NORTH WEST TERMINAL LTD.

FINANCIAL STATEMENTS

OCTOBER 31, 2025

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The accompanying financial statements of **North West Terminal Ltd.** have been prepared by the Company's management in accordance with International Financial Reporting Standards and necessarily include some amounts based on informed judgement and management estimates.

To assist management in fulfilling its responsibilities, a system of internal controls has been established to provide reasonable assurance that the financial statements are accurate and reliable and that assets are safeguarded.

The Board of Directors has delegated certain responsibilities to the Audit Committee, including the responsibility for reviewing the annual financial statements and meeting with management, internal auditors and external auditors on matters relating to the financial reporting process and the Company's system of controls.

The Board of Directors have reviewed and approved these financial statements.

These financial statements have been examined by the independent auditors, **Virtus Group LLP**, and their report is presented separately.

Brad Sperle	**Holly Bannerman**
President	**Chief Financial Officer & Chief Operating Officer**

INDEPENDENT AUDITORS' REPORT

To the Shareholders,
North West Terminal Ltd.

Opinion
We have audited the financial statements of **North West Terminal Ltd.**, which comprise the statements of financial position as at October 31, 2025 and October 31, 2024 and the statements of comprehensive income, changes in shareholders' equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at October 31, 2025 and October 31, 2024, and its financial performance and cash flows for the years then ended in accordance with International Financial Reporting Standards.

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 Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Saskatchewan, 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.

Material Uncertainty Related to Going Concern
We draw attention to Note 2 in the financial statements, which indicates that for the year ended October 31, 2025, the Company has generated a net loss and has a working capital deficiency. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditors' Report Thereon
Management is responsible for the other information. The other information comprises the information included in the management's discussion and analysis and the annual report, but does not include the financial statements and our auditors' report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. 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. We have nothing to report in this regard.

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.

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INDEPENDENT AUDITORS' REPORT continued

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

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

Auditor's Responsibilities for the Audit of the 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 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 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 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.

Virtus Group LLP

February 11, 2026
Saskatoon, Saskatchewan

Chartered Professional Accountants

VIRTUS GROUP

NORTH WEST TERMINAL LTD.
STATEMENT OF FINANCIAL POSITION
AS AT OCTOBER 31, 2025
(with comparative figures for 2024)

ASSETS

	2025	2024
Current assets		
Accounts receivable (Note 5)	$ 3,385,740	$ 5,237,364
Inventories (Note 6)	4,018,562	9,331,167
Prepaid expenses	277,829	242,673
Income taxes receivable	-	118
Interest rate swap	-	50,254
Risk management assets (Note 22)	2,078	78,103
	7,684,209	14,939,679
Investments	12,900,000	12,900,025
Deferred income tax asset (Note 11)	2,917,509	1,770,132
Property, plant and equipment (Note 7)	39,350,142	62,751,858
	$ 62,851,860	$ 92,361,694

LIABILITIES

	2025	2024
Current liabilities		
Bank indebtedness (Note 8)	$ 18,967,503	$ 41,707,493
Accounts payable and accrued liabilities (Note 9)	9,014,693	4,795,640
Outstanding deferred cash tickets	-	1,327,634
Grain storage liability	-	1,918,773
Current portion of long-term debt (Note 10)	46,062	3,621,379
	28,028,258	53,370,919
Long-term debt reclassified as current (Note 10)	-	1,236,784
	28,028,258	54,607,703
Long-term debt (Note 10)	2,213,907	2,217,611
Deferred grant revenue (Note 12)	2,053,449	2,161,525
	32,295,614	58,986,839

SHAREHOLDERS' EQUITY

	2025	2024
Share capital (Note 14)	16,438,458	16,438,458
Retained earnings	3,021,569	5,840,178
Accumulated other comprehensive income	11,096,219	11,096,219
	30,556,246	33,374,855
	$ 62,851,860	$ 92,361,694

Going concern (Note 2)
Commitments and contingencies (Note 13)

See accompanying notes to the financial statements.

APPROVED BY THE BOARD:

_______________ Director _______________ Director

NORTH WEST TERMINAL LTD.
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED OCTOBER 31, 2025
(with comparative figures for the year ended October 31, 2024)

	Share capital	Accumulated other comprehensive income	Retained earnings	Total equity
Balance, October 31, 2023	$ 16,438,458	$ 11,096,219	$ 13,736,386	$ 41,271,063
Comprehensive Income (loss)	-	-	(7,896,208)	(7,896,208)
Balance October 31, 2024	16,438,458	11,096,219	5,840,178	$ 33,374,855
Comprehensive Income (loss)	-	-	(2,818,609)	(2,818,609)
Balance October 31, 2025	$ 16,438,458	$ 11,096,219	$ 3,021,569	$ 30,556,246

See accompanying notes to the financial statements.

NORTH WEST TERMINAL LTD.
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED OCTOBER 31, 2025
(with comparative figures for the year ended October 31, 2024)

	2025	2024
Revenue		
Sales (Note 15)	$ 35,720,222	$ 116,187,326
Dividend income	144,000	885,201
	35,864,222	117,072,527
Cost of goods sold	31,557,783	111,930,693
Gross profit	4,306,439	5,141,834
Depreciation	(3,371,074)	(3,426,131)
General and administrative expenses	(7,591,851)	(9,230,551)
Interest on long-term and short-term debt	(3,245,602)	(4,094,443)
Interest and other income	978,783	775,670
Loss before undernoted items	(8,923,305)	(10,833,621)
Unrealized gain (loss) on interest rate swap	(49,583)	(194,901)
Gain on sale of assets (Note 7)	9,306,902	-
Plant and equipment impairment (Note 7)	(4,300,000)	-
Income (loss) before income taxes	(3,965,986)	(11,028,522)
Income taxes		
Deferred (Note 16)	(1,147,377)	(3,132,314)
Net income (loss) for the year	**(2,818,609)**	**(7,896,208)**
Other comprehensive income		
Comprehensive income (loss)	**$ (2,818,609)**	**$ (7,896,208)**
Basic and diluted net income per share (Note 17)	$ (0.86)	$ (2.41)
Basic and diluted comprehensive income per share (Note 17)	$ (0.86)	$ (2.41)

See accompanying notes to the financial statements.

NORTH WEST TERMINAL LTD.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED OCTOBER 31, 2025
(with comparative figures for the year ended October 31, 2024)

	2025	2024
Cash provided by (used in) operating activities:		
Net income (loss)	$ (2,818,609)	$ (7,896,208)
Items not involving cash:		
- Depreciation	3,371,074	3,426,131
- Gain on sale of property, plant and equipment	(9,298,594)	-
- Decrease in deferred grant revenue	(108,076)	(108,076)
- Gain on sale of investments	(8,308)	-
- Plant and equipment impairment (Note 7)	4,300,000	-
- Provision for (recovery of) deferred income taxes (Note 16)	(1,147,377)	(3,132,314)
	(5,709,890)	(7,710,467)
Non-cash operating working capital (Note 19)	8,228,115	4,032,983
	2,518,225	(3,677,484)
Cash provided by (used in) investing activities:		
Additions to property, plant and equipment	(190,638)	(745,452)
Proceeds on disposal of property, plant and equipment	25,219,874	-
Proceeds on disposal of investments	8,333	-
	25,037,569	(745,452)
Cash provided by (used in) financing activities:		
Repayment of term loans due on demand	-	(3,029,268)
Proceeds from long-term debt	55,698	280,564
Repayment of long-term debt	(4,871,502)	(30,191)
	(4,815,804)	(2,778,895)
Increase (decrease) in cash	22,739,990	(7,201,831)
Cash (bank indebtedness) position - beginning of year	(41,707,493)	(34,505,662)
Cash (bank indebtedness) position - end of year	$ (18,967,503)	$ (41,707,493)

See accompanying notes to the financial statements.

1. Description of business

North West Terminal Ltd. (the “Company") was incorporated February 23, 1993 under the laws of Saskatchewan. The Company was formed to develop, construct and operate a grain handling facility (the “Terminal”) and commenced operations on June 1, 1996. The Company operates the Terminal on the Canadian National Railway Company (“CN") and the CPKC (formerly Canadian Pacific Railway Limited) rail networks near Unity, Saskatchewan. Ownership of the Company is widely held by approximately 900 shareholders, the majority of which are local farmers. The capacity of the grain facility is 2,300,000 bushels. The Company received approximately $3.2 million from area farmers and businesses in exchange for condo storage agreements entitling them to the use of 1,377,450 bushels of storage capacity until the Company ceases operations. This amount was recorded as a reduction in the cost of the facility at the time of construction.

In August 2009, the Company completed a 25 million liter per year fermentation and distillation facility at Unity, Saskatchewan (the “Fermentation and Distillation Facility”). The first production was shipped on September 1, 2009.

In July 2012, the Company entered into a Siding Agreement with CN, whereby, the Company owns the siding which exists within the right of way including the track infrastructure and track materials and any switch(es) located on the Company-owned lands. CN has agreed to provide rail service to the Terminal.

In July 2012, the Company entered into an Operating Rights Agreement with CN, whereas, the Company acquired certain operating rights, and is authorized to have running rights on CN trackage. This gives the Company the right to perform switching of railway cars and to operate the Company’s locomotives/track, mobiles, cars and equipment in common with CN and such other users as CN may admit to use its tracks.

In September 2014, the Company entered into a Siding Agreement with CPKC, whereby, the Company owns the siding which exists within the right of way including the track infrastructure and track materials and any switch(es) located on the Company-owned lands. CPKC has agreed to provide rail service to the Terminal. The Company currently has loading tracks sufficient for a 150-car spot.

On July 1, 2020, the Company amalgamated with North West Bio-Energy Ltd., its wholly-owned subsidiary, and continued to operate as North West Terminal Ltd.

On October 29, 2025, the Company sold the capital assets of the grain division to an arms length third party.

The Company is located in Unity, Saskatchewan, Canada and has a postal address of PO Box 1090, Unity, Saskatchewan, S0K 4L0, Canada.

2. Going concern

The financial statements were prepared on a going concern basis. The going concern basis assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

In assessing the appropriateness of the going concern assumption, management evaluated the Company’s liquidity position, including cash balances and forecasted operating cash flows, for a period of at least twelve months from the reporting date. Based on this assessment, management concluded that the Company’s forecast cash flows are sufficient to meet its obligations as they fall due throughout the assessment period.

2. Going concern (continued)

However, as at the reporting date, the Company's existing banking facilities are set to expire on April 30, 2026 and are subject to renewal or replacement upon maturity. While management expects to renew or replace these facilities based on ongoing discussions with lenders, there is no contractual commitment in place beyond the current maturity.

The Company has incurred significant losses for the past few years and has a working capital deficiency. Accordingly, this condition indicates the existence of a material uncertainty that may cast doubt on the Company's ability to continue as a going concern if the banking facilities are not renewed or replaced.

The financial statements do not include any adjustments that would be required should the going concern principle not be appropriate.

3. Basis of preparation and statement of compliance

The financial statements have been prepared in accordance with Part 1 of the CPA Canada Handbook – International Financial Reporting Standards (IFRS). The financial statements comply with IFRS adopted by the International Accounting Standards Board (IASB).

The financial statements are presented in Canadian dollars, the functional currency of the Company. 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 23.

The financial statements were approved by the Board of Directors on February 10, 2026.

Operating segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. The Company has determined that the grain division and the fermentation and distillation division are two separate operating segments. The distinct operations of the grain division and the fermentation and distillation division are assessed separately by management, and decisions about continuing or disposing of assets are made at the division level.

4. Summary of material accounting policies

The material accounting policies used in the preparation of these financial statements are summarized below. These accounting policies have been applied consistently to all periods presented in these financial statements.

Cash and cash equivalents

Cash consists of cash and cash equivalents on hand. Cash equivalents are highly liquid investments with a maturity of less than three months on acquisition.

4. Summary of material accounting policies (continued)

Accounts receivable

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

Inventories

Grain inventories are commodity inventories that are readily convertible to cash due to their commodity characteristics, widely available markets and international pricing mechanisms. Commodity inventories are measured at their fair value, less handling costs and any applicable freight, with changes to fair value recognized in cost of sales. Fair value is determined using exchange traded prices.

Inventory of grains owned by the Company that are held for use in the fermentation and distillation facility, are valued on the basis of the lower of cost and net realizable value using the weighted average method. Other inventories which consist of work-in-progress, finished goods and spare parts are also valued at the lower of cost and net realizable value using the weighted average method. Costs consist of raw material costs, direct labour and appropriate overhead allocations as applicable.

The Company may enter into derivative contracts, such as exchange-traded futures and grain purchase and sales contracts, with the objective of managing exposure to adverse price movements in agricultural commodities. The unrealized gains and losses for commodity futures contracts and the grain purchase and sales contracts are recognized in comprehensive income in the period in which they occur.

Environmental compliance credits

The Company generates environmental compliance credits under Canada’s Clean Fuel Regulations (CFR) through the production of eligible low-carbon fuel. These credits are recorded in the federal CFR registry and may be sold to third parties. Credit generation is incidental to the Company’s core operations and the Company does not use credits to settle its own compliance obligations.

CFR credits are classified as inventory in accordance with IAS 2 *Inventories*, as they are held for sale in the ordinary or incidental course of business.

Credits are recognized only when they are officially issued and recorded in the CFR registry, at which point the Company has legal ownership and control. The Company may be required, under certain negotiated agreements, to transfer credits created under the CFR to other companies. As such, the Company will not have legal ownership and control.

Credits are initially measured at cost, which includes a proportion of direct production costs as well as directly attributable incremental costs incurred to generate the credits, such as verification, certification and other regulatory compliance costs. General overhead and selling costs are excluded.

Subsequently, CFR credits are measured at the lower of cost and net realizable value (NRV). NRV represents the estimated selling price in the ordinary course of business, less estimated costs to complete and sell. Any write-downs to NRV are recognized in profit or loss.

4. Summary of material accounting policies (continued)

Environmental compliance credits (continued)

Revenue from the sale of CFR credits is recognized in accordance with IFRS 15 *Revenue from Contracts with Customers*, when control of the credits transfers to the purchaser, which typically occurs upon transfer in the CFR registry. Because credit sales are incidental, related proceeds are presented as Other Income. The carrying value of credits sold is recognized as cost of sales in the same period.

Risk management assets

Risk management assets are derivative commodity instruments, which are mostly futures and option contracts, all of which are held in an investment broker account. The risk management assets are classified as financial assets and recorded at fair value through profit and loss.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. Cost includes all expenses directly attributable to the acquisition of the asset. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

All assets having limited useful lives are depreciated using the straight-line method over their useful lives. Assets are depreciated from the date of acquisition. Internally constructed assets are depreciated from the time an asset is available for use.

The methods of depreciation and useful life applicable for each asset category during the current and comparative period are as follows:

Fermentation and distillation facility	20 - 35 years
Buildings and terminals	10 - 35 years
Computer equipment	3 years
Entrance roads	20 years
Locomotive	8 years
Office furniture and equipment	5 years
Other assets under construction	nil
Plant and equipment	5 - 15 years
Rail line	nil
Vehicle	4 years
Water well	20 years

The residual value, useful life and depreciation method applied to each class of assets are reassessed at each reporting date.

4. Summary of material accounting policies (continued)

Property, plant and equipment (continued)

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Comprehensive Income when the asset is derecognized.

On an annual basis, the Company reviews the carrying amounts of its property, plant and equipment 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.

Outstanding deferred cash tickets

Outstanding deferred cash tickets includes cheques that have been issued to producers for the purchase of grain that have been postdated until after the end of the year.

Grain storage liability

Grain storage liability is a result of the Company accepting delivery of grain prior to reaching a final settlement price with the producer. The grain that is delivered and the corresponding grain storage liability are initially measured at the price of grain at the time of delivery and subsequently adjusted based on the changes to the price of grain until the final settlement price is reached. Any gain or loss resulting from the fair value adjustment to the liability is recorded in comprehensive income.

4. Summary of material accounting policies (continued)

Revenue recognition

The Company principally generates revenue through four main streams: alcohol sales, dried distillers grain sales, grain drying and grain handling.

Alcohol sales and dried distillers grain sales consist of the sale of alcohol and dried distillers grain and services associated with meeting the customers' unique needs. 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 alcohol and dried distillers grain products, revenue is recognized at the point in time when the goods are transferred to the customer which is upon delivery of goods. For other services 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 drying services are revenue the Company earns when a customer requires the company to dry grain to meet contract specifications. It is a promised service accounted for separately as a performance obligation if it is distinct and revenue is recognized when performance obligations are fulfilled. For services 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 activities principally include buying and selling grain through forward contracts or contracts at current market value for immediate delivery. Revenue from contracts with customers is recognized at the point in time when control of products has been transferred to the customer, which is when the related goods are loaded for shipping or delivered to the customer, depending on the contractual terms. Indicators of transfer of control depend on the contractual terms with the Company's customers and includes when the customer is obliged to pay for the products, has legal title of the products, has physical possession of the products, has assumed the significant risks and rewards of ownership of the products, has accepted the products and any other relevant factors.

Grain revenue is measured based on the consideration specified in a contract with a customer which reflects the consideration the Company expects to be entitled to in exchange for the goods, net of any variable consideration. The contractual consideration for grain contracts may include variable components specified in the contract with the customer related to destination grade or weight adjustments which are known in a timely fashion and included in the initial revenue recognition based on change of control as described above.

4. Summary of material accounting policies (continued)

Revenue recognition (continued)

Dividends are recognized as other income in the statement of comprehensive income 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.

No significant element of financing is deemed present due to the short-term nature of the Company's sales contracts.

Cost of sales

Cost of sales includes the cost of products sold and net realized and unrealized gains and losses on commodity contracts and exchange-traded derivatives.

Deferred grant revenue

Deferred revenue relates to the federal government assistance provided for the construction of the Fermentation and Distillation Facility. The deferred revenue is amortized to income over the term of the underlying assets on a straight-line basis over 35 years.

Borrowing costs

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

For the year ended October 31, 2025, no borrowing costs (2024 - $nil) have been included in property, plant and equipment.

Income taxes

Income tax expense is comprised of current and deferred taxes which are recognized in profit or loss 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.

4. Summary of material accounting policies (continued)

Income taxes (continued)

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 re-measured annually for rate changes. Deferred income tax assets are recognized for the benefit of deductions available to be carried forward to future periods for tax purposes to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized. Deferred income tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Any effect of the re-measurement or re-assessment is 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% 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.

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.

4. Summary of material accounting policies (continued)

Financial asset impairment (continued)

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

Foreign currency transactions

Transaction amounts denominated in foreign currencies are translated into Canadian dollar equivalents at exchange rates prevailing at the transaction dates. Carrying values of monetary assets and liabilities reflect the exchange rates at the reporting date. Carrying values of non-monetary assets and liabilities measured at historical cost reflect the exchange rates at the date of the transaction. Non-monetary assets and liabilities that are measured at fair value are translated to Canadian dollars at the exchange rate at the date the fair value was determined. Translation gains and losses are included in profit or loss.

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 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 *Revenue from Contracts with Customers*.

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.

4. Summary of material accounting policies (continued)

Financial instruments (continued)

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 recognized 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 and accounts receivable 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 rate ("EIR") method and are subject to impairment testing. 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.

4. Summary of material accounting policies (continued)

Financial instruments (continued)

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 measure at amortized cost. The remaining fair value changes are recognized in OCI, upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

Financial assets at fair value through OCI

The Company has classified investments as fair value through OCI (equity instrument).

Upon initial recognition, the Company can elect to irrevocably classify its equity investments as 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 not recycled to profit or loss. These instruments are measured at fair value at each reporting date, with gains and losses recognized in OCI, net of tax.

The accumulated other comprehensive income balance is the result of North West Terminal Ltd. recognizing the unrealized gains and losses, net of tax, on the investments held and recognized as not held for trading.

Financial assets at fair value through profit or loss

The Company has classified grain inventories, purchase contracts and sales contracts which are included in inventories, interest rate swap, and risk management assets 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. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through OCI, as described above, debt instruments may be designated at FVTPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVTPL are carried on the statement of financial position at fair value with net changes in fair value recognized in the statement of comprehensive income.

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.

4. Summary of material accounting policies (continued)

Financial instruments (continued)

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as amortized cost or financial liabilities at FVTPL.

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.

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 classified risk management liabilities and grain storage liability as 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 comprehensive income. Financial liabilities designated upon initial recognition at FVTPL are designated at the initial date or recognition, and only if the criteria in IFRS 9 *Financial Instruments* are satisfied.

Financial liabilities at amortized cost

The Company has designated bank indebtedness, accounts payable and accrued liabilities, outstanding deferred cash tickets, and long-term debt as financial liabilities at amortized cost.

After initial recognition, financial liabilities at amortized cost 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.

4. Summary of material accounting policies (continued)

Financial instruments (continued)

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or 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.

Fair value hierarchy

The fair value of a financial instrument is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's-length transaction on the measurement date. Fair values are determined by reference to quoted bid or asking prices in an active market. In the absence of an active market, the Company determines fair value based on internal or external valuation models, 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 statement 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 asset 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 a liability and may affect placement within the fair value hierarchy.

Use of estimates and judgments

The preparation of the financial statements required management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates. Estimates and 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.

4. Summary of material accounting policies (continued)

Use of estimates and judgments (continued)

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

(a) Allowance for doubtful accounts and sales adjustments

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for ECLs is provided where considered necessary. The Company uses specific identification 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.

(b) Inventory valuation

The Company measures its alcohol inventories at the lower of cost and net realizable value and its grain inventories at fair value. Given that the determination of net realizable value and fair value require management to make estimates with respect to the selling price, selling costs, and, in some cases, the cost of completion, there is a certain level of measurement uncertainty. As such, actual inventory values realized may differ from estimated carrying amounts.

(c) Property, plant and equipment

As part of the capitalization process, management must estimate the expected period of benefit over which capitalized costs should be depreciated. The considerations for estimated useful lives include the timing of technological obsolescence and competitive pressures, as well as historical experience and internal business plans for the projected use of related assets. Given that the expected period of benefit is an estimate, future results could be affected if management's current assessment of its property, plant and equipment's useful lives differs from actual performance.

(d) Asset impairment

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to the projected future cash flows after the fifth year. The cash flows from the CGU are present valued using a discount rate. The budgets, forecasts, growth rates and discount rates used in this analysis require estimates and judgment from management in order to determine the input variables.

(e) Investment fair value

The Company measures its investments at fair value with unrealized gains and losses being recorded in other comprehensive income. In order to estimate fair value, management must make various assumptions and estimates that are based on market conditions and for which observable inputs are not generally available. Significant areas requiring the use of estimates include assessments of the financial condition of investees that might indicate a change in value of a particular investment. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer to Note 22 for further information about the Company's fair value measurements.

4. Summary of material accounting policies (continued)

Adoption of new accounting policies

The Company has adopted the amendments to IAS 1 and IFRS Practice Statement 2 *Disclosure of Accounting Policies*, amendments to IAS 1 *Classification of Liabilities as Current or Non-current*, and amendments to IAS 8 *Definition of Accounting Estimates* during the year. The adoption of these new policies did not have a significant impact on the current or comparative periods.

Standards issued but not yet effective and not applied

The Canadian Accounting Standards Board (AcSB) has issued new and amended IFRS standards under Part I of the CPA Canada Handbook which are not yet effective. None of the new or amended standards have been implemented in these financial statements. The significant change that will impact the Company in future periods is as follows:

IFRS 18 Presentation and Disclosure in Financial Statements

This new standard was issued in April 2024 and will replace IAS 1 *Presentation of Financial Statements.* This new standard is effective for annual periods beginning on or after January 1, 2027, but earlier application is permitted. The new standard will require defined subtotals in the statement of comprehensive income, disclosure of management-defined performance measures and include enhanced principles around aggregation and disaggregation of information within the financial statements.

5. Accounts receivable

	2025	2024
Trade accounts receivable	$ 5,212,407	$ 7,178,468
Allowance for doubtful accounts	(1,826,667)	(1,941,104)
	$ 3,385,740	$ 5,237,364

Aging	2025	2024
Current	$ 2,455,148	$ 4,490,020
30 days	243,371	211,039
60 days	76,876	118,723
90 days	610,345	417,582
	$ 3,385,740	$ 5,237,364

6. Inventories

	2025	2024
Grain inventory	$ -	$ 4,569,584
Grain purchase and sale contracts	-	(207,217)
Raw materials	1,317,376	1,538,446
Work-in-progress	242,726	225,756
Finished goods	1,232,395	1,591,019
Environmental compliance credits	57,600	-
Spare parts	1,168,465	1,613,579
	$ 4,018,562	$ 9,331,167

The cost of inventories recognized as an expense and included in cost of sales is $32,453,539 (2024 - $97,819,377).

7. Property, plant and equipment

On October 29, 2025, the Company completed the sale of its grain business and related assets to Bunge Canada Inc. The transaction resulted from a strategic review process led by FTI Capital Advisors Canada, which commenced on August 16, 2023 following sustained headwinds in the grain industry that led to negative margins for the business. The aggregate purchase price was $27.0 million, and the Company recognized a pre-tax gain of $9.3 million on the disposition. Net proceeds from the sale were used to reduce outstanding debt. The gain is non-recurring and reflects the disposition of a discontinued operation.

	Balance at Oct 31, 2023	Net additions and transfers	Balance at Oct 31, 2024	Net additions and transfers	Balance at Oct 31, 2025
Cost					
Fermentation and distillation facility	$ 71,169,191	$ 309,044	$ 71,478,235	$ -	$ 71,478,235
Building and terminal	8,835,394	138,130	8,973,524	(6,028,831)	2,944,693
Computer equipment	1,384,007	1,064	1,385,071	(199,311)	1,185,760
Entrance roads	493,211	-	493,211	(493,211)	-
Locomotive	603,179	-	603,179	-	603,179
Office furniture and equipment	248,445	-	248,445	(245,406)	3,039
Other assets under construction	3,807,113	(14,317)	3,792,796	(3,550,607)	242,189
Plant and equipment	20,076,161	30,967	20,107,128	(17,220,518)	2,886,610
Rail cars	623,422	280,564	903,986	55,698	959,684
Rail line	5,778,348	-	5,778,348	(5,213,120)	565,228
Vehicle	95,613	-	95,613	-	95,613
Water well	80,483	-	80,483	-	80,483
	113,194,567	745,452	113,940,019	(32,895,306)	81,044,713
Land	1,821,835	-	1,821,835	(711,764)	1,110,071
	$115,016,402	$ 745,452	$115,761,854	$ (33,607,070)	$ 82,154,784

7. Property, plant and equipment (continued)

	Balance at Oct 31, 2023	Net additions and write-downs	Balance at Oct 31, 2024	Net additions and write-downs	Balance at Oct 31, 2025
Depreciation					
Fermentation and distillation facility	$ 30,092,894	$ 1,963,495	$ 32,056,389	$ 6,267,910	$ 38,324,299
Building and terminal	3,413,033	193,023	3,606,056	(3,156,517)	449,539
Computer equipment	1,297,844	50,272	1,348,116	(172,656)	1,175,460
Entrance roads	234,742	19,140	253,882	(253,882)	-
Locomotive	553,388	9,849	563,237	9,849	573,086
Office furniture and equipment	244,115	2,530	246,645	(243,608)	3,037
Plant and equipment	13,414,669	1,102,157	14,516,826	(12,746,759)	1,770,067
Rail cars	179,244	81,642	260,886	86,284	347,170
Vehicle	95,613	-	95,613	-	95,613
Water well	58,322	4,024	62,346	4,025	66,371
	$ 49,583,864	$ 3,426,132	$ 53,009,996	$ (10,205,354)	$ 42,804,642
Net book value	$ 65,432,538	$ (2,680,680)	$ 62,751,858	$ (23,401,716)	$ 39,350,142

Net book value:	**2025**	**2024**
Fermentation and distillation facility	$ 33,153,936	$ 39,421,846
Building and terminal	2,495,154	5,367,468
Computer equipment	10,300	36,955
Entrance roads	-	239,329
Locomotive	30,093	39,942
Office furniture and equipment	2	1,800
Other assets under construction	242,189	3,792,796
Plant and equipment	1,116,543	5,590,302
Rail cars	612,514	643,100
Rail line	565,228	5,778,348
Water well	14,112	18,137
	38,240,071	60,930,023
Land	1,110,071	1,821,835
Total	$ 39,350,142	$ 62,751,858

The Company's property, plant and equipment have been pledged as security for the working capital facilities described in Note 10.

There have been $nil (2024- $nil) borrowing costs capitalized in property, plant and equipment in the year.

Included in other assets under construction are the costs for the improvement of the Fermentation and Distillation Facility. Depreciation is recorded at the time that the assets are put into use.

The construction of the CPKC rail expansion project was completed in November 2014. The Company estimates that the salvage value of the rail line is greater than the cost of the rail line. Therefore, no depreciation has been recorded.

7. Property, plant and equipment (continued)

Impairment testing

IAS 36 Impairment of Assets sets out the procedures that entities must apply to ensure that their assets are carried at no more than the amounts expected to be recovered through use or sale of the assets. Assets are to be tested for impairment when an indicator exists. It was determined that there were indicators of impairment for the Fermentation and Distillation Facility cash generating unit (CGU) in the prior year. In 2019, the Company completed impairment tests on this CGU and consequently recorded a $6,500,000 impairment charge, based on a recoverable amount of $21,039,226. Total impairment charges on the Fermentation and Distillation Facility are $10,500,000. The impairment recorded was due to the decline in the price of crude oil and its price forecast on a go-forward basis.

Plant and equipment was impaired by $1,189,067 in 2018 due to a fire causing damage to the grain drying unit. The impairment value was based on an estimated fair value less cost of disposal amount of $899,474. Fair value was estimated by comparing the prices of comparable parts that were salvageable. In 2021, the insurance proceeds of $2,105,097 was recognized into income.

It was determined that there were indicators of impairment reversal for the Fermentation and Distillation Facility cash generating unit (CGU) at October 31, 2022. The Company completed impairment tests on this CGU and consequently recorded a $4,500,000 impairment reversal, based on the recoverable amount of $26,101,823. The impairment reversal was due to the increase in the price of crude oil and its price forecast on a go-forward basis.

It was determined that there were indicators of impairment for the Fermentation and Distillation Facility cash generating unit (CGU) at October 31, 2024. The Company completed impairment tests on this CGU and consequently concluded that no impairment was considered necessary, based on the recoverable amount of $19,274,017. The indicators of impairment were due to increasing costs of raw material inputs causing margin compression as well as increased competition in the market.

It was determined that there were indicators of impairment for the Fermentation and Distillation Facility cash generating unit (CGU) at October 31, 2025. The Company completed impairment tests on this CGU and consequently recorded a $4,300,000 impairment, based on the recoverable amount of $32,213,277. The impairment charge arises from revised cash flow projections driven by slower-than-expected growth in specialty alcohol sales and the ongoing transition away from renewable fuel sales.

Valuation

The recoverable amount used in the impairment test was based on the fair value, less costs to sell and was calculated using a discounted cash flow model based on assumptions specific to the CGU. There included assumptions regarding the discount rates and future growth rates.

Discount rates represent the current market assessment of the risks specific to the CGU. The calculation is based on the specific circumstances and risks of the CGU and is derived from its weighted average cost of capital ("WACC"). The discount rate applied to the cash flow projections in determining the recoverable amount was 14.53%. The recoverable amount is highly sensitive to the discount rate used. A 1% decrease in the discount rate to 13.53% results in a decrease to the impairment of $1,280,233. Conversely, a 1% increase in the discount rate to 15.53% results in an increase to the impairment of $576,782.

7. Property, plant and equipment (continued)

Growth rates are based on management's best estimates considering historical and expected operating plans, strategic plans and industry outlook. The projections are prepared for each of the Company's CGUs and are based on the financial budgets approved by the Board of Directors. Management has estimated forecasts of growth over a five-year period at 10% and terminal growth rate assumption of 2% beyond this point.

8. Bank indebtedness

The Company has a working capital facility with an authorized limit of $35,000,000 to September 30, 2025 and $25,000,000 thereafter, which bears interest at prime plus 1.75%. The Company also has a working capital excess limit in addition to the authorized working capital facility noted above which bears the same interest and security. The excess limits are as follows:

$13,000,000 for the period commencing April 1, 2024 and ending on October 4, 2024

$7,500,000 for the period commencing October 5, 2024 and ending on November 1, 2024

$6,700,000 for the period commencing November 2, 2024 and ending on December 6, 2024

$6,000,000 for the period commencing December 7, 2024 and ending on December 27, 2024

$7,100,000 for the period commencing December 28, 2024 and ending on December 31, 2024

$7,000,000 for the period commencing March 1, 2025 and ending on August 22, 2025

$6,500,000 for the period commencing August 23, 2025 and ending on September 30, 2025

As at October 31, 2025, $41,998,315 (2024 - $41,261,894) was drawn against this facility and prime was 4.45% (2024 - 5.95%). Subsequent to year end,grain asset sale proceeds of $22,845,117 were applied against the facility.

This facility is secured by a debenture granting first ranking security interest in all the land, buildings and equipment. The Twenty-fourth Amending Agreement requires the Company to maintain a minimum tangible net worth not less than 2.5.

Subsequent to year end, the Company entered into a Fourth Amended and Restated Credit Agreement that currently provides an authorized working capital facility note with a limit of $21,500,000.

9. Accounts payable and accrued liabilities

Included in accounts payable and accrued liabilities as at October 31, 2025 are government remittances payable of $54,795 (2024 - $62,986).

10. Long-term debt

	2025	2024
Term loan facility - repaid	$ -	$ 3,965,364
Capex loan facility - repaid	-	872,820
Unsecured private investor loans	2,000,000	2,000,000
Lease payable to Wells Fargo in monthly payments of $100 USD per day plus PST with an implied interest rate of 8.95%. The locomotive with a net book value of $200,403 is held as security on the lease. The lease matures October 1, 2030 and contains a purchase option on expiry of the lease for $100,000 USD.	217,366	250,373
Lease payable to Financial Services Canada Inc. in monthly payments of $1,027 plus PST with an implied interest rate of 6.7%. The forklift with a net book value of $51,056 is held as security on the lease. The lease matures May 1, 2030.	51,734	-
	2,269,100	7,088,557
Less current portion due within one year	46,062	3,621,379
	2,223,038	3,467,178
Less deferred financing charges	(9,131)	(12,783)
	2,213,907	3,454,395
Less long-term debt reclassified as current	-	1,236,784
	$ 2,213,907	$ 2,217,611

On October 31, 2018, the Third Amended and Restated Credit Agreement was made among the Company and the Bank of Montreal. On December 31, 2024 and March 31, 2025, Twenty-third and Twenty-fourth Amending Agreements were signed respectively between the Company and the Bank of Montreal.

On November 7, 2025, a Fourth Amended and Restated Credit Agreement was signed between the Company and the Bank of Montreal.

Unsecured private investor loans

In April 2023, the Company entered into an agreement with 29 separate investors to invest various amounts (minimum $25,000). Annual interest payments are required on principal outstanding at 10%. The loans are repayable at the earliest of 5 years from issuance of funds or in the event of default.

Estimated principal payments due in each of the next five years are as follows:

2026	$ 46,062
2027	49,765
2028	2,054,150
2029	58,926
2030	60,197

11. Deferred income taxes

Deferred income tax liabilities and assets are made up of the temporary differences on the following items:

	2025	2024
Deferred tax liability		
Property, plant and equipment	$ (9,133,410)	$ (12,474,202)
Unrealized gain on investments	(1,731,783)	(1,731,783)
	(10,865,193)	(14,205,985)
Deferred tax asset		
Loss carryforwards	13,228,271	15,392,505
Government grants	554,431	583,612
Net deferred tax asset (liability)	$ 2,917,509	$ 1,770,132

12. Deferred grant revenue

The Company received approval for $5,050,000 of funding from the Government of Canada under the Eco Agriculture Biofuels Capital initiative in the form of an interest-free loan. The funding was specified for the construction of the Fermentation and Distillation Facility. The Company has complied with all conditions and requirements of the funding agreement and, accordingly, received the funding during the year ended October 31, 2010. The funding took the form of a forgivable loan, which became repayable in the event that certain profitability targets for the Fermentation and Distillation Facility were met, until December 31, 2018. At the conclusion of this forgivable period, the total amount repayable of $1,836,184 had already been paid in full. There are no further amounts repayable.

	2025	2024
Opening balance	$ 2,161,525	$ 2,269,601
Recognized in revenue	(108,076)	(108,076)
	$ 2,053,449	$ 2,161,525

13. Commitments and contingencies

The Company has entered into agreements with customers to supply 2,400,000 total liters of alcohol in the calendar year 2025. At fiscal year-end, the Company has a remaining commitment to provide 350,394 liters on these contracts. In the event that the Company's ability to produce or deliver alcohol is constrained by an event of Force Majeure or production upset, the contracts provide that the Company shall endeavor to allocate quantity in a fair and equitable manner.

On October 29, 2025, the Company entered into a shared infrastructure agreement for a fee of $2,000 per month plus taxes, for 2 years or earlier termination of agreement. The Company has five options to extend the term of the agreement for successive periods of 5 years each.

Under a contractual agreement, the Company has committed to construct an alternate access road and, subject to certain conditions, an overpass to maintain access to certain real properties. The commitments are contingent upon completion of a land subdivision, receipt of required governmental approvals, and, in the case of the overpass, the commencement of a rail line by the counterparty. The Company will be responsible for all construction, maintenance, and repair costs once completed. As at the reporting date, the timing and total cost of these commitments remain uncertain and, accordingly, no provision has been recognized in the consolidated financial statements as the criteria under IAS 37 have not been met.

At year-end, the Company held nil (2024 - 3,418) tonnes of grain with a value of nil (2024 - $989,152) on behalf of area producers. The Company is contingently liable for the value of this grain if losses in quantity or quality occur. This grain is not included in the Company's inventory.

The Company is subject to the Saskatchewan Output-Based Performance Standards ("OBPS") program. As at the reporting date, no provision has been recognized in the financial statements related to the 2025 compliance year, as compliance obligations are determined on a calendar-year basis and the calculation for the applicable period has not yet been completed.

The timing and amount of compliance obligations remain subject to uncertainty. Based on the most recent guidance received from the Saskatchewan Ministry of Environment on December 16, 2025, the Ministry has acknowledged ongoing uncertainty regarding the program and has indicated that compliance payment obligations for the 2022, 2023, and 2024 compliance years continue to be deferred. In addition, approvals of 2024 emissions return submissions and the issuance of performance credits or compliance obligations have been paused pending further clarification from the Ministry. As a result, the Company is unable to determine the amount, if any, of a present obligation at the reporting date.

14. Share capital

Authorized

- Unlimited Class "A" voting, participating shares with a 10% non-cumulative dividend
- Unlimited Class "B" voting, participating shares
- Unlimited Class "C" non-voting, participating, redeemable, retractable shares

	2025	2024
Issued:		
- 45,000 Class "A" shares	$ 150,000	$ 150,000
- 3,232,915 Class "B" shares	16,288,458	16,288,458
	$ 16,438,458	$ 16,438,458

During the year, the Company declared and paid dividends of $nil (2024 - $nil) per class A share and $nil (2024 - $nil) per class B share.

15. Sales revenue (expenses)

	2025	2024
Grain handling and drying	$ 5,695,050	$ 85,762,364
Alcohol sales	26,201,517	25,594,920
Dried distillers grain sales	3,823,655	4,830,042
	$ 35,720,222	$ 116,187,326

16. Reconciliation of income tax rates

The Company's reported effective tax rate on accounting income differs from statutory rates as follows:

	2025	2024
Earnings before income taxes	$ (3,965,986)	$ (11,028,522)
Effective federal and provincial tax rate	27.00 %	27.00 %
Accounting income tax provision at statutory income tax rate	(1,070,816)	(2,977,701)
Non-taxable portion of capital gains	(2,512,864)	-
Impairment expense non-deductible for tax	1,161,000	-
Recapture on capital asset disposal	3,958,203	-
Impact of current year temporary differences at deferred tax rates	(2,579,673)	96,515
Non-taxable income received	(38,880)	(239,004)
Other	(64,347)	(12,124)
Income taxes	$ (1,147,377)	$ (3,132,314)

The Company, through its operations, has access to, for income tax purposes, non-capital loss carryforwards in the amount of $48,993,597. Non-capital loss carryforwards have been taken into account for purposes of calculating deferred income taxes and begin to expire in 2036.

17. Earnings per share

The basic and dilutive earnings per share have been calculated using the weighted-average number of common shares outstanding during the year. Since there are no items of a dilutive nature, the basic and dilutive share amounts are the same. The total basic and dilutive weighted-average number of common shares for October 31, 2025 is 3,277,915 (2024 - 3,277,915).

	2025		
	Net Income	**Shares**	**Income per Share**
Basic and dilutive	$ (2,818,609)	3,277,915	$ (0.86)
	Total Comprehensive Income	**Shares**	**Income per Share**
Basic and dilutive	$ (2,818,609)	3,277,915	$ (0.86)

	2024		
	Net Income	**Shares**	**Income per Share**
Basic and dilutive	$ (7,896,208)	3,277,915	$ (2.41)
	Total Comprehensive Income	**Shares**	**Income per Share**
Basic and dilutive	$ (7,896,208)	3,277,915	$ (2.41)

18. Segment information

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

Grain Division

This segment consists of the buying, selling, cleaning and drying of grain.

Fermentation and Distillation Division

This segment consists of the production and selling of alcohol and dried distillers grain.

	2025		
	Grain Division	Fermentation and Distillation Division	Total
Sales	$ 17,982,386	$ 30,025,172	$ 48,007,558
Less inter-division revenues	(12,287,336)	-	(12,287,336)
Dividend income	144,000	-	144,000
Total revenue	5,839,050	30,025,172	35,864,222
Gross profit	(79,645)	4,386,084	4,306,439
Expenses	(8,752,039)	(4,477,704)	(13,229,743)
Unrealized gain (loss) on interest rate swap	(33,392)	(16,191)	(49,583)
Gain on sale of assets	9,306,902	-	9,306,902
Plant and equipment impairment	-	(4,300,000)	(4,300,000)
Income taxes	242,293	905,084	1,147,377
Net income (loss)	$ 684,119	$ (3,502,728)	$ (2,818,609)
Depreciation	$ 1,114,778	$ 2,256,296	$ 3,371,074
Net capital expenditures	$ 533	$ 190,105	$ 190,638
Segment assets	$ 14,445,505	$ 48,406,355	$ 62,851,860

	2024		
	Grain Division	Fermentation and Distillation Division	Total
Sales	$ 100,698,690	$ 30,424,962	$ 131,123,652
Less inter-division revenues	(14,936,326)	-	(14,936,326)
Dividend income	885,201	-	885,201
Total revenue	86,647,565	30,424,962	117,072,527
Gross profit	2,542,479	2,599,355	5,141,834
Expenses	(11,743,865)	(4,231,589)	(15,975,455)
Unrealized gain (loss) on interest rate swap	(131,257)	(63,644)	(194,901)
Income taxes	2,668,876	463,438	3,132,314
Net income (loss)	$ (6,663,767)	$ (1,232,440)	$ (7,896,208)
Depreciation	$ 1,170,392	$ 2,255,739	$ 3,426,131
Net capital expenditures	$ 305,995	$ 439,457	$ 745,452
Segment assets	$ 48,100,476	$ 44,261,218	$ 92,361,694

19. Non-cash operating working capital

Details of net change in each element of working capital relating to operations excluding cash are as follows:

	2025	2024
(Increase) decrease in current assets:		
Accounts receivable	$ 1,851,624	$ 6,934,084
Inventories	5,312,605	10,782,873
Prepaid expenses	(35,156)	264,427
Income taxes receivable	118	6,408
Interest rate swap	50,253	194,901
Risk management assets	76,025	1,412,581
	7,255,469	19,595,274
Increase (decrease) in current liabilities:		
Accounts payable and accrued liabilities	4,219,053	(1,003,340)
Outstanding deferred cash tickets	(1,327,634)	(4,929,700)
Grain storage liability	(1,918,773)	(9,629,251)
	972,646	(15,562,291)
	$ 8,228,115	$ 4,032,983

20. Related party transactions

The remuneration of the Company's directors and key management personnel during the period is comprised of salaries, board honoraria and short-term benefits of $1,659,051 (2024 - $1,557,472).

During the year, directors delivered 8.52% (2024 - 15.51%) of the total grain received by the Company.

During the year, the Company paid $1,433,321 for consulting, commissions, raw materials and supplies to related parties.

These transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

21. Capital management

The Company's primary objective when managing capital is to ensure that it has sufficient resources to maintain its ongoing operations. The Company considers short-term debt (net of cash), long-term debt and total shareholders' equity in the definition of capital.

	2025	2024
Bank indebtedness (cash)	$ 18,967,503	$ 41,707,493
Current portion of long-term debt	46,062	3,621,379
Long-term debt	2,223,038	3,467,178
Deferred financing charges	(9,131)	(12,783)
	21,227,472	48,783,267
Shareholders' equity	30,556,246	33,374,855
	$ 51,783,718	$ 82,158,122

The Board of Directors does not establish quantitative return on capital criteria for management but rather promotes sustainable operation goals. In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary. The annual budgets are approved by the Board of Directors.

22. Financial risk management and uncertainties

Financial risk management

The Company is exposed to a variety of financial risks, which include foreign exchange risk, interest rate risk, credit risk, commodity price risk and liquidity risk. The Company does not have a practice of trading derivatives for speculative purposes. Use of derivatives is subject to the oversight of the Board of Directors.

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate due to changes in market interest rates.

The Company's principal exposure to interest rate fluctuations is limited to its long-term debt and its working capital facility (as described in Note 10), which bear interest at fixed and floating interest rates.

A 1% change in interest rates relating to the bank indebtedness and long-term debt of the Company would increase or decrease interest expense by approximately $191,532 (2024 - $427,951). Exposure to interest rate risk is managed through normal operating and financing activities.

22. Financial risk management and uncertainties (continued)

Financial instrument carrying values and fair values

For all current assets and liabilities, the difference between cost and fair value is assumed to be negligible due to the short-term maturities of these items. The following table provides a summary of the financial assets and liabilities that are measured at fair value, together with the carrying amounts included in the statement of financial position, as at October 31, 2025 and 2024:

	2025		2024	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets				
Accounts receivable	$ 3,385,740	$ 3,385,740	$ 5,237,364	$ 5,237,364
Grain inventories	-	-	4,569,584	4,569,584
Grain purchase and sale contracts	-	-	(207,217)	(207,217)
Interest rate swap	-	-	50,254	50,254
Risk management assets	2,078	2,078	78,103	78,103
Investments	12,900,000	12,900,000	12,900,025	12,900,025
Financial liabilities				
Bank indebtedness	18,967,503	18,967,503	41,707,493	41,707,493
Accounts payable and accrued liabilities	9,014,693	9,014,693	4,795,640	4,795,640
Outstanding deferred cash tickets	-	-	1,327,634	1,327,634
Grain storage liability	-	-	1,918,773	1,918,773
Long-term debt	2,259,969	2,259,969	7,075,774	7,075,774

The following table presents, as at October 31, 2025 and 2024 the level within the fair value hierarchy for each of the financial assets and liabilities measured at fair value:

	2025			
	Level 1	Level 2	Level 3	Total
Financial assets				
Risk management assets	$ 2,078	$ -	$ -	$ 2,078
Investments	-	-	12,900,000	12,900,000
Financial liabilities				
Grain storage liability	-	1,918,773	-	1,918,773

22. Financial risk management and uncertainties (continued)

Financial instrument carrying values and fair values (continued)

	2024			
	Level 1	Level 2	Level 3	Total
Financial assets				
Grain inventories	$ -	$ 4,569,584	$ -	$ 4,569,584
Grain purchase and sale contracts	-	(207,217)	-	(207,217)
Risk management assets	78,103	-	-	78,103
Interest rate swap	50,254	-	-	50,254
Investments	-	-	12,900,025	12,900,025
Grain storage liability	-	1,918,773	-	1,918,773

The Company has an investment in Alliance Grain Terminal Ltd. which is accounted for as an available for sale investment and is recorded at fair value with gains and losses going through other comprehensive income. The investment is fair valued at $12,900,000 (2024 - $12,900,000). The fair values of these level 3 inputs are based on earnings-based approaches with an EBITDA multiple with a range of inputs from 2.99 - 3.50. An increase in the inputs of 10% would impact the fair value by $1,345,680.

The sensitivity analysis set out is intended to reflect the uncertainty inherent in the valuation of investments under current market conditions and its results cannot be extrapolated due to non-linear effects that changes in valuation assumptions may have on the fair value of these investments. While this illustrates the overall effect of changing the values of the unobservable inputs by a set percentage, the significance of the impact and the range of reasonably possible alternative assumptions may differ significantly between investments, given their different terms and circumstances. Furthermore, the analysis does not indicate a probability of such changes occurring and it does not necessarily represent the Company's view of expected future changes in the fair value of these investments.

Foreign exchange risk

The Company is exposed to currency risk as a certain portion of sales and expenses are transacted in US dollars resulting in US denominated accounts receivable and accounts payable. These balances are, therefore, subject to gains and losses due to fluctuations in that currency in relation to the Canadian dollar.

The Company entered into foreign exchange derivative contracts to mitigate these risks. This strategy minimizes the impact of US dollar fluctuations on the operating results of the Company. In 2025, a foreign exchange loss of $8,208 (2024 - $780,113 gain) was recognized in comprehensive income.

22. **Financial risk management and uncertainties (continued)**

Foreign exchange risk (continued)

Balances in foreign currencies denominated in US funds at October 31, 2025 are:

	2025 USD	2024 USD
Cash	$ 8,414	$ 242,408
Accounts receivable	876,743	664,026
Risk management assets (liabilities)	-	(579,830)
Accounts payable	334,921	62,232

Credit risk

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

The Company's maximum credit exposure at the statement of financial position date, consists primarily of the carrying amounts of accounts receivable.

The allowance for bad debts as at October 31, 2025 was $1,826,667 (2024 - $1,941,104).

Commodity price risk

Commodity price risk is the risk that the value of inventory, related contracts and grain storage liability will fluctuate due to changes in market prices. A change in price and quality will have a direct effect on the value of inventory. As a grain handling facility, the Company has significant exposure to changes in various agricultural commodity prices.

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.

To mitigate the risks associated with the fluctuations in the market price for agricultural commodities, the Company has a policy that grains be hedged, when possible, through the use of purchase and sales contracts. The Company may employ derivative commodity instruments (primarily futures and options) for the purpose of managing its exposure to commodity price risk. The Company's actual exposure to these price risks is constantly changing as the Company's inventories and commodity contracts change. The fair value of derivative contracts outstanding at October 31, 2025, resulted in the recognition of a risk management asset of $2,078 (2024 - $78,103).

22. Financial risk management and uncertainties (continued)

Liquidity risk

Liquidity risk arises from the possibility the Company will not be able to meet its financial debt obligations as they become due or obtain financing as needed to pursue expansionary projects. Actual and forecasted cash flows are continuously monitored to reduce this liquidity risk. With the support of its lender, Management judges the future cash flows of the Company as adequate to make payments as they become contractually due. The Company estimates the following repayment of financial liabilities:

	2025	2024
Less than 3 months	$ 25,312,224	$ 51,891,669
3-12 months	2,716,034	2,716,034
1-5 years	4,267,356	4,379,136