



# NORTHFIELD

CAPITAL CORPORATION

Consolidated Financial Statements  
For the Years ended December 31, 2024 and 2023

Audited

*Presented in Canadian Dollars*



Consolidated Financial Statements  
For the Years ended December 31, 2024 and 2023

*Audited*

## NOTICE TO SHAREHOLDERS

April 21, 2025

### **MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS**

The accompanying consolidated financial statements of Northfield Capital Corporation. ("**Northfield**") were prepared by management in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board. Management acknowledges responsibility for the preparation and presentation of the consolidated financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to Northfield's circumstances. The material accounting policies of Northfield are summarized in note 2 to these consolidated financial statements.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors is responsible for reviewing and approving the consolidated financial statements and for ensuring that management fulfils its financial reporting responsibilities.

An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management as well as the independent auditors to review the internal controls over the financial reporting process, the consolidated financial statements and the auditor's report. The Audit Committee also reviews Northfield's Management's Discussion and Analysis to ensure that the financial information reported therein is consistent with the information presented in the consolidated financial statements. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the consolidated financial statements for issuance to the shareholders.

Management recognizes its responsibility for conducting Northfield's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

(Signed) "Robert D. Cudney"  
Chief Executive Officer

(Signed) "Michael G. Leskovec"  
Chief Financial Officer

To the Shareholders of Northfield Capital Corporation:

### Opinion

We have audited the consolidated financial statements of Northfield Capital Corporation and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2024 and December 31, 2023, and the consolidated statements of operations, changes in shareholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

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, 2024 and December 31, 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board.

### 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 consolidated 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.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Valuation of Investments

#### *Key Audit Matter Description*

The Company describes its critical accounting estimates, assumptions and judgment in relation to the fair value measurement of financial instruments in note 3 of the consolidated financial statements. As disclosed in note 22 of the consolidated financial statements, the Company has financial assets of \$56,835,792 recorded at fair value. Of these, \$32,027,828 relates to private investments where fair value is based on unobservable inputs and are classified as Level 3 financial instruments within the fair value hierarchy. Management uses various valuation methodologies with unobservable market inputs in its determination of the fair value of private investments. The valuation methodologies used in estimating the fair value of these private investments vary based on the specific characteristics of the private investments.

The valuation of these investments is inherently subjective due to the absence of quoted market values and inherent lack of liquidity. As a result, the procedures related to the valuation methodologies and unobservable market inputs required a high degree of auditor judgment and increased audit effort, including the use of valuation specialists.

The use of different valuation techniques and assumptions could produce significantly different estimates of fair value. Given the subjectivity involved, we considered this area to be a key audit matter.

## *Audit Response*

Our approach to addressing the matter included, but was not restricted to, the following procedures:

- Evaluated the appropriateness of the methodology used in the valuation of the private investments and the mathematical accuracy of the valuation models with the assistance of an internal valuations expert.
- Reviewed relevant internal and external information, including industry information, to assess the reasonability of unobservable market inputs.
- Evaluated management's fair value estimates by comparing to subsequent transactions, taking into account changes in market or investment specific conditions, where applicable.

## **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 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 and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits or otherwise 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 on this other information, 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 Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board, 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes 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 audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Alberto Federman.

Toronto, Ontario  
April 21, 2025

*MNP LLP*

Chartered Professional Accountants  
Licensed Public Accountants



**NORTHFIELD**  
CAPITAL CORPORATION

**NORTHFIELD CAPITAL CORPORATION**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**Expressed in Canadian Dollars**

As at,	December 31, 2024	December 31, 2023
<b>ASSETS</b>		
Cash and cash equivalents	\$ 3,582,235	\$ 4,094,458
Marketable securities (note 5)	4,878,391	5,364,801
Other investments (note 6)	48,375,166	40,370,711
Receivables	918,219	294,698
Prepaid expenses and deposits	483,690	621,554
Inventory (note 4)	1,363,909	1,027,700
Property and equipment (note 8)	25,972,222	25,861,496
Right-of-use-asset (note 9)	1,206,701	762,347
	<b>\$ 86,780,533</b>	<b>\$ 78,397,765</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 3,004,587	\$ 1,975,663
Credit facilities (note 12)	1,328,825	2,451,525
Loans payable (note 10)	8,121,120	10,385,088
Lease liability (note 11)	1,347,167	938,648
Deferred taxes (note 21)	37,432	41,329
	<b>13,839,131</b>	<b>15,792,253</b>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (note 13(b))	11,550,827	3,594,663
Share-based payment reserve (note 13(c))	808,546	-
Warrant reserve (note 13(d))	1,330,606	-
Contributed surplus	42,831	42,831
Retained earnings	61,003,762	58,727,474
	<b>74,736,572</b>	<b>62,364,968</b>
Non-controlling interest (note 15)	(1,795,170)	240,544
	<b>72,941,402</b>	<b>62,605,512</b>
	<b>\$ 86,780,533</b>	<b>\$ 78,397,765</b>

**Investments in associates (note 7)**  
**Related party transactions (note 17)**  
**Contingencies and commitments (note 23)**  
**Subsequent event (note 24)**

See accompanying notes to consolidated financial statements

On behalf of the Board:

\_\_\_\_\_  
(Signed) "Eric Klein"  
Director

\_\_\_\_\_  
(Signed) "Morris J. Prychidny"  
Director



**NORTHFIELD**  
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**NORTHFIELD CAPITAL CORPORATION**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
**Expressed in Canadian Dollars**

For the years ended December 31,	2024	2023
<b>Net investment income (note 19(a))</b>	<b>\$ 10,223,490</b>	<b>\$ (1,010,194)</b>
<b>Revenue (note 19(b))</b>	<b>8,956,017</b>	<b>6,798,910</b>
<b>Cost of sales (note 4)</b>	<b>(7,030,694)</b>	<b>(5,625,848)</b>
<b>Gross margin from operating subsidiaries</b>	<b>1,925,323</b>	<b>1,173,062</b>
	<b>12,148,813</b>	<b>162,868</b>
<b>Operating expenses</b>		
Salaries, Director and consulting fees	4,059,819	3,635,241
Marketing, promotion and travel	1,980,398	613,018
Office and general	1,372,361	1,383,380
Interest expense	663,856	485,517
Professional fees	1,125,703	676,020
Regulatory	138,104	49,452
Commission and transaction costs	33,269	46,444
Loss (gain) on disposal of property and equipment	(65,455)	12,648
Amortization	1,795,535	1,649,535
Stock based compensation (note 13(c))	808,546	-
	<b>11,912,136</b>	<b>8,551,255</b>
<b>Income (loss) before income taxes</b>	<b>236,677</b>	<b>(8,388,387)</b>
<b>Income tax recovery (provision) (note 21)</b>	<b>3,897</b>	<b>269,312</b>
<b>Net income (loss) and comprehensive income (loss)</b>	<b>\$ 240,574</b>	<b>\$ (8,119,075)</b>
<b>Net income (loss) and comprehensive income (loss) attributable to:</b>		
Shareholders	\$ 2,276,288	\$ (6,679,290)
Non-controlling interest (note 15)	(2,035,714)	(1,439,785)
	<b>\$ 240,574</b>	<b>\$ (8,119,075)</b>
<b>Net income (loss) per share attributable to shareholders:</b>		
Basic and diluted* (note 14)	<b>\$ 0.19</b>	<b>\$ (0.60)</b>
<b>Weighted average Class A and Class B Shares outstanding during the period:</b>		
Basic* (note 14)	<b>11,970,370</b>	<b>11,101,800</b>
Fully diluted* (note 14)	<b>12,060,915</b>	<b>11,101,800</b>

See accompanying notes to consolidated financial statements

\*Current and comparative figures have been adjusted to give effect to share split (see note 13)



**NORTHFIELD**  
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**CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**Expressed in Canadian Dollars**

	Class A Restricted Voting Shares		Class B Multiple Voting Shares		Total share capital	Share-based payment reserve	Warrant reserve	Contributed surplus	Retained earnings	Non- controlling interest	Total shareholders' equity
	Shares	Amount	Shares	Amount							
<b>Balance at December 31, 2022</b>	<b>11,073,815</b>	<b>\$ 3,586,983</b>	<b>18,600</b>	<b>\$ 7,680</b>	<b>\$ 3,594,663</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 42,831</b>	<b>\$ 65,406,764</b>	<b>\$ 1,680,329</b>	<b>\$ 70,724,587</b>
Net loss and comprehensive loss	-	-	-	-	-	-	-	-	(6,679,290)	(1,439,785)	(8,119,075)
<b>Balance at December 31, 2023</b>	<b>11,073,815</b>	<b>3,586,983</b>	<b>18,600</b>	<b>7,680</b>	<b>3,594,663</b>	<b>-</b>	<b>-</b>	<b>42,831</b>	<b>58,727,474</b>	<b>240,544</b>	<b>62,605,512</b>
Share-based compensation ( <i>note 13(c)</i> )	-	-	-	-	-	808,546	-	-	-	-	808,546
Private placement, net of issue costs	2,378,250	9,286,770	-	-	9,286,770	-	-	-	-	-	9,286,770
Warrant reserve ( <i>note 13(d)</i> )	-	(1,330,606)	-	-	(1,330,606)	-	1,330,606	-	-	-	-
Net income and comprehensive income	-	-	-	-	-	-	-	-	2,276,288	(2,035,714)	240,574
<b>Balance at December 31, 2024</b>	<b>13,452,065</b>	<b>\$ 11,543,147</b>	<b>18,600</b>	<b>\$ 7,680</b>	<b>\$ 11,550,827</b>	<b>\$ 808,546</b>	<b>\$ 1,330,606</b>	<b>\$ 42,831</b>	<b>\$ 61,003,762</b>	<b>\$ (1,795,170)</b>	<b>\$ 72,941,402</b>

See accompanying notes to consolidated financial statements





**NORTHFIELD**  
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**NORTHFIELD CAPITAL CORPORATION**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**Expressed in Canadian Dollars**

For the year ended December 31,	2024	2023
<b>Cash provided by (used in)</b>		
<b>Operations</b>		
Net income (loss)	\$ 240,574	\$ (8,119,075)
Items not involving cash flows (note 16(a))	(6,014,142)	3,586,827
Net change in other non-cash balances (note 16(b))	(915,642)	1,910,532
Purchase of marketable securities	(848,287)	(102,180)
Proceeds on disposal of marketable securities	743,115	3,332,836
Purchase of other investments	(2,185,154)	(2,097,576)
Proceeds on disposal of other investments	4,345,919	3,667,460
	<b>(4,633,617)</b>	<b>2,178,824</b>
<b>Investing</b>		
Purchase of property and equipment, net (note 8)	<b>(2,532,331)</b>	<b>(9,395,049)</b>
<b>Financing</b>		
Proceeds from equity private placement, net of share issue costs	9,286,770	-
Repayment of loans payable (note 10)	(2,263,969)	(822,898)
Lease payments (note 11)	(369,076)	(306,018)
Proceeds from loans payable (note 10)	-	6,170,000
	<b>6,653,725</b>	<b>5,041,084</b>
<b>Change in cash and cash equivalents</b>	<b>(512,223)</b>	<b>(2,175,141)</b>
Cash and cash equivalents, beginning of year	<b>4,094,458</b>	<b>6,269,599</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 3,582,235</b>	<b>\$ 4,094,458</b>

**Supplementary cash flow information (note 16)**

See accompanying notes to consolidated financial statements



NORTHFIELD  
CAPITAL CORPORATION

## NORTHFIELD CAPITAL CORPORATION

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Expressed in Canadian Dollars

For the years ended December 31, 2024 and 2023

#### 1. NATURE OF OPERATIONS

Northfield Capital Corporation ("**Northfield**") is a publicly traded company incorporated under the laws of the Province of Ontario, with investment interests in resource, aviation, manufacturing and technology sectors. Northfield's Class A Restricted Voting Shares are listed on the TSX Venture Exchange under the symbol "NFD.A".

The address of Northfield's registered head office is 141 Adelaide Street West, Suite 301, Toronto, Ontario, M5H 3L5.

#### 2. MATERIAL ACCOUNTING POLICY INFORMATION

##### (a) Statement of compliance

Northfield's consolidated financial statements have been prepared in accordance with IFRS® Accounting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**"), and interpretations of the International Financial Reporting Interpretations Committee ("**IFRIC**"). The consolidated financial statements as at and for the year ended December 31, 2024 were approved for issue by the Board of Directors on April 21, 2025.

These consolidated financial statements have been prepared on the basis of IFRS standards that were in effect at December 31, 2024 and these accounting policies have been applied consistently to all periods presented herein.

##### (b) Principles of consolidation

Subsidiaries are entities over which Northfield has control, where control is defined as the power to govern financial and operating policies. The effect of potential voting rights that are currently exercisable are considered when assessing whether control exists. Subsidiaries are fully consolidated from the date control is transferred to Northfield, and are de-consolidated from the date control ceases.

At December 31, 2024, Northfield had 57.6% ownership of Distillery Network Inc. ("**DNI**") (December 31, 2023 - 57.6%), a private company incorporated under the laws of the Province of Ontario, which is currently in the growth and development stage of spirit distilling in Toronto, Ontario. Northfield acquired control of DNI on December 31, 2019. DNI owns 100% of Spirit of York Distillery Inc.

On May 8, 2020, Northfield obtained control of The Grange of Prince Edward Inc. (the "**Grange**"), a private company incorporated under the laws of the Province of Ontario operating a vineyard and winery in Prince Edward County, Ontario. As a result of this transaction, Northfield's ownership increased from 49.0% to 56.7% in 2020.

On June 18, 2020, Northfield acquired all of the shares of True North Airways Inc. ("**TNA**"), Omar Aviation Limited and 369445 Ontario Limited (collectively, the "**TNA Group**"), which operates fly-in fishing camps in Northern Ontario and provides chartered air, flight training and aircraft maintenance services. The shares were acquired through incorporated subsidiaries Spruce Goose Aviation Inc. (wholly-owned) and Northfield Aviation Group Inc., 91.0% owned and controlled at December 31, 2024 (December 31, 2023 - 92.0%). These subsidiaries are fully consolidated on the date control was obtained by Northfield.

During 2020, Northfield incorporated 2756189 Ontario Inc., a wholly-owned subsidiary of Northfield for the purpose of managing corporate office expenditures. On June 2, 2023, Northfield incorporated True North Helicorp Inc., a wholly-owned subsidiary of Northfield Aviation Group Inc., to provide chartered air services from a newly purchased helicopter. On July 4, 2024, Northfield incorporated TNA SOUTH, S.A. DE C.V., a wholly-owned subsidiary of True North Airways Inc., with the intention to provide chartered air services within the country of El Salvador.



NORTHFIELD  
CAPITAL CORPORATION

## NORTHFIELD CAPITAL CORPORATION

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Expressed in Canadian Dollars

For the years ended December 31, 2024 and 2023

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## 2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

### (c) Basis of presentation (continued)

Northfield's consolidated financial statements have been prepared in accordance with IFRS® Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These consolidated financial statements have been prepared in accordance with accounting policies based on the IFRS standards and International Financial Reporting Interpretations Committee ("IFRIC") interpretations and have been consistently applied to all the years presented and by all subsidiaries. The principal accounting policies applied in the preparation of these consolidated financial statements are set out below.

These consolidated financial statements have been prepared on a going concern basis, under the historical cost convention, except for valuation of fair value through profit or loss ("FVTPL") financial assets and financial liabilities which are shown at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Northfield classifies its expenses by nature.

The consolidated statements of cash flows show the changes in cash and cash equivalents arising during the year from operating activities, investing activities and financing activities.

The consolidated cash flows from operating activities are determined using the indirect method. Net income is therefore adjusted for non-cash items, such as measurement gains or losses, changes in provisions, as well as changes from receivables, prepaid expenses and deposits, accounts payable and accrued liabilities and income taxes receivable and payable. In addition, all income and expenses from cash transactions that are attributable to investing or financing activities are eliminated. The cash flows from investing and financing activities are determined using the direct method. Northfield's assignment to operating, investing and financing category depends on the business model (management approach).

### (d) Revenue recognition

Northfield recognizes revenues to the extent that it is probable that the economic benefits will flow to Northfield and revenues can be reliably measured.

Realized gains and losses on the disposal of investments and unrealized gains and losses on securities classified as FVTPL are reflected in the consolidated statements of operations on the settlement date and are calculated on an average cost basis.

For all financial instruments measured at amortized cost, interest income or expense is recorded using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability. Once the recorded value of a financial asset or a group of similar financial assets has been reduced due to the impairment loss, interest income continues to be recognized using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Other investment income is recognized on the accrual basis and is considered operating income for cash flow purposes.

Dividend income is recognized when Northfield's right to receive the payment is established and is considered cash flow from operations.

Revenues from product sales and aviation services are recognized upon satisfaction of performance obligations, which is when customers obtain control of the goods, and when all service requirements have been satisfied and collection is reasonably assured.



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**NORTHFIELD CAPITAL CORPORATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**Expressed in Canadian Dollars**

For the years ended December 31, 2024 and 2023

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**2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**(d) Revenue recognition (continued)**

**Distillery Revenue Recognition:**

Revenue is recognized, net of trade discounts and allowances, when a price is agreed upon, goods are shipped to customers, all significant contractual obligations have been satisfied, and collectability is reasonably assured.

**Winery Revenue Recognition:**

Revenue from the sale of merchandise and services is recognized when the performance obligation is fulfilled. For sales to consumers through retail stores, winery restaurants and estate wineries, the performance obligation is deemed fulfilled at the point of sale, when the customer tenders payment and takes possession of the product. For sales transactions with provincial liquor boards, licensee retail stores and wine kit retailers, the customer takes control of the goods and the Northfield's performance obligation is fulfilled when the product is shipped from the Northfield's distribution facilities.

**Aviation Revenue Recognition:**

Charter services and other contract flying services are provided to a variety of customers for routes that are determined by the customer. Consideration for these services typically is equivalent to a fixed rate for each flight, which is billed and paid for upon completion of the flight. Revenue is recognized as each flight is completed.

Maintenance, repair and overhaul service revenue is recognized over time based on costs incurred.

**(e) Foreign currencies**

The consolidated financial statements are presented in Canadian dollars, which is the functional currency of Northfield and its subsidiaries. Transactions in currencies other than the functional currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the period end exchange rates are recognized in the consolidated statements of operations. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

**(f) Cash and cash equivalents**

Cash and cash equivalents include cash on hand, balances with brokers, and highly liquid investments with an original maturity at the date of purchase of three months or less.

**(g) Financial instruments**

**(i) Financial assets**

Northfield recognizes financial assets when it becomes party to the contractual provisions of the instrument. Financial assets are measured initially at their fair value plus, in the case of financial assets not subsequently measured at fair value through FVTPL, transaction costs that are directly attributable to their acquisition. Transaction costs attributable to the acquisition of financial assets subsequently measured at FVTPL are expensed in profit or loss when incurred. Northfield derecognizes financial assets when its contractual rights to the cash flows from the financial asset expire.

On initial recognition, financial assets are classified as subsequently measured at amortized cost, fair value through other comprehensive income ("FVOCI") or FVTPL. Northfield determines the classification of its financial assets, together with any embedded derivatives, based on the business model for managing the financial assets and their contractual cash flow characteristics.



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For the years ended December 31, 2024 and 2023

**2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**(g) Financial instruments (continued)**

**(i) Financial assets (continued)**

Below is a summary of Northfield's classification and measurements of financial assets:

	<u>Classification</u>	<u>Measurement</u>
Cash & cash equivalents	FVTPL	Fair value
Receivables	Amortized cost	Amortized cost
Marketable securities	FVTPL	Fair value
Other investments	FVTPL	Fair value

*Business model assessment*

Northfield assesses the objective of its business model for holding a financial asset at a level of aggregation which best reflects the way the business is managed, and information is provided to management. Information considered in this assessment includes stated policies and objectives.

*Contractual cash flow assessment*

The cash flows of financial assets are assessed as to whether they are solely payments of principal and interest on the basis of their contractual terms. For this purpose, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money, the credit risk associated with the principal amount outstanding, and other basic lending risks and costs. In performing this assessment, Northfield considers factors that would alter the timing and amount of cash flows such as prepayment and extension features, terms that might limit Northfield's claim to cash flows, and any features that modify consideration for the time value of money.

*Investment in associates*

Associates are entities over which Northfield has significant influence, but not control. Significant influence is generally presumed to exist where Northfield has between 20 percent and 50 percent of the voting rights but can also arise where Northfield holds less than 20 percent of the voting rights, but it has power to be actively involved and influential in policy decisions affecting the entity. Investments in associates are held as part of the Northfield's investment portfolio and carried in the consolidated statements of financial position at fair value even though Northfield may have significant influence over the companies. This treatment is permitted by IAS 28, Investment in Associates, which allows investments held by venture capital or similar organizations to be excluded from its scope where those investments are measured at FVTPL in accordance with IFRS 9, with changes in fair value recognized in the consolidated statements of operations within net change in unrealized gains or losses on investments.



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**2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**(g) Financial instruments (continued)**

**(i) Financial assets (continued)**

Financial assets are classified as follows:

**FVTPL**

Assets that do not meet the criteria to be measured at amortized cost, or FVOCI, are measured at FVTPL. On initial recognition, Northfield may irrevocably designate a financial asset to be measured at FVTPL in order to eliminate or significantly reduce an accounting mismatch that would otherwise arise from measuring assets or liabilities, or recognizing the gains and losses on them, on different bases. All interest income and changes in the financial assets' carrying amount are recognized in profit or loss.

**Amortized Cost**

Assets that are held for collection of contractual cash flows where those cash flows are solely payments of principal and interest are measured at amortized cost. Interest revenue is calculated using the effective interest method and gains or losses arising from impairment, foreign exchange and derecognition are recognized in profit or loss.

**FVOCI**

Assets that are held for collection of contractual cash flows and for selling the financial assets, and for which the contractual cash flows are solely payments of principal and interest, are measured at FVOCI. Interest income calculated using the effective interest method and gains or losses arising from impairment and foreign exchange are recognized in profit or loss. All other changes in the carrying amount of the financial assets are recognized in other comprehensive income. Upon derecognition, the cumulative gain or loss previously recognized in other comprehensive income is reclassified to profit or loss. Northfield does not hold any financial assets measured at FVOCI.

**(ii) Financial liabilities**

Below is a summary of Northfield's classification and measurements of financial liabilities:

	<u>Classification</u>	<u>Measurement</u>
Accounts payable and accrued liabilities	Other	Amortized cost
Loans payable and credit facilities	Other	Amortized cost

Northfield recognizes a financial liability when it becomes party to the contractual provisions of the instrument. At initial recognition, Northfield measures financial liabilities at their fair value plus transaction costs that are directly attributable to their issuance, with the exception of financial liabilities subsequently measured at FVTPL for which transaction costs are immediately recorded in profit or loss.

Where an instrument contains both a liability and equity component, these components are recognized separately based on the substance of the instrument, with the liability component measured initially at fair value and the equity component assigned the residual amount.



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**2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**(g) Financial instruments (continued)**

**(ii) Financial liabilities (continued)**

Subsequent to initial recognition, all financial liabilities are measured at amortized cost using the effective interest method, other than those required to or designated to be at FVTPL. Interest, gains and losses relating to a financial liability are recognized in profit or loss.

Northfield derecognizes a financial liability only when its contractual obligations are discharged, cancelled or expire.

**(h) Impairment**

**(i) Financial assets**

Northfield recognizes a loss allowance for the expected credit losses associated with its financial assets, other than financial assets measured at FVTPL. Expected credit losses are measured to reflect a probability-weighted amount, the time value of money, and reasonable and supportable information regarding past events, current conditions and forecasts of future economic conditions.

Northfield applies the simplified approach for trade receivables. Using the simplified approach, Northfield records a loss allowance equal to the expected credit losses resulting from all possible default events over the assets' contractual lifetime. Northfield assesses whether a financial asset is credit-impaired at the reporting date. Regular indicators that a financial instrument is credit-impaired include significant financial difficulties as evidenced through borrowing patterns or observed balances in other accounts and breaches of borrowing contracts such as default events or breaches of borrowing covenants. For financial assets assessed as credit-impaired at the reporting date, Northfield continues to recognize a loss allowance equal to lifetime expected credit losses. For financial assets measured at amortized cost, loss allowances for expected credit losses are presented in the statement of financial position as a deduction from the gross carrying amount of the financial asset. Financial assets are written off when Northfield has no reasonable expectations of recovering all or any portion thereof. Should the cash flow assumptions used to determine the original loan loss provision change, the loan loss provision may be reversed. A loan loss provision is reversed only to the extent that the revised carrying value of the loan does not exceed its amortized cost that would have been recorded had no loan loss provision been recognized.

**(ii) Non-financial assets**

The carrying amounts of Northfield's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. Value in use is defined as the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

An impairment loss is recognized if the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in profit or loss.

In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.





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**2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**(i) Financial instruments recorded at fair value**

Financial instruments recorded at fair value on the consolidated statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - Valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - Valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - Valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Publicly traded marketable securities and other investments, including shares, options and warrants are recorded at fair values based on the last quoted close price, within the bid-ask spread, at the consolidated statement of financial position date. For options and warrants which are not traded on a recognized securities exchange and where there are sufficient and reliable observable market inputs, the Black-Scholes model for valuation is used. When Northfield holds debentures that are convertible into the issuer's equity shares at Northfield's option, the equity conversion feature represents an embedded option written by the issuer on its equity shares. Convertible debentures are classified as FVTPL and recorded at fair value.

Privately-held investments have been designated as FVTPL and are recorded in the consolidated statements of financial position at fair value. Fair value is measured using one or more of the valuation indicators described above. The determination of fair value of Northfield's privately-held investments are subject to certain limitations (refer to note 3).

**(j) Inventory**

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the first-in, first-out method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling costs. Inventories are written down to net realizable value when the cost of inventories is not estimated to be recoverable due to obsolescence, damage or declining selling prices. If the carrying value exceeds the net realizable amount, a writedown is recognized. The writedown may be reversed in a subsequent period if the circumstances that caused it no longer exist. Inventory consists primarily of raw materials, work in process, finished goods, and retail merchandise for sale.





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**2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**(k) Property and equipment**

Property and equipment are stated at cost less accumulated amortization and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

The carrying amounts of property and equipment (including initial and subsequent capital expenditure) are amortized over the estimated useful lives of the specific assets concerned. Amortization is calculated using the declining balance or straight-line methods at the following rates:

Computer equipment	- 30% declining balance
Furniture and fixtures	- 4-30% declining balance
Equipment	- straight-line over term of lease
Leasehold improvements	- straight-line over term of lease
Vines	- straight-line over 20 years
Aircraft frames	- straight-line over 25 years
Aircraft engines	- units of production, over estimated flight hours
Buildings	- 2-10% declining balance

Amortization methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

Gains and losses on disposal of an item of equipment are determined by comparing the proceeds from disposal with the carrying amount of equipment and are recognized in the consolidated statements of operations.

**(l) Biological assets**

Grapes, which are agricultural produce, and are considered a part of the biological asset, are measured at fair value less costs to sell, with any change therein recognized in profit and loss. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income taxes.

**(m) Non-controlling interest**

Non-controlling interests represent ownership interests in consolidated subsidiaries by parties that are not shareholders of Northfield. They are shown as a component of total equity in the consolidated statements of financial position, and the share of income (loss) attributable to non-controlling interests is shown as a component of net loss in the consolidated statements of operations. Changes in Northfield's ownership that do not result in a loss of control are accounted for as equity transactions.

**(n) Per share information**

Basic earnings per share is computed by dividing the net earnings available to common shareholders by the weighted average number of Class A Restricted Voting Shares and Class B Multiple Voting Shares outstanding during the reporting period. Diluted earnings per share is computed similar to basic earnings per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

In the years that Northfield reports a net loss, loss per share is not presented on a diluted basis, as the result would be anti-dilutive.



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**2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**(o) Income taxes**

Income tax expense consists of current and deferred tax expense. Current and deferred tax are recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income.

Current tax is recognized and measured at the amount expected to be recovered from or payable to the taxation authorities based on the income tax rates enacted or substantively enacted at the end of the reporting period and includes any adjustment to taxes payable in respect of previous years.

Deferred tax is recognized on any temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable earnings. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized and the liability is settled. The effect of a change in the enacted or substantively enacted tax rates is recognized in net earnings and comprehensive income or in equity depending on the item to which the adjustment relates.

Deferred tax assets are recognized to the extent future recovery is probable. At each reporting period end, deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the asset to be recovered.

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. Northfield reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

**(p) Provisions**

A provision is recognized when Northfield has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. A provision for onerous contracts is recognized when the expected benefits to be derived by Northfield from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

Northfield had no material provisions at December 31, 2024 and 2023.

**(q) Share capital**

The Company records proceeds from share issuances net of issue costs and any tax effects. Common shares issued for consideration other than cash are valued based on their market value of the shares as of the date of issuance.

**(r) Equity units issues in private placements**

Proceeds from unit placements are allocated between shares and warrants issued by calculating the value of the warrants using the Black-Scholes option pricing model. The value of the share component is credited to share capital and the value of the warrant component is credited to reserve for warrants account.



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**2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**(s) Leases**

In accordance with IFRS 16, Leases, liabilities arising from a lease are initially measured at the present value of the lease payments that are not paid at that date discounted using Northfield's incremental borrowing rate. Lease liabilities include the value of the following payments:

- Fixed payments, including in-substance fixed payments, less any lease incentives receivable;
- The exercise price of a purchase option if Northfield is reasonably certain to exercise that option; and
- Penalties for early termination of the lease, if the lease term reflects Northfield exercising an option to terminate the lease.

The lease liability is decreased by cash paid less interest expense incurred. The lease liability is remeasured when there is a change in future lease payments, or if Northfield changes its assessment of whether it will exercise an extension, purchase, or termination option.

Right of use assets are measured at cost and are comprised of the following:

- The amount of the initial measurement of lease liability;
- Lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs; and
- An estimate of costs of dismantling and removing the underlying asset, restoring the site on which it is located or the underlying asset, if applicable.

The right-of-use asset is depreciated on a straight-line basis from the commencement date to the end of the lease term. The value of the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain revaluations of the lease liability.

**(t) Reportable Segments**

We determine our reportable segments based on, among other things, how our chief operating decision makers, the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), regularly review our operations and performance. They review adjusted net loss and comprehensive loss as the key measure of profit for the purpose of assessing performance of each segment and to make decisions about the allocation of resources, as they believe adjusted net loss and comprehensive loss reflects segment and consolidated profitability.

We make significant judgments in determining our operating segments. These are components that engage in business activities from which they may earn revenue and incur expenses, for which operating results are regularly reviewed by our chief operating decision makers.



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**2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**(u) New standards, interpretations and amendments adopted by Northfield**

**IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgments**

**Amendments to IAS 1, Presentation of Financial Statements**

In October 2022, the IASB issued amendments to IAS 1, Presentation of Financial Statements, to clarify the requirements for classifying liabilities as current or non-current. The amendments clarify the classification of liabilities as current or non-current based on rights that are in existence at the end of the reporting period and are unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. The amendments also clarify the definition of “settlement” of a liability. The amendments are effective January 1, 2024, with early adoption permitted. The amendments are to be applied retrospectively. There was no material impact to Northfield’s consolidated financial statements upon adoption of these amendments.

**(v) Standards issued but not yet effective**

**IFRS 9 and IFRS 7**

In May 2024, the IASB issued amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments – Disclosures. The amendments clarify the derecognition of financial liabilities and introduces an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system. The amendments also clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features and the treatment of non-recourse assets and contractually linked instruments (CLIs). Further, the amendments mandate additional disclosures in IFRS 7 for financial instruments with contingent features and equity instruments classified at FVOCI. The amendments are effective for annual periods starting on or after January 1, 2026. Retrospective application is required and early adoption is permitted. Management does not expect any material impact to Northfield’s consolidated financial statements upon adoption of these amendments.

**IFRS 18**

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements to improve reporting of financial performance. The new standard replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new categories and required subtotals in the statement of profit and loss and also requires disclosure of management-defined performance measures. It also includes new requirements for the location, aggregation and disaggregation of financial information. The standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements. Retrospective application is required and early adoption is permitted. Northfield is currently assessing the potential impact of adopting this standard.

**3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.



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**3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)**

**(a) Critical accounting estimates**

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the consolidated statement of financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- (i) fair value of financial assets and financial liabilities on the consolidated statements of financial position that cannot be derived from active markets, are determined using a variety of techniques. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgment is required to establish fair values. For options and warrants which are not traded on a recognized securities exchange, an option pricing model is used where judgments include consideration of model inputs such as volatility, estimated life and discount rates. Privately held investments are initially recorded at the transaction price being the fair value at the time of acquisition. Thereafter, the fair value is adjusted using various valuation techniques such as subsequent equity financing or share performance of comparable public companies; refer to note 22;
- (ii) deferred taxes recognized in respect of tax losses to the extent that it is probable that taxable profit will be available against which losses can be utilized. Estimates are used to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits, together with future tax planning strategies;
- (iii) depreciation of property and equipment is dependent upon estimates of useful lives which are determined through exercise of judgement; and
- (iv) when Northfield enters into leases as lessee and where the interest rate implicit in a lease cannot be readily determined, Northfield determines its incremental borrowing rate in order to measure its lease liability. The incremental borrowing rate is the rate of interest that a lessee would have to pay to borrow over a similar term, and with similar security, the funds necessary to obtain an asset of a similar value to the right-to-use asset in a similar economic environment. In determining its incremental borrowing rate, Northfield considers the term of the lease, the nature of the leased asset, and its level of indebtedness with reference to market risk-free interest rates; and
- (v) grants of warrants and options are measured at fair value on the grant date. Management uses the Black-Scholes method to estimate the fair value of the warrants determined at the grant date. Significant assumptions affecting the valuation of warrants include the term allowed for warrant exercise, a volatility factor relating to the Company's historically share price, dividend yield, forfeiture rate and risk-free interest rate.

**(b) Critical accounting judgments**

The determination of categories of financial assets and financial liabilities has been identified as an accounting policy choice which involves judgments or assessments made by management.



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**4. INVENTORY AND COST OF SALES**

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Raw materials	\$ 312,370	\$ 302,535
Work in process	395,239	288,214
Finished goods	634,878	388,342
Retail merchandise for sale	21,422	48,609
	<b>\$ 1,363,909</b>	<b>\$ 1,027,700</b>

Cost of sales for the year ended December 31, 2024 of \$7,030,694 includes cost of inventory, raw materials and consumables used (December 31, 2023 - \$5,625,848). Included in cost of sales and inventory is an amount of \$391,671 and \$7,994 respectively of amortization of equipment and leaseholds related to the distillery and winery business, and \$555,425 of amortization of the aviation business (December 31, 2023 - \$nil).

**5. MARKETABLE SECURITIES**

	December 31, 2024		December 31, 2023	
	Fair Value	Cost	Fair Value	Cost
Marketable securities - FVTPL	\$ 4,878,391	\$ 4,219,373	\$ 5,364,801	\$ 6,133,523

(1) Fair Value Through Profit or Loss ("FVTPL")

**6. OTHER INVESTMENTS**

	December 31, 2024		December 31, 2023	
	Fair Value	Cost	Fair Value	Cost
Other investments - FVTPL	\$ 48,135,081	\$ 35,176,702	\$ 40,141,903	\$ 45,255,203
Warrants - FVTPL	240,085	-	228,808	-
	\$ 48,375,166	\$ 35,176,702	\$ 40,370,711	\$ 45,255,203

**7. INVESTMENT IN ASSOCIATES**

Investments in joint ventures and associates measured at FVTPL primarily include investments in Juno Corp. ("Juno") a privately held battery and electric metal explorer with extensive mineral claim holdings in the metal rich Ring of Fire, located in northwestern Ontario, Canada.

The following tables provide summarized financial information for Juno on a 100% basis, and are prepared in accordance with IFRS:

Selected information as at	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Cash and cash equivalents	\$ 32,076,541	\$ 10,574,503
Current assets	1,174,742	2,073,134
Non-current assets	3,123,412	2,444,397
Total assets	\$ 36,374,695	\$ 15,092,034
Current liabilities	4,424,575	1,730,529
Total liabilities	\$ 4,424,575	\$ 1,730,529
Net assets	\$ 31,950,120	\$ 13,361,505



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**7. INVESTMENT IN ASSOCIATES (continued)**

For the year ended	December 31, 2024	December 31, 2023
Other Income	\$ 3,078,563	\$ 1,811,853
Total expenses	16,063,505	18,005,572
Net loss and comprehensive loss	\$ (12,984,942)	\$ (16,193,719)

**8. PROPERTY AND EQUIPMENT**

December 31, 2024					
	Opening Carrying Amount	Additions	Disposals	Amortization	Closing Carrying Amount
Aircraft	\$ 13,169,292	\$ 281,769	\$ -	\$ (949,184)	\$ 12,501,877
Building	5,078,981	16,708	-	(244,608)	4,851,081
Equipment, furniture and fixtures	2,640,461	706,341	(40,788)	(585,569)	2,720,445
Land	2,001,377	818,833	-	-	2,820,210
Leasehold improvements	1,299,953	5,636	-	(539,967)	765,622
Vines	1,671,432	7,779	-	(102,277)	1,576,934
Construction in progress	-	736,053	-	-	736,053
	\$ 25,861,496	\$ 2,573,119	\$ (40,788)	\$ (2,421,605)	\$ 25,972,222

  

December 31, 2023					
	Opening Carrying Amount	Additions	Disposals	Amortization	Closing Carrying Amount
Aircraft	\$ 5,488,603	\$ 8,277,167	\$ (180,172)	\$ (416,306)	\$ 13,169,292
Building	5,337,226	25,995	(229)	(284,011)	5,078,981
Equipment, furniture and fixtures	2,033,810	1,025,039	-	(418,388)	2,640,461
Land	2,001,377	-	-	-	2,001,377
Leasehold improvements	1,603,555	232,600	-	(536,202)	1,299,953
Vines	1,773,630	-	-	(102,198)	1,671,432
	\$ 18,238,201	\$ 9,560,801	\$ (180,401)	\$ (1,757,105)	\$ 25,861,496





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**9. RIGHT-OF-USE ASSET**

	December 31, 2024				
	Opening Carrying Amount	Additions	Disposals	Amortization	Closing Carrying Amount
Right-of-use asset - 1 <sup>(1)</sup> - Retail space	\$ 403,683	\$ -	\$ -	\$ (156,264)	\$ 247,419
Right-of-use asset - 2 <sup>(2)</sup> - Office space	\$ 313,253	\$ -	\$ -	\$ (125,301)	\$ 187,952
Right-of-use asset - 3 <sup>(3)</sup> - Vehicle	\$ 29,486	\$ -	\$ -	\$ (16,083)	\$ 13,403
Right-of-use asset - 4 <sup>(4)</sup> - Vehicle	\$ 15,925	\$ -	\$ -	\$ (13,650)	\$ 2,275
Right-of-use asset - 5 <sup>(5)</sup> - Vehicle	\$ -	\$ 55,510	\$ -	\$ (8,596)	\$ 46,914
Right-of-use asset - 6 <sup>(6)</sup> - Vehicle	\$ -	\$ 55,610	\$ -	\$ (8,619)	\$ 46,991
Right-of-use asset - 7 <sup>(7)</sup> - Vehicle	\$ -	\$ 25,250	\$ -	\$ (3,500)	\$ 21,750
Right-of-use asset - 8 <sup>(8)</sup> - Office space	\$ -	\$ 244,231	\$ -	\$ (16,282)	\$ 227,949
Right-of-use asset - 9 <sup>(9)</sup> - Aviation property	\$ -	\$ 389,714	\$ -	\$ (1,624)	\$ 388,090
Right-of-use asset - 10 <sup>(10)</sup> - Vehicle	\$ -	\$ 24,868	\$ -	\$ (910)	\$ 23,958
Right-of-use asset <sup>(1)</sup>	\$ 762,347	\$ 795,183	\$ -	\$ (350,829)	\$ 1,206,701

<sup>(1)</sup>On March 1, 2016, Spirit of York entered into a 10 year lease agreement to lease space in the distillery district that resulted in Northfield recognizing a right-of-use asset and liability. The lease expires July 31, 2026.

<sup>(2)</sup>On July 1, 2021, Northfield's wholly-owned subsidiary, 2756189 Ontario Inc., entered into a lease extension agreement that resulted in Northfield recognizing a right-of-use asset and liability.

<sup>(3)</sup>On June 14, 2021, Northfield entered into a lease agreement for an automobile that resulted in Northfield recognizing a right-of-use asset and liability. On October 31, 2022, Northfield terminated this automobile lease originally entered into and disposed of the right-of-use asset for proceeds, recognizing a loss on disposal. Northfield subsequently entered into a new lease agreement for another automobile October 31, 2022 that resulted in Northfield recognizing a right-of-use-asset and liability.

<sup>(5)</sup>On February 14, 2024, Spirit of York entered into an automobile lease agreements that resulted in Northfield recognizing a right-of-use asset and liability in the amount of \$55,510.

<sup>(6)</sup>On February 14, 2024, the Grange entered into an automobile lease agreements that resulted in Northfield recognizing a right-of-use asset and liability in the amount of \$55,610.

<sup>(7)</sup>On April 30, 2024, Spirit of York entered into another auto lease agreement that resulted in Northfield recognizing a right-of-use asset and liability in the amount of \$25,250.

<sup>(8)</sup>On June 12, 2024, Spirit of York signed an office lease for additional space in the distillery district. The lease was for five years commencing on September 1, 2024 and resulted in recognizing a right-of-use asset and liability in the amount of \$244,231.

<sup>(9)</sup>On October 1, 2024, TNA entered into a 20-year lease agreement with The Huronia Airport Commission ("**Huronia Airport**") for the lease of 44,000 square feet of land located in the Township of Tiny. This lease is intended for the construction of an airport hangar. The lease term will conclude on September 30, 2044, with TNA retaining the option to extend the lease for two additional terms of 20 years each, under the same terms and conditions as specified in the executed lease agreement. Under the terms of the lease, TNA is obligated to make annual rental payments of \$22,124.

<sup>(10)</sup>On November 18, 2024, the Grange entered into an auto lease agreement that resulted in Northfield recognizing a right-of-use asset and liability in the amount of \$24,868.





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**9. RIGHT-OF-USE ASSET (continued)**

	December 31, 2023				
	Opening Carrying Amount	Additions	Disposals	Amortization	Closing Carrying Amount
Right-of-use asset	\$ 1,073,647	\$ -	\$ -	\$ (311,300)	\$ 762,347

**10. LOANS PAYABLE**

Selected information as at	December 31, 2024	December 31, 2023
Mortgage <sup>(1)</sup>	\$ 2,973,191	\$ 3,063,820
Bank loan <sup>(7)</sup>	3,616,026	3,901,845
Other promissory note <sup>(2)</sup>	-	1,021,450
Other promissory note <sup>(4)</sup>	891,777	1,052,603
Other promissory note <sup>(5)</sup>	-	306,904
Mortgage <sup>(3)</sup>	522,775	546,333
Loan payable <sup>(6)</sup>	-	289,466
Equipment financing <sup>(8)</sup>	107,228	134,420
Other loans	10,123	68,247
	<b>\$ 8,121,120</b>	<b>\$ 10,385,088</b>

<sup>(1)</sup>In April 2022, the Grange obtained a \$3,200,000 fixed rate mortgage at 4.10%, from Royal Bank of Canada ("RBC"), a Schedule I Canadian Chartered Bank. The mortgage is secured by the Grange's real estate property and a general security agreement as well as a guarantee by Northfield and is repayable in May 2027. The mortgage is repayable in blended monthly payments of principal and interest of \$17,792.

<sup>(2)</sup>The promissory note is payable to an arms-length third party for a loan to purchase an aircraft and bears interest at prime plus 1.25% per annum. Interest on the loan is payable in arrears on the last business day of each calendar quarter with the principal of \$1,000,000 payable on December 7, 2027. In November 2024, Northfield paid the full principal and interest accrued to date in the amount of \$1,011,603. The balance including interest accrued at December 31, 2024 was \$nil (December 31, 2023 - \$1,021,450).

<sup>(3)</sup>The mortgage is payable to RBC for the purchase of a property located in Wellington, Ontario. This fixed rate term loan in the amount of \$591,000 is repayable in blended monthly payments of \$3,525, including interest, based on a 240 month amortization. The loan has a 60 month term and all outstanding principal and interest is payable in full at the end of the term. The loan bears interest at 3.50% per annum. The mortgage was obtained on December 16, 2021 and interest accrued at December 31, 2024 was \$nil (December 31, 2023 - \$nil).

<sup>(4)</sup> The promissory note is payable to Northfield's CEO, Robert Cudney, for a loan to purchase an aircraft. Interest is payable monthly at a fixed rate of 7.5% per annum. Principal is repayable at maturity on April 19, 2025, which was extended from its original maturity date of April 19, 2024. In November 2024, Northfield repaid an amount of \$114,772 towards the principal. Interest accrued at December 31, 2024 was \$6,548 (December 31, 2023 - \$52,603).

<sup>(5)</sup> The promissory note is payable to an arms-length third party for a loan to purchase an aircraft. Interest is payable monthly at a fixed rate of 7.5% per annum. Principal is repayable at maturity on April 19, 2025, which was extended from its original maturity date of April 19, 2024. In November 2024, Northfield repaid the full balance of the principal and interest accrued in the amount of \$303,452. Interest accrued at December 31, 2024 was \$nil (December 31, 2023 - \$6,904).



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**10. LOANS PAYABLE (continued)**

(6) The loan is payable to Northfield's CEO, Robert Cudney for a loan to fund various operating activities within Northfield and its subsidiaries. Interest is payable monthly at a fixed rate of 7.5% per annum. Principal is repayable at maturity on May 29, 2025, which was extended from its original maturity date of May 29, 2024. During the year, Northfield repaid the principal balance in full in the amount of \$275,000 as well as interest accrued to date in the amount of \$24,750. The balance of the promissory note and any interest accrued at December 31, 2024 was \$nil (December 31, 2023 - \$289,466).

(7) On August 18<sup>th</sup> 2023, Northfield received the first tranche of proceeds, \$2.97 million, under a secured loan with Canadian Western Bank, a Schedule I Canadian Chartered Bank. The term of the loan is 4 years, bears interest at an annual rate of 7.25% and is secured by an aircraft in Northfield's fleet. Fixed monthly repayments are based on an amortization period of 4 years and will consist of principal and interest in the amount of \$34,879 over the 4-year term. The second tranche of proceeds of \$1.00 million was received on December 12, 2023. Fixed monthly repayments on the second tranche are based on an amortization period of 10 years and will consist of principal and interest in the amount of \$11,743 over the 10-year term.

(8) The loan is payable to CNH Industrial Capital for the financing of two tractors for the Grange. Interest is payable monthly at a fixed rate of 1.99% per annum. The loan is repayable in blended monthly payments of principal and interest of \$2,645 with a maturity date of June 1, 2028. Interest accrued at December 31, 2024 was \$nil (December 31, 2023 - \$230).

**11. LEASE LIABILITY**

The acquisition of DNI resulted in Northfield recognizing a right-of-use asset and lease liability on December 31, 2019. The right-of-use asset and lease liability were measured at the present value of the remaining lease payments at the acquisition date, using DNI's incremental borrowing rate of 12.3%. On June 14, 2021, Northfield entered into a lease agreement for an automobile that resulted in Northfield recognizing a right-of-use asset and liability which Northfield measured at the present value of the remaining lease payments at the acquisition date, using an incremental borrowing rate of 5.99%. On October 31, 2022, Northfield terminated this automobile lease originally entered into and disposed of the right-of-use asset for proceeds, recognizing a loss on disposal. Northfield subsequently entered into a new lease agreement for another automobile October 31, 2022 that resulted in Northfield recognizing a right-of-use-asset and liability. On July 1, 2021, Northfield's wholly-owned subsidiary, 2756189 Ontario Inc., entered into a lease extension agreement for office space that resulted in Northfield recognizing a right-of-use asset and liability, which Northfield measured at the present value of the remaining lease payments at the acquisition date, using Northfield's incremental borrowing rate of 3.70%.

On February 13, 2024, Northfield's wholly-owned subsidiaries, the Grange and Spirit of York, each entered into a lease agreement for an automobile that resulted in Northfield recognizing a right-of-use asset and liability which Northfield measured at the present value of the remaining lease payments at the acquisition date, using an incremental borrowing rate of 9.99%. On April 30, 2024, Spirit of York entered into a lease agreement for an automobile that resulted in Northfield recognizing a right-of-use asset and liability which Northfield measured at the present value of the remaining lease payments at the acquisition date, using an incremental borrowing rate of 9.99%. On September 1, 2024 Spirit of York entered into a five year lease agreement for additional space in the existing building located on Mill Street, which resulted in Northfield recognizing a right-of-use asset and liability. The right-of-use asset and lease liability were measured at the present value of the remaining lease payments at the acquisition date, using Sprit of York's incremental borrowing rate of 12.3%. On October 1, 2024, TNA entered into a 20 year lease with Huronia Airport to rent space for a commercial hanger, resulting in Northfield recognizing a right-of-use asset and liability. The right-of-use asset and lease liability were measured at the present value of the remaining lease payments at the acquisition date, using TNA's incremental borrowing rate of 5.49%. At December 31, 2024, the lease liability was \$1,347,167 (December 31, 2023 - \$938,648).



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**11. LEASE LIABILITY (continued)**

At December 31, 2024, maturities of the lease liabilities were as follows:

2025	\$	530,748
2026		342,517
2027		135,896
2028		131,478
2029		70,764
Thereafter		1,211,344
Total lease payments		2,422,747
Less: interest		(1,075,580)
Present value of lease liabilities	\$	1,347,167

**12. CREDIT FACILITIES**

Northfield has a bank line of credit available to a maximum of \$1,000,000. At December 31, 2024, \$nil was drawn (December 31, 2023 - \$757,000) and is included in credit facilities on the consolidated statements of financial position. Interest is calculated at the bank's prime rate of interest plus 0.5%. The effective rate at December 31, 2024 was 6.45% (December 31, 2023 - 7.70%). The Grange has a line of credit available to a maximum of \$175,000. At December 31, 2024 \$158,000 was drawn (December 31, 2023 - \$165,000). Interest is calculated at the bank's prime rate of interest plus 1.00%. The effective rate at December 31, 2024 was 6.95% (December 31, 2023 - 8.45%). The line of credit is secured by a first ranking security interest in Northfield's investment portfolio. In addition, the line of credit (along with the mortgage for the Grange outlined in note 10) are subject to certain financial covenants including maintaining a minimum market value of its investments and maintaining a minimum lending value of \$2.7 million. At December 31, 2024 Northfield was in compliance with the conditions of the security agreements.

From time to time Northfield may maintain overdraft positions, in margin accounts with various brokers, that are secured by certain marketable securities. The maximum amount available is dependent on the securities held in the account. Interest is calculated at the brokers' prime rate of interest plus 1.50% to 2.00%. At December 31, 2024, Northfield had outstanding margin loans of \$1,170,825 (December 31, 2023 - \$1,529,525).

**13. SHARE CAPITAL**

**(a) Authorized Capital**

Unlimited number of:

Class A Shares - Restricted Voting

Class B Shares - Multiple Voting - having 500 votes per share, convertible into one Class A Share; ownership is restricted to Robert Cudney, the President, CEO and a Director of Northfield

200,000 Preference Shares - Voting



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**13. SHARE CAPITAL (continued)**

**(b) Issued**

<b>Class A Shares</b>	<b>Number of shares</b>	<b>Amount</b>
Balance - December 31, 2022 and December 31, 2023	11,073,815	\$ 3,586,983
Class A shares issued - July 18 2024	1,841,750	7,367,000
Value of warrants	-	(1,012,847)
Share issue costs	-	(158,500)
Class A shares issued - December 2, 2024	536,500	2,146,000
Share issue costs	-	(67,730)
Value of warrants	-	(317,759)
Balance - December 31, 2024	13,452,065	\$ 11,543,147
<b>Class B Shares</b>	<b>Number of shares</b>	<b>Amount</b>
Balance - December 31, 2022, December 31, 2023 and December 31, 2024	18,600	\$ 7,680
<b>Total Class A and Class B Shares</b>	<b>13,470,665</b>	<b>\$ 11,550,827</b>

**Share-Split**

On February 11, 2025, Northfield completed a forward share split (the "Share Split") of the Class A restricted voting shares of the Corporation (the "Class A Shares") and Class B multiple voting shares of the Corporation (the "Class B Shares"), in each case on the basis of five (5) new shares of the applicable class for each one (1) share of the applicable class currently issued outstanding, with a record date of February 6, 2025 and a payment date of February 11, 2025. The current and comparative references to common shares, weighted average number of common shares, net income and loss per share, stock options and warrants have been restated to give effect to this share split.

**Equity Private Placement**

On July 18, 2024 Northfield completed a non-brokered private placement by issuing 368,350 units ("Units") (1,841,750 Units post share-split) at a price of \$20.00 per Unit (\$4.00 per unit post share-split) for aggregate gross proceeds of \$7,367,000 (the "Offering"). Each Unit consisted of one class A restricted voting share (a "Share") and one share purchase warrant (a "Warrant"). Each Warrant entitled the holder thereof to purchase one Share at a price of \$25.00 per Share (\$5.00 per Share post share-split) until July 18, 2029, subject to an acceleration clause whereby, after the expiration of the statutory hold period, if the Shares trade at a volume weighted average price of \$10.00 or more for 20 consecutive trading days, Northfield has the right to accelerate the exercise period to a period ending at least 30 days from the date that notice of such acceleration is provided to the holders of the Warrants.

On December 2, 2024 Northfield completed a non-brokered private placement by issuing 107,300 units ("Units") (536,500 Units post share-split) at a price of \$20.00 per Unit (\$4.00 per unit post share-split) for aggregate gross proceeds of \$2,146,000 (the "Offering"). Each Unit consisted of one class A restricted voting share (a "Share") and one share purchase warrant (a "Warrant"). Each Warrant entitled the holder thereof to purchase one Share at a price of \$25.00 per Share (\$5.00 per Share post share-split) until December 2, 2029, subject to an acceleration clause whereby, after the expiration of the statutory hold period, if the Shares trade at a volume weighted average price of \$10.00 or more for 20 consecutive trading days, Northfield has the right to accelerate the exercise period to a period ending at least 30 days from the date that notice of such acceleration is provided to the holders of the Warrants.



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**13. SHARE CAPITAL (continued)**

**(c) Share-based payment reserve**

<b>Balance - December 31, 2023</b>	\$	-
Stock-based compensation		808,546
<b>Balance - December 31, 2024</b>	<b>\$</b>	<b>808,546</b>

**Equity Incentive Plan**

The shareholders of Northfield have approved an omnibus equity incentive plan (the “**Equity Incentive Plan**”). The Equity Incentive Plan is a “rolling evergreen” plan and provides that the number of common shares of the Company available for issuance from treasury under the Equity Incentive Plan or any other security based compensation arrangement, subject to adjustments, shall not exceed 10% of the issued and outstanding common shares of the Company at the time of grant. Any increase in the issued and outstanding common shares of Company will result in an increase in the available number of common shares issuable under the Equity Incentive Plan. Any issuance of common shares from treasury pursuant to the settlement of stock options or share units granted pursuant to the Equity Incentive Plan shall automatically replenish the number of common shares issuable under the Equity Incentive Plan. When each option or share unit is exercised or settled (as applicable), cancelled or terminated, a common share shall automatically be made available for the grant of a stock option/share unit under the Equity Incentive Plan.

**Stock Options**

The Equity Incentive Plan provides for the issuance of stock options to acquire common shares to employees, directors, officers, consultants, and management of Northfield. The period within which stock options may be exercised and the number of stock options which may be exercised in any such period are determined by the Board of Directors at the time of grant of such stock options, however, that the maximum term of any stock option awarded under the Equity Incentive Plan is ten (10) years. The exercise price per common shares under a stock option is determined by the Board of Directors, but in any event, shall not be lower than the “market price” of the common shares on the date of grant of the stock option.

On May 31, 2024 Northfield announced that it granted a total of 200,000 stock options (1,000,000 stock options post share-split) to purchase Class A restricted voting shares to certain directors, officers and consultants at an exercise price of \$21.50 per Share (\$4.30 per Share post share-split), expiring on May 31, 2029. The Options vest in three parts with one-third having vested upon the approval of the Equity Incentive Plan at the annual general and special meeting of shareholders held on June 27, 2024, one-third vesting on May 31, 2025 and the final one-third vesting on May 31, 2026.

	Number of options	Weighted average exercise price
<b>Balance - December 31, 2023</b>	-	\$ -
Granted	1,000,000	4.30
<b>Balance - December 31, 2024</b>	<b>1,000,000</b>	<b>\$ 4.30</b>



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**13. SHARE CAPITAL (continued)**

**(c) Share based payment reserve (continued)**

A summary of Northfield's outstanding stock options at December 31, 2024 is presented below:

Grant date	Options outstanding	Options exercisable	Exercise price	Weighted average remaining life (years)
May 31, 2024 <sup>(a)</sup>	1,000,000	333,333	4.30	4.42
	1,000,000	333,333	4.30	4.42

Option pricing models require the use of highly subjective estimates and assumptions including the expected stock price volatility. Volatility is based on the historical volatility of Northfield. Changes in the underlying assumptions can materially affect the fair value estimates. During the year ended December 31, 2024, the following stock options were issued and valued using the Black-Scholes option pricing model parameters listed below (in each case with no dividends and a nil forfeiture rate):

Expiry date	Number of options	Exercise price	Black-Scholes option pricing parameters				Estimated Grant Fair value/Op
			Grant date stock price	Risk-free interest rate	Expected life (years)	Volatility factor	
May 31, 2029	1,000,000	\$4.30	\$4.30	3.67%	5.0	25.83%	\$6.47

No options were granted during the year ended December 31, 2023.

**Deferred Share Units and Restricted Share Units**

The Equity Incentive Plan provides for the issuance of share units to employees, directors, officers and consultants of the Company. Share units are units created by means of an entry on the books of Company representing the right to receive one common share (subject to adjustments) issued from treasury per share unit. The number of share units granted and any applicable vesting conditions are determined in the discretion of the Board of Directors (or a committee thereof) on the date of grant. In granting share units, the Board of Directors (or a committee thereof) may include other terms, conditions, and/or vesting criteria which are not inconsistent with the Equity Incentive Plan. Share units are settled by way of issuance of common shares from treasury as soon as practicable following the maturity date in accordance with the Equity Incentive Plan.

The grant date fair value of the share units equals the fair market value of the corresponding shares at the grant date. The fair value of these equity-settled awards is recognized as compensation expense with a corresponding increase in equity. The total amount expensed is recognized over the vesting period, which is the period over which all the specified vesting conditions should be satisfied.

During the years ended December 31, 2024 and December 31, 2023, no deferred share units or restricted share units were granted. As at December 31, 2024 and December 31, 2023 no deferred share units or restricted share units are outstanding.

**(d) Warrant reserve**

	Number of Warrants	Allocated value
Balance - December 31, 2023	-	\$ -
Issuance of warrants - July 18, 2024 <sup>(a)</sup>	1,841,750	1,012,847
Issuance of warrants - December 2, 2024 <sup>(b)</sup>	536,500	317,759
<b>Balance - December 31, 2024</b>	<b>2,378,250</b>	<b>\$ 1,330,606</b>



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**13. SHARE CAPITAL (continued)**

**(d) Warrant reserve (continued)**

(a) The fair value of the warrants is estimated at \$1,012,847 using the Black Scholes pricing model. The weighted average grant date fair value issued during the quarter was \$0.55 per warrant, which was estimated using the Black-Scholes option pricing model with the following parameters listed below.

(b) The fair value of the warrants is estimated at \$317,759 using the Black Scholes pricing model. The weighted average grant date fair value issued during the quarter was \$0.59 per warrant, which was estimated using the Black-Scholes option pricing model with the following parameters listed below.

	December 2, 2024	July 18, 2024
Private Placement		
Expected dividend yield	0%	0%
Expected volatility	29.16	25.83
Risk-free interest rate	2.94	3.67
Expected Life (years)	5.0	5.0
Underlying security price (at time of issue)	\$ 17.04	\$ 17.25

A summary of Northfield's outstanding warrants at December 31, 2024 is presented below:

Issue date	Number of warrants	Exercise price	Weighted average remaining life (years)
July 18, 2024	1,841,750	5.00	3.52
December 2, 2024	536,500	5.00	1.11
	<b>2,378,250</b>	<b>5.00</b>	<b>4.63</b>

**14. EARNINGS (LOSS) PER SHARE**

Earnings (loss) per share have been calculated using the weighted average number of shares outstanding during the years ended December 31, 2024 and 2023.

For the years ended December 31,	2024	2023
Earnings (loss) for the year attributable to shareholders	\$ 2,276,288	\$ (6,679,290)
Weighted average number of shares outstanding - basic	11,970,370	11,101,800
Effect of dilutive securities	90,545	-
Weighted average number of shares outstanding - diluted	12,060,915	11,101,800
Basic earnings (loss) per share	\$ 0.19	\$ (0.60)
Diluted earnings (loss) per share	\$ 0.19	\$ (0.60)





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**15. NON-CONTROLLING INTEREST**

	DNI	TNA Group	Grange	Total
Carrying amount, December 31, 2022	\$ 366,680	\$ 97,517	\$ 1,216,132	\$ 1,680,329
Net loss attributable to non-controlling interest	(797,138)	(60,648)	(581,999)	(1,439,785)
Carrying amount, December 31, 2023	\$ (430,458)	\$ 36,869	\$ 634,133	\$ 240,544
Net loss attributable to non-controlling interest	(1,358,109)	(103,882)	(573,723)	(2,035,714)
Carrying amount, December 31, 2024	\$ (1,788,567)	\$ (67,013)	\$ 60,410	\$ (1,795,170)

Summarized financial information of the investment are presented below, on a 100% basis:

	DNI		TNA Group		Grange	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Non-controlling interest	42.4 %	42.4 %	9.0 %	8.0 %	43.3 %	43.3 %
Current assets	\$ 865,562	\$ 640,126	\$ 1,100,382	\$ 647,085	\$ 971,646	\$ 605,229
Non-current assets	2,039,736	2,535,827	6,543,081	5,165,240	6,781,105	6,666,163
Total assets	2,905,298	3,175,953	7,643,463	5,812,325	7,752,751	7,271,392
Current liabilities	721,203	414,522	1,090,577	772,380	620,761	525,217
Non-current liabilities	6,402,413	3,776,661	7,296,054	4,579,075	6,992,360	5,280,464
Total liabilities	7,123,616	4,191,183	8,386,631	5,351,455	7,613,121	5,805,681
Net assets/(liabilities)	(4,218,318)	(1,015,230)	(743,168)	460,870	139,630	1,465,711
Accumulated non-controlling interest	\$ (1,788,567)	\$ (430,458)	\$ (67,013)	\$ 36,869	\$ 60,410	\$ 634,133

Non-controlling interest includes minority interest in DNI, TNA Group and the Grange.

	DNI		TNA Group		Grange	
For the year ended December 31,	2024	2023	2024	2023	2024	2023
Revenues	\$ 1,997,179	\$ 1,383,869	\$ 6,049,519	\$ 4,571,506	\$ 1,355,974	\$ 1,107,981
Cost of sales	(1,515,127)	(1,165,242)	(5,916,839)	(3,505,414)	(1,175,833)	(1,377,670)
Net revenue	482,052	218,627	132,680	1,066,092	180,141	(269,689)
Expenses	3,685,139	2,098,670	1,329,192	1,600,828	1,506,224	1,075,522
Net loss and comprehensive loss	\$ (3,203,087)	\$ (1,880,043)	\$ (1,196,512)	\$ (534,736)	\$ (1,326,083)	\$ (1,345,211)
Net loss attributable to non-controlling interest	\$ (1,358,109)	\$ (797,138)	\$ (103,882)	\$ (60,648)	\$ (573,723)	\$ (581,999)

**16. STATEMENT OF CASH FLOWS**

**(a) Items not involving cash flows:**

For the year ended December 31,	2024	2023
Income tax provision (recovery)	\$ (3,897)	\$ (269,312)
Amortization	2,772,436	2,068,405
Loss (gain) on sale of marketable securities	2,019,322	(174,826)
Loss (gain) on sale of other investments	7,897,477	(252,098)
Unrealized loss (gain) on FVTPL investments	(19,442,571)	2,202,009
Loss (gain) on disposal of property and equipment	(65,455)	12,649
Stock based compensation	808,546	-
	\$ (6,014,142)	\$ 3,586,827





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**16. STATEMENT OF CASH FLOWS (continued)**

**(b) Net change in other non-cash balances:**

For the year ended December 31,	2024	2023
Receivables	\$ (623,521)	\$ (109,611)
Prepaid expenses and deposits	137,864	(33,537)
Inventory	(336,209)	198,498
Accounts payable and accrued liabilities	1,028,924	235,557
Credit facilities	(1,122,700)	1,619,625
	<b>\$ (915,642)</b>	<b>\$ 1,910,532</b>

**(c) Supplemental cash flow information**

For the year ended December 31,	2024	2023
Interest income received	\$ 370,068	\$ 309,222
Interest paid	\$ 604,376	\$ 358,819

**17. RELATED PARTY TRANSACTIONS**

**Director and Executive Management Compensation**

Executive management's compensation consisted of cash compensation of \$920,000 for the year ended December 31, 2024 (December 31, 2023 - \$620,000) and stock based compensation of \$464,915 for the year ended December 31, 2024 (December 31, 2023 - \$nil). Directors compensation consisted of cash compensation of \$132,000 for the year ended December 31, 2024 (December 31, 2023 - \$132,000) and stock based compensation of \$242,564 for the year ended December 31, 2024 (December 31, 2023 - \$nil). The aggregate value of transactions and outstanding balances relating to executive management and entities over which they have control or significant influence were as follows:

Office held	Transaction	Note	Transaction value for the year ended December 31,	
			2024	2023
President & CEO	Consulting fees	(1)	\$ 420,000	\$ 420,000
	Other compensation	(1)	\$ 180,000	\$ -
	Stock based compensation	(1)	\$ 262,778	\$ -
CFO	Consulting fees	(2)	\$ 200,000	\$ 200,000
	Other Compensation	(2)	\$ 120,000	\$ -
	Stock based compensation	(2)	\$ 202,137	\$ -
Director	Consulting fees	(3)	\$ 80,000	\$ 65,000

- (1) During the year ended December 31, 2024, Northfield incurred consulting fees of \$420,000 (December 31, 2023 - \$420,000) to Cudney Stables Inc., a company controlled by Robert Cudney, the President and CEO of Northfield. During the year ended December 31, 2024, Northfield also paid other compensation in the amount of \$180,000 to Cudney Stables Inc. (December 31, 2023 - \$nil). At December 31, 2024, the balance owed for consulting fees was \$nil (December 31, 2023 - \$nil). During the year ended December 31, 2024, Northfield granted 325,000 stock options to Robert Cudney at an exercise price of \$4.30 per share, expiring on May 31, 2029. The stock based compensation received was \$262,778 for the year ended December 31, 2024.



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**17. RELATED PARTY TRANSACTIONS (continued)**

**(a) Director and Executive Management Compensation (continued)**

- (2) During the year ended December 31, 2024, Northfield incurred consulting fees of \$200,000 (December 31, 2023 - \$200,000) to 2245448 Ontario Inc., a company controlled by Michael Leskovec, the CFO of Northfield. During the year ended December 31, 2024, Northfield also paid other compensation in the amount of \$120,000 to 2245448 Ontario Inc. (December 31, 2023 - \$nil). At December 31, 2024, the balance owed for consulting fees was \$nil (December 31, 2023 - \$nil). During the year ended December 31, 2024, Northfield granted 250,000 stock options to Michael Leskovec at an exercise price of \$4.30 per share, expiring on May 31, 2029. The stock based compensation received was \$202,137 for the year ended December 31, 2024 (December 31, 2023 - \$nil).
- (3) During the year ended December 31, 2024, Northfield incurred consulting fees of \$80,000 (December 31, 2023 - \$65,000) to Natel Strategies International Inc, a company controlled by Ernie Eves, a Director of Northfield. At December 31, 2024, the balance owed for consulting fees was \$nil (December 31, 2023 - \$nil). During the year ended December 31, 2024, Northfield granted 75,000 stock options to Ernie Eves at an exercise price of \$4.30 per share, expiring on May 31, 2029.

**Juno Corp.**

Northfield holds an investment in Juno Corp. a privately held battery and electric metal explorer with extensive mineral claim holdings in the metal rich Ring of Fire, located in northwestern Ontario, Canada. Juno is considered to be a related party as Northfield is able to exercise significant influence over Juno. The CEO and CFO of Northfield also form part of key management personnel at Juno as they also hold the CEO and CFO positions at Juno. Additionally, the CEO of Northfield also sits on the Board of Directors at Juno. Both Juno and Northfield share a common director.

Beginning in 2019 and continuing through 2023, Northfield invested in common shares of Juno. During the year ended December 31, 2023, Northfield sold 425,000 common shares of Juno for \$850,000 to an arm's length third party. During the year ended December 31, 2023, Northfield also purchased 20,000 common shares of Juno at a share price of \$2.00 per common share. During the year ended December 31, 2024, Northfield participated in a private placement of Juno whereby Northfield invested an aggregate amount of \$250,000 in cash and acquired 100,000 common shares of Juno. As of December 31, 2024, Northfield held a 16.8% ownership of Juno (December 31, 2023 - 20.1%).

During the year ended December 31, 2024, Juno paid \$100,170 in rent expense to 2756189 Ontario Inc. (December 31, 2023 - \$82,620). These transactions have been recorded at the amounts established and agreed to by the related parties.

TNA's revenues included an amount of \$1,202,027 for the year ended December 31, 2024 for aviation services provided to Juno, which represents 29% of TNA revenues for the period (December 31, 2023 - \$1,164,235; 32% of revenues for the period). These transactions have been recorded at the amounts established and agreed to by the related parties.

**Voyageur Mineral Explorers Corp.**

In January 2020, Northfield invested in Voyageur Mineral Explorers Corp. ("**Voyageur**"), a Canadian junior mineral exploration company with a specific focus on mineral properties in Northwest Manitoba and Northeast Saskatchewan, Canada. Common directors held by Northfield and Voyageur include Northfield's CEO, who is also a Director at Voyageur. Voyageur is considered to be a related party as Northfield is able to exercise significant influence over Voyageur.

During the year ended December 31, 2024, Voyageur paid \$32,910 in rent expense to 2756189 Ontario Inc. (December 31, 2023 - \$35,460). These transactions have been recorded at the amounts established and agreed to by the related parties. During the year ended December 31, 2023, Northfield also purchased 643,500 common shares in the open market for total proceeds of \$295,807. During the year ended December 31, 2024, Northfield purchased 727,000 common shares in the open market for total proceeds of \$338,844. On December 24, 2024, Northfield announced that it entered into binding share purchase agreements with five shareholders of Voyageur pursuant to which Northfield agreed to acquire an aggregate of 4,787,301 common shares of Voyageur, which closed on January 2, 2025 (Refer to Note 22). As of December 31, 2024, Northfield held a 35.3% ownership of Voyageur (December 31, 2023 - 33.1%).



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**17. RELATED PARTY TRANSACTIONS (continued)**

**Hemlo Explorers Inc.**

Northfield holds an investment in Hemlo Explorers Inc. ("**Hemlo**"), a junior natural resource exploration and development company with a number of mineral properties located in Canada. Hemlo is considered to be a related party as Northfield is able to exercise significant influence over Hemlo.

Beginning in 2018 and continuing through 2023, Northfield invested in common shares of Hemlo. During the year ended December 31, 2023, Northfield participated in a private placement with Hemlo whereby Northfield acquired 2,666,667 common shares for a total cost of \$200,000, as well as 2,666,667 warrants to acquire additional common shares of Hemlo.

On September 5, 2024 Hemlo announced the completion of the purchase of Rocky Shore Metals Ltd. ("**Rocky Shore**") on September 4, 2024 pursuant to which Hemlo acquired all of the issued and outstanding common shares of Rocky Shore ("**Rocky Shore Shares**") in exchange for the issuance of an aggregate of 49,999,704 common shares ("**Hemlo Shares**") in the capital of the company (the "**Transaction**"). Under the terms of the Transaction, each Rocky Shore Share received 2.832 Hemlo Shares. Hemlo now has 100,724,624 Hemlo Shares outstanding. As a result of the Transaction, Northfield acquired 15,151,200 common shares of Hemlo valued at \$757,560 in exchange for 5,350,000 Rocky Shore shares. On October 31, 2024 Northfield participated in a private placement of Hemlo whereby Northfield invested an aggregate amount of \$128,000 in cash and acquired 2,560,000 units, each comprised of one common share and one warrants exercisable for one common share of Hemlo. In addition, during the year ended December 31, 2024, Northfield purchased 600,000 common shares in the open market for total proceeds of \$52,567. As of December 31, 2024, Northfield held a 21.7% ownership of Hemlo (December 31, 2023 - 25.1%).

During the year ended December 31, 2024, Hemlo paid \$37,170 in rent expense to 2756189 Ontario Inc. (December 31, 2023 - \$36,900). These transactions have been recorded at the amounts established and agreed to by the related parties. Both Hemlo and Northfield share a common Director. Also, the CFO of Northfield is a Director of Hemlo.

**18. CAPITAL MANAGEMENT**

Northfield includes the following in its capital:

As at,	December 31, 2024	December 31, 2023
Shareholders' equity comprised of		
Share capital	\$ 11,550,827	\$ 3,594,663
Contributed surplus	42,831	42,831
Retained earnings	61,003,762	58,727,474
Share-based payment reserve	808,546	-
Warrant reserve	1,330,606	-
	<b>\$ 74,736,572</b>	<b>\$ 62,364,968</b>

There were no changes to Northfield's capital management objectives during the period. Northfield's objectives when managing capital are:

- (a) to ensure that Northfield maintains the level of capital necessary to meet the requirements of its brokers and bank;
- (b) to allow Northfield to respond to changes in economic and/or marketplace conditions by maintaining Northfield's ability to purchase new investments;
- (c) to give shareholders sustained growth in shareholder value by increasing shareholders' equity; and
- (d) to maintain a flexible capital structure which optimizes the cost of capital at acceptable levels of risk.



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**18. CAPITAL MANAGEMENT (continued)**

There were no changes to the way Northfield manages its capital structure during the period. Northfield manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk of its underlying assets. Northfield has the ability to maintain or adjust its capital level to enable it to meet its objectives by:

- (a) realizing proceeds from the disposition of its investments;
- (b) utilizing leverage in the form of margin (due to brokers), Northfield's bank credit line (credit facilities), long-term debt from financial lenders and financial guarantees;
- (c) raising capital through equity financings; and
- (d) purchasing Northfield's own shares for cancellation pursuant to its normal course issuer bid.

**19. REVENUE**

**(a) Net investment income**

For the year ended December 31, 2024,	2024	2023
Investment and other income	\$ 697,718	\$ 764,891
Gain/(loss) on sale of marketable securities	(2,019,322)	174,826
Gain/(loss) on sale of other investments	(7,897,477)	252,098
Unrealized gain/(loss) on FVTPL investments	19,442,571	(2,202,009)
	<b>\$ 10,223,490</b>	<b>\$ (1,010,194)</b>

**(b) Revenue**

For the year ended December 31, 2024,	2024	2023
Revenue from aviation services	\$ 5,602,864	\$ 4,307,060
Revenue from product sales, winery	1,355,974	1,107,981
Revenue from product sales, distillery	1,997,179	1,383,869
	<b>\$ 8,956,017</b>	<b>\$ 6,798,910</b>

**20. REPORTABLE SEGMENTS**

Northfield's reportable segments at December 31, 2024 and 2023 consisted of:

**Investments:** Investment activities primarily include holding interests in resource, manufacturing and technology sectors.

**Aviation Services:** Provides chartered air, flight training and aircraft maintenance services across Canada and cross-border to the US.

**Winery:** Vineyard and winery located in Prince Edward County, manufacturing and selling wine.

**Distillery:** Spirit distilling at Spirit of York distillery located in Toronto's distillery district.





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**20. REPORTABLE SEGMENTS (continued)**

A number of operating companies, by the nature of their businesses, individually serve major customers that account for a large portion of their revenues. During the year ended December 31, 2024, two customers in TNA comprised 13% and 12% of Northfield's consolidated revenues (December 31, 2023 - one customer in TNA comprised 13%).

**Industry Segments for the year ended December 31, 2024:**

	Investments	Aviation Services	Distillery	Winery	Other	Consolidated Total
Loss on sale of marketable securities	(\$2,019,322)	-	-	-	-	(\$2,019,322)
Loss on sale of other investments	(7,897,477)	-	-	-	-	(7,897,477)
Interest and other income	517,936	2,257	-	(4,546)	182,071	697,718
Unrealized gain on investments	19,442,571	-	-	-	-	19,442,571
Revenue	-	5,602,864	1,997,179	1,355,974	-	8,956,017
Cost of Sales	-	(4,339,734)	(1,515,127)	(1,175,833)	-	(7,030,694)
Salaries, Director and consulting fees	(1,458,406)	(1,094,076)	(997,007)	(510,330)	-	(4,059,819)
Stock based compensation	(808,546)	-	-	-	-	(808,546)
Office and general	(87,391)	(240,233)	(673,288)	(224,583)	(146,866)	(1,372,361)
Operating expenses	(1,175,067)	(871,517)	(1,269,739)	(547,044)	(12,508)	(3,875,875)
Amortization	(70,696)	(610,975)	(745,105)	(219,721)	(149,038)	(1,795,535)
<b>Loss before income taxes</b>	<b>6,443,602</b>	<b>(1,551,414)</b>	<b>(3,203,087)</b>	<b>(1,326,083)</b>	<b>(126,341)</b>	<b>236,677</b>
Income tax (provision) recovery	-	3,897	-	-	-	3,897
<b>Net loss and comprehensive loss</b>	<b>6,443,602</b>	<b>(\$1,547,517)</b>	<b>(\$3,203,087)</b>	<b>(\$1,326,083)</b>	<b>(\$126,341)</b>	<b>240,574</b>

**Net loss and comprehensive loss attributable to:**

Shareholders	\$6,443,602	(\$1,443,635)	(\$1,844,978)	(\$752,360)	(\$126,341)	\$2,276,288
Non-controlling interest	-	(103,882)	(1,358,109)	(573,723)	-	(2,035,714)
	<b>\$6,443,602</b>	<b>(\$1,547,517)</b>	<b>(\$3,203,087)</b>	<b>(\$1,326,083)</b>	<b>(\$126,341)</b>	<b>240,574</b>

	Investments	Aviation Services	Distillery	Winery	Other	Consolidated Total
Property and equipment additions	\$6,800	\$1,935,811	\$315,693	\$304,815	\$10,000	\$2,573,119
Total Assets	57,543,887	18,292,524	2,905,298	7,732,203	306,621	86,780,533
Total Liabilities	2,218,349	6,170,223	1,406,062	3,839,727	204,771	13,839,132

**Industry Segments for the year ended December 31, 2023:**

	Investments	Aviation Services	Distillery	Winery	Other	Consolidated Total
Gain on sale of marketable securities	\$174,826	-	-	-	-	\$174,826
Gain on sale of other investments	252,098	-	-	-	-	252,098
Interest and other income	483,236	3,761	-	(1,766)	279,660	\$764,891
Unrealized loss on investments	(2,202,009)	-	-	-	-	(2,202,009)
Revenue	-	4,307,060	1,383,869	1,107,981	-	6,798,910
Cost of Sales	-	(3,082,936)	(1,165,242)	(1,377,670)	-	(5,625,848)
Salaries, Director and consulting fees	(1,337,312)	(1,224,862)	(794,353)	(276,234)	(2,480)	(3,635,241)
Office and general	(405,322)	(212,194)	(392,677)	(230,741)	(142,446)	(1,383,380)
Operating expenses	(687,521)	(477,790)	(321,976)	(378,292)	(17,520)	(1,883,099)
Amortization	(77,083)	(643,255)	(589,664)	(188,489)	(151,044)	(1,649,535)
<b>Loss before income taxes</b>	<b>(3,799,087)</b>	<b>(1,330,216)</b>	<b>(1,880,043)</b>	<b>(1,345,211)</b>	<b>(33,830)</b>	<b>(8,388,387)</b>
Income tax (provision) recovery	-	260,490	-	-	8,822	269,312
<b>Net loss and comprehensive loss</b>	<b>(\$3,799,087)</b>	<b>(\$1,069,726)</b>	<b>(\$1,880,043)</b>	<b>(\$1,345,211)</b>	<b>(\$25,008)</b>	<b>(\$8,119,075)</b>

**Net loss and comprehensive loss attributable to:**

Shareholders	(\$3,799,087)	(\$1,009,078)	(\$1,082,905)	(\$763,212)	(\$25,008)	(\$6,679,290)
Non-controlling interest	-	(60,648)	(797,138)	(581,999)	-	(1,439,785)
	<b>(\$3,799,087)</b>	<b>(\$1,069,726)</b>	<b>(\$1,880,043)</b>	<b>(\$1,345,211)</b>	<b>(\$25,008)</b>	<b>(\$8,119,075)</b>

	Investments	Aviation Services	Distillery	Winery	Other	Consolidated Total
Property and equipment additions	\$2,796	\$8,363,709	\$596,268	\$584,647	\$13,381	\$9,560,801
Total Assets	49,990,024	17,514,506	3,175,952	7,271,392	445,891	78,397,765
Total Liabilities	\$4,466,921	\$6,205,675	\$1,001,459	\$3,784,551	\$333,647	\$15,792,253



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**21. INCOME TAXES**

The provision for income taxes differs from the result that would have been obtained by applying the combined federal and provincial statutory Canadian income tax rates of 26.5% (2023 - 26.5%) to the income (loss) before income taxes. The difference results from the following items:

For the years ended December 31,	2024	2023
Loss before income taxes	\$ 236,677	\$ (8,388,387)
Expected income tax recovery at statutory rates	62,719	(2,222,923)
Increase (decrease) resulting from:		
Permanent items	318,748	-
Unrealized book gain	(2,576,138)	324,891
Realized book gain	1,313,976	(89,692)
Change in tax benefits not recognized	819,640	1,744,044
Effects of other permanent differences	57,158	(25,632)
Tax rate changes and other adjustments	-	-
	\$ (3,897)	\$ (269,312)

The details of the provision for income taxes are as follows:

For the years ended December 31,	2024	2023
Current tax provision (recovery)	\$ -	\$ (31,727)
Deferred tax provision (recovery)	(3,897)	(237,585)
	\$ (3,897)	\$ (269,312)

The following table summarizes the components of deferred tax as at December 31, 2024 and 2023:

As at December 31,	2024	2023
Net capital loss carry-forward	\$ 2,603,567	\$ 683,315
Capital lease obligation	315,966	195,331
Marketable securities	(85,042)	-
Property and equipment	(703,828)	(722,174)
Other investments	(1,848,320)	-
Right of use asset	(319,775)	(197,801)
Net deferred tax liabilities	\$ (37,432)	\$ (41,329)

Deferred tax assets and liabilities have been offset where they relate to income taxes levied by the same taxation authority and Northfield has the legal right and intent to offset.

Movement in net deferred tax liabilities:

As at December 31,	2024	2023
Balance at the beginning of the year	\$ (41,329)	\$ (278,914)
Recognized in profit/loss	3,897	237,585
Balance at the end of the year	\$ (37,432)	\$ (41,329)



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**21. INCOME TAXES (continued)**

**Unrecognized temporary differences:**

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

As at December 31,	2024	2023
Non-capital loss carry forward	\$ 23,144,256	\$ 23,496,325
Capital loss	9,301,887	-
Property, plant and equipment	4,542,459	3,494,526
Farm losses carried forward	2,195,932	2,195,932
Capital lease	154,365	178,560
Charitable donations	798,877	790,127
Other investments	-	3,739,157
Fair value of guarantee	411,727	411,727
Marketable securities	-	737,602
	<b>\$ 40,549,503</b>	<b>\$ 35,043,956</b>

The Canadian non-capital loss carry forwards expire as noted in the table below. The remaining deductible temporary differences may be carried forward indefinitely. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the group can utilize the benefits therefrom.

Northfield's Canadian non-capital income tax losses expire as follows:

2033	\$ 322,126
2034	284,168
2035	661,495
2036	603,327
2037	1,337,775
2038	2,321,357
2039	4,618,079
2040	588,645
2041	1,723,880
2042	3,543,486
2043	2,619,337
2044	4,520,581
	<b>\$ 23,144,256</b>

**22. FINANCIAL INSTRUMENTS**

The investment operations of Northfield's business involve the purchase and sale of securities and, accordingly, the majority of Northfield's assets are currently comprised of financial instruments. The use of financial instruments can expose Northfield to several risks, including liquidity, other price and interest risks. A discussion of Northfield's use of financial instruments and their associated risks is provided below. There has been no change to Northfield's risk management policies or processes during the quarter.



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## 22. FINANCIAL INSTRUMENTS (continued)

### (a) Liquidity risk

Liquidity risk is the risk that Northfield will have insufficient cash or other resources to meet its financial obligations as they come due. Northfield's liquidity and operating results may be adversely affected if Northfield's access to the capital markets is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to Northfield, or if the value of Northfield's investments declines, resulting in losses upon disposition. Northfield generates cash flow primarily from its financing activities and proceeds from the disposition of its investments, in addition to interest and dividend income earned on its investments. Northfield has sufficient marketable securities which are freely tradable and relatively liquid to fund its obligations as they become due under normal operating conditions.

From time to time Northfield uses financial leverage or margin when purchasing investments. Trading on margin allows Northfield to borrow part of the purchase price of the investments (using marginable investments as collateral), rather than pay for them in full. Buying on margin allows Northfield to increase its portfolio size by increasing the number and amount of investment through leverage. However, if the market moves against Northfield's positions and Northfield's investments decline in value, Northfield may be required to provide additional funds to its brokers, which could be substantial. Given the nature of Northfield's business, Northfield may not have sufficient cash on hand to meet margin calls and may be required to liquidate investments prematurely and/or at a loss, in order to generate funds needed to satisfy Northfield's obligations. Furthermore, if Northfield is unable to provide the necessary funds within the time required, Northfield's marginable investments may still be liquidated at a loss by its brokers to meet the obligations (and Northfield may still be required to make up any additional shortfall in funds thereafter).

Northfield has at times borrowed funds from other sources to meet its obligations, but there can be no assurances that such funds will be available in the future, or available on reasonable terms, and the absence of available funding and/or the sale of Northfield's investments in order to meet margin calls could have a materially adverse impact on Northfield's operating results. Northfield has a revolving facility in the amount of \$1,175,000 of which \$158,000 was drawn at December 31, 2024 (December 31, 2023 - \$922,000).

As at December 31, 2024, based on typical margin requirements Northfield had available margin of approximately \$2,439,196 from its brokers (December 31, 2023 - \$2,180,315), of which Northfield was using \$1,170,825 (December 31, 2023 - \$1,529,525). Northfield manages this risk by not over extending the use of margin. As at December 31, 2024, a 10% decrease in the closing price of Northfield's investments with all other variables held constant would reduce the available margin to \$2,152,842 (December 31, 2023 - \$1,954,428).

### (b) Other price risk

Market risk is the risk that the fair value of, or future cash flows from Northfield's financial instruments will significantly fluctuate because of changes in market prices. The value of the financial instruments can be affected by changes in interest rates, foreign exchange rates, equity and commodity prices. Northfield is exposed to other price risk, a component of market risk, in trading its investments and unfavourable market conditions could result in dispositions of investments at less than favourable prices.





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**22. FINANCIAL INSTRUMENTS (continued)**

**(b) Other price risk (continued)**

The following table shows the estimated sensitivity of Northfield's after-tax net comprehensive income for the year ended December 31, 2024 resulting from a change in market price of Northfield's investments with all other variables held constant as at December 31, 2024:

Percentage of change in closing prices	Change in comprehensive income (net of tax) from % increase in closing price	Change in comprehensive income (net of tax) from % decrease in closing price
<b>Investments FVTPL</b>		
5%	\$ 2,309,872	\$ (2,309,872)
10%	\$ 4,619,744	\$ (4,619,744)

**(c) Interest rate risk**

Interest rate risk is the impact that changes in interest rates could have on Northfield's earning and liabilities. As at December 31, 2024, Northfield had access to credit facilities comprised of due to brokers and credit facilities (collectively "interest risk liabilities"), which bore interest at rates fluctuating with the prime rate or overnight lending rate. From time to time Northfield uses these facilities, and at December 31, 2024 the amount outstanding was \$158,000 (December 31, 2023 - \$922,000). The interest bearing liabilities can be repaid by Northfield at any time without notice or penalty, which provides Northfield with some ability to manage and mitigate its interest risk.

Northfield invests in fixed income securities and high interest savings accounts that are subject to interest rate price risk resulting from changes in fair value from market fluctuations in interest rates. To minimize this risk, all fixed income securities and high interest savings accounts held by Northfield as at December 31, 2024 are redeemable upon demand.

**(d) Credit risk**

Credit risk is the risk of financial loss to Northfield if a counter party to a financial instrument fails to meet its payment obligations. Northfield is exposed to credit risk with respect to its cash and cash equivalents and receivables.

Northfield's credit risk is primarily attributable to cash and cash equivalents and receivables. Management believes that the credit risk concentration with respect to cash and cash equivalents is remote as it maintains accounts with highly-rated financial institutions and brokerage firms. As such, as at December 31, 2024, the Company had \$918,219 in financial assets that may be subject to credit risk defaults (December 31, 2023 - \$294,698).

**(e) Currency risk**

Currency risk is the risk that the fair value of, or future cash flows from Northfield's financial instruments will fluctuate because of changes in foreign exchange rates. Some of Northfield's investments are denominated in foreign currencies and are therefore exposed to foreign exchange fluctuations. Northfield believes it is not significantly exposed to currency risk as these investments comprise approximately 10% of Northfield's total investments. Consequently, fluctuations of the United States dollar in relation to Canadian dollar impact the fair value of financial assets and operating results. Financial assets subject to currency translation risk primarily include United States dollar denominated cash and marketable securities.

For the year ended December 31, 2024 management estimates that if the United States dollar had strengthened or weakened by 10% against the Canadian dollar, assuming all other variables remained constant, net income for the period would have increased or decreased by approximately \$273,000 (December 31, 2023 - \$190,000).



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**22. FINANCIAL INSTRUMENTS (continued)**

**(f) Concentration risk**

Two investments comprise 65% and 14% of the other investments balance at December 31, 2024 (December 31, 2023 - three investments comprised 62%, 14% and 12%). One investment comprises 94% of the marketable securities balance at December 31, 2024 (December 31, 2023 - two investments comprised 81% and 18%). Two customers in TNA comprise 13% and 12% of Northfield's consolidated revenues (December 31, 2023 - one customer in TNA comprised 13%). One customer in TNA comprises 17% of the receivable balance at December 31, 2024.

**(g) Fair value**

Northfield has determined the fair value of its financial instruments as follows:

- (i) The carrying values of receivables and accounts payable and accrued liabilities, loans payable and credit facilities approximate their fair values due to the short-term nature of these instruments. Loans payable also approximate fair value given their recent issuance.
- (ii) Investments are carried at amounts in accordance with Northfield's accounting policies. The fair value of securities that do not have a quoted market price in an active market (private company investments) cannot be reliably measured due to the significant variability in the range of reasonable fair values for these instruments and the inability to assign probabilities to a range of fair value estimates. The market for these financial instruments is a private equity market. The entity intends to dispose of these financial instruments by way of transfer of ownership, if possible.

**(h) Fair value hierarchy**

Northfield adopted the accounting standards associated with financial instruments resulting in a three-tier categorization as a framework for disclosing fair value based upon inputs used to value Northfield's investments.

The hierarchy is summarized as:

Level 1 – public company investments and cash.

Level 2 – warrants for which are not traded on a recognized securities exchange and where there are sufficient and reliable observable market inputs, the Black-Scholes model for valuation is used.

Level 3 – private company investments.

As at	December 31, 2024	December 31, 2023
Level 1	\$ 24,567,899	\$ 23,696,972
Level 2	240,065	228,808
Level 3	32,027,828	25,904,190
	<b>\$ 56,835,792</b>	<b>\$ 49,829,970</b>

During the year ended December 31, 2024, \$914,060 of investments were transferred from Level 3 to Level 1 (December 31, 2023 - \$nil). Transfers in and out of Level 3 are due to changes in the observability of market data.



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**22. FINANCIAL INSTRUMENTS (continued)**

**(h) Fair value hierarchy (continued)**

During the year ended December 31, 2024, the reconciliation of investments measured at fair value using unobservable inputs (Level 3) is presented as follows:

Balance - December 31, 2023	\$ 25,904,190
Purchases	752,500
Transfers into Level 1	(914,060)
Change in realized gains	105,060
Change in unrealized gains	6,180,138
<b>Balance - December 31, 2024</b>	<b>\$ 32,027,828</b>

The following table presents the fair value, categorized by key valuation techniques and the unobservable inputs used within Level 3 as at:

Valuation Technique	December 31, 2024		December 31, 2023	
	Fair Value	Unobservable inputs	Fair Value	Unobservable inputs
Recent financings	\$ 31,879,078	Transaction price or last capital raise	\$ 25,755,440	Transaction price or last capital raise
Public company comparables	148,750	Enterprise Value	148,750	Enterprise Value
Other Investments <sup>(1)</sup>	\$ 32,027,828	\$ -	\$ 25,904,190	\$ -

<sup>(1)</sup>For these Level 3 investments, the inputs used can be highly judgmental. A +/- 25% change on the unobservable input of these investments would have resulted in a corresponding +/- \$8.0 million at December 31, 2024 (December 31, 2023: +/- \$6.5 million) change to the total fair value of the investments.

**(i) Categories of financial instruments**

The carrying amounts of each of Northfield's categories of financial instruments are as follows:

As at	December 31, 2024	December 31, 2023
FVTPL	\$ 56,835,792	\$ 49,829,970
Amortized cost	\$ 918,219	\$ 294,698
Financial liabilities	\$ 12,454,533	\$ 14,812,276



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**23. CONTINGENCIES AND COMMITMENTS**

In the normal course of operations, certain contingencies may arise relating to legal actions undertaken against Northfield. In the opinion of management, the outcome of such potential legal actions will not have a material adverse effect on Northfield's results of operations, liquidity or its financial position.

Northfield is committed to and contingently liable for annual rental payments for premises and other loans payable as follows:

2025	\$ 3,259,047
2026	2,157,305
2027	4,832,776
2028	314,703
2029	253,989
2030 & thereafter	2,026,366
	<b>\$ 12,844,186</b>

**24. SUBSEQUENT EVENT**

On December 24, 2024, Northfield announced that it entered into binding share purchase agreements (the "Purchase Agreements") with five shareholders of Voyageur pursuant to which the Company has agreed to acquire an aggregate of 4,787,301 common shares of Voyageur ("Voyageur Shares") in consideration for the issuance to such shareholders of an aggregate of 143,619 (718,095 post share-split) class A restricted voting shares in the capital of the Company (the "Northfield Shares"). Pursuant to the transactions contemplated in the Purchase Agreements (collectively, the "Transaction"), each Voyageur Share will be exchanged for 0.029999983 of a Northfield Share (the "Exchange Ratio") (0.149999915 post share-split Exchange Ratio). The transaction closed on January 2, 2025 resulting in Northfield having acquired ownership and control of an aggregate of an additional 4,787,301 Voyageur Shares. Following the closing date of the Transaction, Northfield owned and controlled an aggregate of 16,865,103 Voyageur Shares representing approximately 50.2% of the issued and outstanding Voyageur Shares.

On January 10, 2025, Northfield announced its intention to effect a normal course issuer bid through the facilities of the TSX Venture Exchange. Northfield may, during the 12-month period commencing January 15, 2025 and ending January 14, 2026, purchase on the TSX Venture Exchange up to 141,701 (708,505 post share-split) Class A restricted voting shares in total, representing approximately 5% of the 2,834,032 (14,170,160 post share-split) Class A restricted voting shares currently issued and outstanding. The price which Northfield will pay for any such shares will be the market price at the time of acquisition.

Subsequent to year end in March 2025, Northfield, along with certain of its subsidiaries, entered into an aircraft loan agreement with Echo Capital Fund I Inc., a private lender in the aviation space, to finance the purchase of aircraft by Spruce Goose Aviation Inc., a wholly-owned subsidiary. The agreement provides for a loan of up to US\$5.195 million with a five-year term. Interest is based on a variable floating rate equal to the annual interest rate posted by Laurentian Bank of Canada plus 300 basis points, calculated and compounded monthly. The proceeds were used to purchase high-performance helicopters, including a 1999 Eurocopter AS350-B3 for US\$1.595 million, with the remaining amount available for additional aircraft purchases prior to June 30, 2025. The loan is secured against certain aircraft and contains customary terms and covenants.