necessarily all the key 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 realized, that they will have the expected consequences for, 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.

10. Additional Information

The information contained in the Company's Information Circular dated March 12, 2024, is hereby incorporated by reference. This Management Discussion and Analysis Report and additional information related to CMI can be found at www.sedarplus.ca.

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, 2023.

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 considering 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 12, 2024.

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

CERTIFICATION OF ANNUAL FILINGS
VENTURE ISSUER BASIC CERTIFICATE

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

1. ***Review****:* I have reviewed the annual financial statements and annual MD&A, including for greater certainty all documents and information that are incorporated by reference therein (together, referred to herein as the "annual filings") of the Issuer for the financial year ended December 31, 2023.

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 considering 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 12, 2024

"signed by Jesse Wasmuth"
Jesse Wasmuth
Chief Financial Officer

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

CMI Terminal Ltd.

Consolidated financial statements
December 31, 2023 and 2022

Independent auditor's report

To the Shareholders of
CMI Terminal Ltd.

Opinion

We have audited the consolidated financial statements of **CMI Terminal Ltd.** [the "Company"] and its subsidiaries [collectively, the "Company"], which comprise the consolidated statements of financial position as at December 31, 2023 and 2022, and the consolidated statements of changes in equity, consolidated statements of comprehensive income and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2023 and 2022, and its consolidated financial performance and consolidated 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 consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 consolidated 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 consolidated 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.

Ernst & Young LLP

Chartered Professional Accountants

Saskatoon, Canada
March 12, 2024

CMI Terminal Ltd.

Consolidated statements of financial position

As at December 31

	2023 $	2022 $
Assets		
Current		
Cash *[note 4]*	**2,575,183**	3,397,730
Accounts receivable *[note 5]*	**737,057**	782,416
Inventory *[note 6]*	**3,734,531**	3,718,473
Deposits	**52,366**	76,133
Income taxes receivable	**-**	229,927
Due from related party *[note 14]*	**40,225**	46,884
Total current assets	**7,139,362**	8,251,563
Investments	**467,257**	401,677
Property, plant and equipment *[note 7]*	**4,028,006**	4,223,387
	11,634,625	12,876,627
Liabilities and shareholders' equity		
Current		
Bank indebtedness *[note 9]*	**-**	670,000
Accounts payable and accrued liabilities	**2,150,914**	1,542,410
Income taxes payable	**54,969**	-
Deferred revenue	**1,464,844**	2,715,943
Current portion of term loans *[note 10]*	**57,975**	80,075
Callable portion of term loans *[note 10]*	**-**	23,241
Total current liabilities	**3,728,702**	5,031,669
Term loans *[note 10]*	**181,153**	215,887
Deferred income taxes *[note 13]*	**108,851**	97,928
Total liabilities	**4,018,706**	5,345,484
Commitments and contingencies *[note 17]*		
Shareholders' equity		
Share capital *[note 11]*	**478,411**	480,783
Retained earnings	**7,137,508**	7,050,360
Total shareholders' equity	**7,615,919**	7,531,143
	11,634,625	12,876,627

See accompanying notes

On behalf of the Board:

(Lance Stockbrugger) Director (Mark Fouhse) Director

CMI Terminal Ltd.

Consolidated statements of changes in equity

Years ended December 31

	Share capital $	Retained earnings $	Total equity $
Balance, December 31, 2021	488,136	7,118,023	**7,606,159**
Net income and comprehensive income for the year	-	546,269	**546,269**
Share cancellation *[note 11]*	(7,353)	(107,232)	**(114,585)**
Dividends	-	(506,700)	**(506,700)**
Balance, December 31, 2022	480,783	7,050,360	**7,531,143**
Net income and comprehensive income for the year	-	827,814	**827,814**
Share cancellation *[note 11]*	(2,372)	(34,786)	**(37,158)**
Dividends	-	(705,880)	**(705,880)**
Balance, December 31, 2023	**478,411**	**7,137,508**	**7,615,919**

See accompanying notes

CMI Terminal Ltd.

Consolidated statements of comprehensive income

Years ended December 31

	2023 $	2022 $
Sales *[notes 12 & 14]*	**26,083,010**	27,920,435
Cost of sales *[note 6]*	**21,349,102**	23,852,929
Gross profit	**4,733,908**	4,067,506
Expenses		
Depreciation *[note 7]*	**376,600**	382,222
Interest and bank charges	**113,258**	82,714
Office and administration *[note 14]*	**1,277,869**	1,030,484
Rent *[note 8]*	**24,267**	56,246
Repairs and maintenance	**426,315**	293,581
Wages and benefits *[note 14]*	**1,541,983**	1,476,379
	3,760,292	3,321,626
Income before interest, other income and income taxes	**973,616**	745,880
Other income (expenses)		
Interest on term loans	**(2,412)**	(5,693)
Inventory impairment loss	**(49,281)**	-
Other income	**86,084**	434,865
Social engineering loss *[note 18]*	**-**	(509,458)
	34,391	(80,286)
Income before income taxes	**1,008,007**	665,594
Income taxes *[note 13]*		
Current	**169,270**	70,267
Deferred	**10,923**	49,058
	180,193	119,325
Total comprehensive income for the years	**827,814**	546,269
Basic and diluted income per share	**40.88**	26.61
Average weighted number of common shares	**20,251**	20,526

See accompanying notes

CMI Terminal Ltd.

Consolidated statements of cash flows

Years ended December 31

	2023 $	2022 $
Operating activities		
Total comprehensive income for the years	**827,814**	546,269
Add (deduct) items not involving cash		
Depreciation	**376,600**	382,222
Deferred income taxes	**10,923**	49,058
Gain on sale of property, plant and equipment	**(1,313)**	(73,517)
Increase in investments	**(65,580)**	(132,112)
Net change in non-cash working capital balances		
Accounts receivable	**45,359**	(563,870)
Inventory	**(16,058)**	107,935
Deposits	**23,767**	1,724,248
Income taxes	**284,896**	(443,441)
Accounts payable and accrued liabilities	**608,504**	272,966
Deferred revenue	**(1,251,099)**	(1,277,908)
Cash provided by operating activities	**843,813**	591,850
Investing activities		
Purchase of property, plant and equipment	**(182,507)**	(731,051)
Proceeds on disposal of property, plant and equipment	**2,601**	88,400
Cash used in investing activities	**(179,906)**	(642,651)
Financing activities		
Decrease of bank indebtedness	**(670,000)**	228,000
Repayment of advances from related party	**6,659**	(15,583)
Repayment of term loans	**(80,075)**	(66,128)
Proceeds from issuance of term loans	**-**	235,321
Share cancellation	**(37,158)**	(114,585)
Dividends	**(705,880)**	(506,700)
Cash used in financing activities	**(1,486,454)**	(239,675)
Net decrease in cash during the year	**(822,547)**	(290,476)
Cash, beginning of years	**3,397,730**	3,688,206
Cash, end of years	**2,575,183**	3,397,730

Cash consists of:		
Cash	**1,753,051**	2,782,976
Cash [Joint Venture]	**822,132**	614,754
	2,575,183	3,397,730

Supplemental disclosure of cash flow information		
Interest paid	**115,670**	88,407
Income taxes paid	**74,030**	483,194

See accompanying notes

Notes to consolidated financial statements

December 31, 2023 and 2022

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 12, 2024.

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. Material accounting policy information

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.

Inventory

Inventories are valued at the lower of cost and net realizable value. Cost is determined using a first-in, first-out ["FIFO"] basis. 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 - 10 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.

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.

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.

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. This approximates the rates at which income tax differences are expected to be realized. 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% [2022 - 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.

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, bank indebtedness, accounts payable and accrued liabilities and term loans are classified as Level 1 instruments. Investments are classified as Level 3 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.

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 of loss.

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. Not withstanding 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.

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.

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.

Changes in Accounting Policies and Disclosures

New and amended standards and interpretations
The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after January 1, 2023. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The IASB has issued new and amended IFRS standards under Part I of the *CPA Canada Handbook- Accounting,* which are effective for the Company. The significant changes to the standards are as follows:

• Amendments to IAS 1: *Classification of Liabilities as Current or Non-current*: In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments had no impact on the Company's financial statements.

• Definition of Accounting Estimates - Amendments to IAS 8: In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period.

The amendments had no impact on the Company's financial statements.

• Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2: In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2, *Making Materiality Judgements,* in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose the 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have not had an impact on the Company's disclosures of accounting policies, measurement, recognition or presentation of any items in the Company's financial statements.

4. Cash

	2023	**2022**
	$	$
Cash held in bank accounts	**1,753,051**	2,782,976
Cash held in business investment account [Joint Venture]	**699,129**	628,833
Cash held in bank accounts [Joint Venture]	**123,003**	(14,079)
	2,575,183	3,397,730

Cash held in the Scotiabank business investment account bears interest at 2.80% [2022 - 2.55%]. Cash held in the Scotiabank business account bears interest at the Scotiabank treasury rate less 0.65%. As at December 31, 2023 the Scotiabank treasury rate was 4.50% [2022 - 4.50%].

December 31, 2023 and 2022

5. Accounts receivable

	2023 $	2022 $
Trade receivable	**462,273**	90,793
Supplier rebates	**167,028**	81,742
Viterra Inc.	**103,770**	608,145
Goods and Services Tax receivable	**3,986**	1,736
	737,057	782,416

All amounts are considered collectible and all balances are less than 60 days old.

6. Inventory

	2023 $	2022 $
Chemical	**1,566,076**	2,082,777
Fertilizer	**1,816,965**	1,280,534
NH3	**197,456**	342,721
Seed	**153,025**	11,372
Agriculture equipment	**1,009**	1,069
	3,734,531	3,718,473

The cost of inventories recognized as an expense and included in cost of sales amounted to $21,189,634 [2022 - $23,768,666].

7. Property, plant and equipment

Cost

	Balance at December 31, 2021 $	Net additions and disposals $	Balance at December 31, 2022 $	Net additions and disposals $	Balance at December 31, 2023 $
Buildings	5,738,246	-	5,738,246	7,000	**5,745,246**
Computer equipment	87,151	-	87,151	-	**87,151**
Crop protection equipment	1,649,331	295,774	1,945,105	(10,485)	**1,934,620**
Equipment	1,771,987	160,923	1,932,910	46,313	**1,979,223**
NH3 equipment	1,143,658	-	1,143,658	-	**1,143,658**
Rail siding	168,691	-	168,691	21,152	**189,843**
Vehicles	315,318	48,557	363,875	91,900	**455,775**
Land	83,845	-	83,845	-	**83,845**
	10,958,227	505,254	11,463,481	155,880	**11,619,361**

December 31, 2023 and 2022

Accumulated depreciation

	Balance at December 31, 2021	Depreciation and disposals	Balance at December 31, 2022	Depreciation and disposals	Balance at December 31, 2023
	$	$	$	$	$
Buildings	3,383,618	130,152	3,513,770	131,069	**3,644,839**
Computer equipment	80,503	2,659	83,162	2,659	**85,821**
Crop protection equipment	828,430	(103,785)	724,645	116,604	**841,249**
Equipment	1,486,508	51,113	1,537,621	34,950	**1,572,571**
NH3 equipment	958,214	70,747	1,028,961	29,119	**1,058,080**
Rail siding	48,146	4,218	52,364	4,262	**56,626**
Vehicles	283,367	16,204	299,571	32,598	**332,169**
	7,068,786	171,308	7,240,094	351,261	**7,591,355**

Net book value

	2023	2022
	$	$
Buildings	**2,100,407**	2,224,476
Computer equipment	**1,330**	3,989
Crop protection equipment	**1,093,371**	1,220,460
Equipment	**406,652**	395,289
NH3 equipment	**85,578**	114,697
Rail siding	**133,217**	116,327
Vehicles	**123,606**	64,304
Land	**83,845**	83,845
	4,028,006	4,223,387

8. Leases

The Company has certain leases of 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 following amounts have been recognized in profit or loss:

	2023	2022
	$	$
Expense relating to short-term and low-value leases	**24,453**	45,296

As of December 31, 2023, the Company had no lease commitments requiring recognition.

9. Bank indebtedness

Bank indebtedness includes an operating loan amounting to $nil [2022 - $670,000] and bearing interest at prime [2022 - prime]. At December 31, 2023 the prime rate was 7.20% [2022 - 6.45%]. 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, 2023. 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 $10,000,000 [2022 - $10,000,000].

10. Term loans

	2023 $	2022 $
4.95% Bank of Nova Scotia revolving term loan, payable in semi-annual instalments of $11,767, plus interest, secured by equipment, due June 2027	**200,020**	223,554
4.99% Affinity Credit Union demand term loan payable in blended semi-annual instalments of $24,100, secured by equipment, due May 2024	**23,242**	68,583
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	**15,866**	27,066
	239,128	319,203
Less current portion	**57,975**	80,075
Less callable portion	**-**	23,241
	181,153	215,887

The revolving term loan is subject to the same covenants noted in Note 9.

Principal payments due in each of the next four years are as follows:

	$
2024	57,975
2025	28,200
2026	23,534
2027	129,419
	239,128

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

	2023 $	2022 $
20,168 Class A shares [2022 - 20,268]	**478,411**	480,783

On December 15, 2023, the Company paid dividends on the Class A shares in the amount of $35 per share for a total of $705,880 by way of cash payment. On December 15, 2022, the Company paid dividends on the Class A shares in the amount of $25 per share for a total of $506,700 by way of cash payment.

During the year, the Company repurchased and cancelled 100 Class A shares [2022 - 310 Class A shares], equal to 0.49% of total shares [2022 - 1.51%], by way of cash payment, to shareholders in the amount of $371.58 per share for a total of $37,158 [2022 - $370 per share for a total of $114,585]. As a result, the stated capital on the Class A shares was reduced by $2,372 [2022 - $7,353]. 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:

	2023	**2022**
	$	$
Crop input sales	**23,441,050**	25,926,488
Grain handling	**2,259,746**	1,584,515
Application of fertilizer	**339,645**	374,988
Equipment sales	**28,700**	18,353
Rental and storage sales	**13,869**	16,091
	26,083,010	27,920,435

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, 2023, the Company has no remaining performance obligations for contracts in place where the expected duration of the contract is greater than 12 months.

13. Income taxes

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

	2023 $	2022 $
	27%	27%
Anticipated income tax	**272,162**	179,710
Tax effect of the following:		
Effect of small business deduction rates	**(85,593)**	(61,079)
Foreign taxes withheld	**40,880**	41,200
Foreign tax credits utilized	**(40,880)**	(41,200)
Other	**(6,376)**	694
Income tax expense	**180,193**	119,325

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.

14. 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 $2,259,746 [2022 - $1,584,515] and cost of sales in the amount of $159,468 [2022 - $84,263] which were made with Viterra Inc. Of the total sales and purchases from Viterra Inc., $103,770 [2022 - $608,145] 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, 2023, to key management personnel totaled $526,192 [2022 - $593,735].

Other transactions with directors

During the year ended December 31, 2023, the Company made $345,269 [2022 - $409,313] sales of crop inputs to directors or corporations controlled by directors.

During the year ended December 31, 2023, the Company purchased grain from the directors or corporations controlled by directors for $84,713 [2022 - $86,125]. 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, 2023 [2022 - $nil].

	2023 $	2022 $
Due from CMI Joint Venture	**40,225**	46,884

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.

15. 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:

	2023 $	2022 $
Bank indebtedness	**-**	670,000
Term loans	**239,128**	319,203
Share capital	**478,411**	480,783
Retained earnings	**7,137,508**	7,050,360
	7,855,047	8,520,346

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.

Notes to consolidated financial statements

December 31, 2023 and 2022

16. 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, 2023

	Grain handling $	**Crop production products and services** $	**Total** $
Revenues	2,259,746	23,823,264	**26,083,010**
Cost of sales	(159,468)	(21,189,634)	**(21,349,102)**
Gross profit	2,100,278	2,633,630	**4,733,908**
Operating expenses			**(3,760,292)**
Interest on term loan			**(2,412)**
Other revenue			**86,084**
Inventory impairment loss			**(49,281)**
Income taxes			**(180,193)**
Total comprehensive income			**827,814**
Depreciation	172,703	203,897	**376,600**
Asset additions	42,420	140,087	**182,507**
Total assets	3,577,441	8,057,184	**11,634,625**

Total comprehensive income December 31, 2022

	Grain handling $	Crop production products and services $	Total $
Revenues	1,584,515	26,335,920	27,920,435
Cost of sales	(84,263)	(23,768,666)	(23,852,929)
Gross profit	1,500,252	2,567,254	4,067,506
Operating expenses			(3,321,626)
Interest on term loan			(5,693)
Other revenue			(74,593)
Income taxes			(119,325)
Total comprehensive income			546,269
Depreciation	169,393	212,829	382,222
Asset additions	98,160	632,891	731,051
Total assets	3,949,219	8,927,408	12,876,627

17. Commitments and contingencies

At year-end, the Joint Venture held 3,427 [2022 - 13,291] tonnes of grain with a market value of $813,602 [2022 - $6,210,533] on behalf of Viterra 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.

18. Social engineering loss

During the prior year, the Company was subjected to a social engineering attack wherein funds were directed to fraudulent bank accounts. A total of $509,458 was lost due to the incident.

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.

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.

	2023 Fair value	**2022 Fair value**
	$	$
Financial assets		
Cash	**2,575,183**	3,397,730
Accounts receivable	**737,057**	782,416
Deposits	**52,366**	76,133
Due from related party	**40,225**	46,884
Investments	**467,257**	401,677
Financial liabilities		
Bank indebtedness	**-**	670,000
Accounts payable and accrued liabilities	**2,150,914**	1,542,410
Term loans	**239,128**	319,203

	2023 Carrying value	**2022 Carrying value**
	$	$
Financial assets		
Cash	**2,575,183**	3,397,730
Accounts receivable	**737,057**	782,416
Deposits	**52,366**	76,133
Due from related party	**40,225**	46,884
Investments	**467,257**	401,677
Financial liabilities		
Bank indebtedness	**-**	670,000
Accounts payable and accrued liabilities	**2,150,914**	1,542,410
Term loans	**239,128**	319,203

Foreign exchange risk

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

Credit risk

The Company does have credit risk in accounts receivable of $737,057 [2022 - $782,416]. 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, 2023 represents 14% [2022 - 78%] of total accounts receivable.

Liquidity risk

The Company does have a liquidity risk in accounts payable and accrued liabilities of $2,150,914 [2022 - $1,542,410] and term loans of $239,128 [2022 - $319,203]. 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 $3,350 [2022 - $5,560].

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 $2,171 [2022 - $3,192].

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.

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 17.

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 Viterra Inc. The ability of the Company to sustain grain handling operations is dependent upon the continued operation of this arrangement.

CMI Terminal Joint Venture

Financial statements
December 31, 2023 and 2022

Building a better
working world

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, 2023 and 2022, and the statements of changes in venturers' capital, statements of comprehensive income, and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of material 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, 2023 and 2022, and its financial performance and its 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.

Ernst & Young LLP

Chartered Professional Accountants

Saskatoon, Canada
March 12, 2024

CMI Terminal Joint Venture

Statements of financial position

As at December 31

	2023	2022
	$	$
Assets		
Current		
Cash *[note 4]*	**1,644,264**	1,229,507
Accounts receivable *[note 5]*	**367,893**	1,270,647
Prepaid expenses	**9,349**	4,499
Total current assets	**2,021,506**	2,504,653
Investments	**8,532**	8,374
Property, plant and equipment *[note 6]*	**5,124,844**	5,385,411
	7,154,882	7,898,438
Liabilities and venturers' equity		
Current		
Accounts payable and accrued liabilities	**50,145**	75,379
Deferred revenue	**-**	144,471
Due to related parties *[note 8]*	**80,449**	93,766
Total liabilities	**130,594**	313,616
Commitments and contingencies *[note 9]*		
Economic dependence *[note 10]*		
Venturers' capital	**7,024,288**	7,584,822
	7,154,882	7,898,438

See accompanying notes

On behalf of the Venturers:

(Lance Stockbrugger) Venturer (Larry Deydey) Venturer

CMI Terminal Joint Venture

Statements of changes in venturers' capital

Years ended December 31

				2023
	Balance, beginning of year	**Net income for the years**	**Distributions**	**Balance, end of years**
	$	$	$	$
Viterra Inc.	**3,792,411**	**744,733**	**(1,025,000)**	**3,512,144**
CMI Terminal Ltd.	**3,792,411**	**744,733**	**(1,025,000)**	**3,512,144**
	7,584,822	**1,489,466**	**(2,050,000)**	**7,024,288**

				2022
	Balance, beginning of year	**Net income for the years**	**Distributions**	**Balance, end of year**
	$	$	$	$
Viterra Inc.	3,717,082	375,329	(300,000)	3,792,411
CMI Terminal Ltd.	3,717,082	375,329	(300,000)	3,792,411
	7,434,164	750,658	(600,000)	7,584,822

See accompanying notes

CMI Terminal Joint Venture

Statements of comprehensive income

Years ended December 31

	2023	2022
	$	$
Sales *[note 8]*	**4,519,492**	3,169,031
Cost of sales *[note 8]*	**318,935**	168,526
Gross profit	**4,200,557**	3,000,505
Expenses		
Depreciation *[note 6]*	**345,405**	338,786
Office and administration *[note 8]*	**845,576**	685,635
Repairs and maintenance	**258,190**	147,045
Wages and benefits *[note 8]*	**1,326,679**	1,126,170
	2,775,850	2,297,636
Income before other income	**1,424,707**	702,869
Other income	**64,759**	47,789
Total comprehensive income for the years	**1,489,466**	750,658

See accompanying notes

CMI Terminal Joint Venture

Statements of cash flows

Years ended December 31

	2023 $	2022 $
Operating activities		
Total comprehensive income for the years	**1,489,466**	750,658
Add (deduct) items not involving cash		
Depreciation	**345,405**	338,786
Gain on sale of property, plant and equipment	**-**	(1,000)
Net change in non-cash working capital balances		
Accounts receivable	**902,754**	(1,001,124)
Prepaid expenses	**(4,850)**	3,950
Accounts payable and accrued liabilities	**(25,234)**	28,156
Deferred revenue	**(144,471)**	2,558
Cash provided by operating activities	**2,563,070**	121,984
Investing activities		
Purchase of investments	**(158)**	(8,374)
Purchase of property, plant and equipment	**(84,838)**	(196,320)
Proceeds on disposal of property, plant and equipment	**-**	1,000
Cash used in investing activities	**(84,996)**	(203,694)
Financing activities		
Repayment of advances from related party	**(13,317)**	31,164
Distributions to venturers	**(2,050,000)**	(600,000)
Cash used in financing activities	**(2,063,317)**	(568,836)
Net increase (decrease) in cash during the year	**414,757**	(650,546)
Cash, beginning of years	**1,229,507**	1,880,053
Cash, end of years	**1,644,264**	1,229,507

See accompanying notes

Notes to financial statements

December 31, 2023 and 2022

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 12, 2024.

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. Material accounting policy information

The Joint Venture follows accounting principles generally accepted in Canada in preparing its financial statements. 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.

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

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

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

To date, the Joint Venture has recognized no impairments.

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

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

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.

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, 2023, 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.

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. Investments are classified as a Level 3 instrument.

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.

Notes to financial statements

December 31, 2023 and 2022

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.

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 classified investments as 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. Not withstanding 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 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 or 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.

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.

Changes in Accounting Policies and Disclosures

New and amended standards and interpretations
The Joint Venture applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after January 1, 2023. The group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The IASB has issued new and amended IFRS standards under Part I of the *CPA Canada Handbook- Accounting*, which are effective for the Joint Venture. The significant changes to the standards are as follows:

• Amendments to IAS 1: *Classification of Liabilities as Current or Non-current*: In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and must be applied retrospectively. The amendments had no impact on the Joint Venture's financial statements as the Joint Venture has not deferred settlement on any liabilities from standard payment terms and has no embedded derivatives.

• Definition of Accounting Estimates - Amendments to IAS 8
The amendments to IAS 8 clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the Joint Venture's financial statements.

• Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2
The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosure. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclosure their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have not had an impact on the Joint Venture's disclosures of accounting policies, measurement, recognition or presentation of any items in the Joint Venture's financial statements.

Notes to financial statements

December 31, 2023 and 2022

4. Cash

	2023 $	2022 $
Cash held in bank accounts	**246,006**	(28,159)
Cash held in business investment account	**1,398,258**	1,257,666
	1,644,264	1,229,507

Cash held in the Scotiabank business investment account bears interest at 2.80% [2022 - 2.55%]. Cash held in the Scotiabank business account bears interest at the Scotiabank treasury rate less 0.65%. As at December 31, 2023 the Scotiabank treasury rate was 4.5% [2022 - 4.5%].

Prior year bank indebtedness is a result of cheques issued in excess of deposits on account.

5. Accounts receivable

	2023 $	2022 $
Viterra Inc. [A joint venturer]	**207,539**	1,216,289
Accruals owed by Viterra Inc. [A joint venturer]	**156,640**	52,450
Goods and Services Tax receivable	**3,714**	1,908
	367,893	1,270,647

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

Notes to financial statements

December 31, 2023 and 2022

6. Property, plant and equipment

Cost

	Balance at December 31, 2021	Net additions and disposals	Balance at December 31, 2022	Net additions and disposals	Balance at December 31, 2023
	$	$	$	$	$
Buildings	11,476,492	-	11,476,492	14,000	**11,490,492**
Computer equipment	174,302	-	174,302	-	**174,302**
Equipment	3,268,197	196,320	3,464,517	28,533	**3,493,050**
Rail siding	337,381	-	337,381	42,305	**379,686**
Vehicles	7,526	-	7,526	-	**7,526**
Land	101,293	-	101,293	-	**101,293**
	15,365,191	196,320	15,561,511	84,838	**15,646,349**

Accumulated depreciation

	Balance at December 31, 2021	Depreciation and disposals	Balance at December 31, 2022	Depreciation and disposals	Balance at December 31, 2023
	$	$	$	$	$
Buildings	6,767,232	260,307	7,027,539	262,139	**7,289,678**
Computer equipment	161,006	5,319	166,325	5,318	**171,643**
Equipment	2,805,881	64,100	2,869,981	69,426	**2,939,407**
Rail siding	96,297	8,432	104,729	8,522	**113,251**
Vehicles	6,898	628	7,526	-	**7,526**
	9,837,314	338,786	10,176,100	345,405	**10,521,505**

Net book value

	2023	2022
	$	$
Buildings	**4,200,814**	4,448,953
Computer equipment	**2,659**	7,977
Equipment	**553,643**	594,536
Rail siding	**266,435**	232,652
Land	**101,293**	101,293
	5,124,844	5,385,411

Notes to financial statements

December 31, 2023 and 2022

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:

	2023 $	2022 $
Expense relating to short-term and low-value leases	**371**	-

As of December 31, 2023, the Joint Venture had no lease commitments requiring recognition under IFRS 16.

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 $4,519,492 [2022 - $3,169,031] and cost of sales in the amount of $318,935 [2022 - $168,526] which were transacted with Viterra Inc. Of the total sales and purchases from Viterra Inc., $207,539 [2022 - $1,216,289] 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, 2023, payroll expenses attributable to the grain handling operations totaling $1,326,679 [2022 - $1,126,170] and other operating expenses totaling $35,504 [2022 - $45,287] were paid by CMI Terminal Ltd. and reimbursed by the Joint Venture.

During the year ended December 31, 2023, other operating and administrative expenses totaling $11,847 [2022 - $9,647] were paid by the Joint Venture and reimbursed by CMI Terminal Ltd.

During the year ended December 31, 2023, other operating and administrative expenses totaling $18,007 [2022 - $7,588] 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:

	2023 $	2022 $
Amount due to CMI Terminal Ltd.	**(80,449)**	(93,766)

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, 2023 to key management personnel totals $416,249 [2022 - $394,953].

Other transactions with directors

During the year ended December 31, 2023, the Joint Venture purchased grain from the directors or corporations controlled by directors, which resulted in revenue of $169,426 [2022 - $172,250]. The sales were made on the same terms and conditions available to all other customers. Of these amounts, $nil is payable at year-end [2022 - $nil].

9. Commitments and contingencies

The Joint Venture has arranged a joint bonding with two other corporations. Under the terms of the contract the Joint Venture and the other corporations are jointly and severally liable for any claims made against the bonding company.

At year-end, the Joint Venture held 3,427 [2022 - 13,291] tonnes of grain with a market value of $813,602 [2022 - $6,210,533] on behalf of Viterra 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 Viterra Inc. The ability of the Joint Venture to sustain operations is dependent upon the continued operation of this arrangement.

11. 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.

Liquidity risk

The Joint Venture does have a liquidity risk in the accounts payable and accrued liabilities of $50,145 [2022 - $75,379]. 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.

Credit risk

The Joint Venture does have credit risk in accounts receivable of $367,893 [2022 - $1,270,647]. 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, 2023, represents 99% [December 31, 2022 - 99%] of total accounts receivable.

Notes to financial statements

December 31, 2023 and 2022

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.

	2023 Fair value $	**2022 Fair value** $
Financial assets		
Cash	**1,644,264**	1,229,507
Accounts receivable	**367,893**	1,270,647
Investments	**8,532**	8,374
Financial liabilities		
Accounts payable and accrued liabilities	**50,145**	75,379
Due to related parties	**80,449**	93,766

	2023 Carrying value $	**2022 Carrying value** $
Financial assets		
Cash	**1,644,264**	1,229,507
Accounts receivable	**367,893**	1,270,647
Investments	**8,532**	8,374
Financial liabilities		
Accounts payable and accrued liabilities	**50,145**	75,379
Due to related parties	**80,449**	93,766

Foreign exchange 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 is limited to the change in market prices while the joint venture holds oilseeds and grains inventories they are contingently liable for as described in note 8.

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

December 31, 2023 and 2022

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.

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.

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 $13,983 [2022 - $12,577].

12. Capital management

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

The Joint Venture sets the amount of capital in proportion to risk and manages the capital structure and makes adjustments to it in light of changes to economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Joint Venture may adjust the amount of distributions paid to the Venturers, make cash calls, or sell assets to reduce debt.

The Joint Venture manages the following as capital:

	2023 $	**2022** $
Venturers' capital	**7,024,288**	7,584,822