



# NORTHFIELD

## CAPITAL CORPORATION

Management's Discussion and Analysis

For the year ended December 31, 2024



<b>TABLE OF CONTENTS</b>	<b>Page</b>
1. INTRODUCTION AND OVERVIEW .....	3
2. COMPANY OVERVIEW AND STRATEGY .....	4
3. 2024 HIGHLIGHTS AND PERFORMANCE SUMMARY .....	7
4. FINANCIAL HIGHLIGHTS .....	9
5. BUSINESS SEGMENT ANALYSIS.....	12
6. REALIZED GAINS AND LOSSES ON INVESTMENTS .....	25
7. RESULTS OF OPERATIONS .....	29
8. SUMMARY OF QUARTERLY RESULTS .....	33
9. FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES .....	34
10. RELATED PARTY TRANSACTIONS .....	37
11. RISKS AND RISK MANAGEMENT .....	37
12. CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES .....	40
13. NON-IFRS FINANCIAL MEASURES .....	41
14. DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING .....	44
15. OUTLOOK AND STRATEGIC PRIORITIES .....	46
16. FORWARD-LOOKING INFORMATION .....	49
17. ADDITIONAL INFORMATION .....	50



## 1. INTRODUCTION AND OVERVIEW

This Management's Discussion and Analysis ("MD&A") provides a comprehensive analysis of the financial condition, operational performance, and future prospects of Northfield Capital Corporation ("Northfield" or the "Company") for the year ended December 31, 2024, compared to the year ended December 31, 2023. This MD&A has been prepared in accordance with National Instrument 51-102F1 and should be read in conjunction with the audited consolidated financial statements and related notes for the year ended December 31, 2024, which have been prepared in accordance with IFRS<sup>®</sup> Accounting Standards as issued by the International Accounting Standards Board.

All amounts in this MD&A are expressed in Canadian dollars unless otherwise indicated, and all figures are rounded to the nearest hundred thousand except for per share amounts. This MD&A is current as of April 21, 2025. Additional information about Northfield is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

### Corporate Structure and Business Profile

Northfield Capital Corporation is a diversified investment and operating company listed on the TSX Venture Exchange under the symbol "NFD.A". Our business model combines strategic investment activities with active management of operating subsidiaries across multiple sectors.

**Investment Platform:** Northfield maintains a focused portfolio of equity investments in resource, aviation, manufacturing, and technology sectors, with particular emphasis on critical minerals, precious metals, and emerging growth opportunities.

### Operating Businesses:

- **Aviation Services (TNA Group):** Provides chartered air services, flight training, and aircraft maintenance across Canada through True North Airways Inc. and related companies
- **Premium Spirits (Spirit of York):** Operates a growing craft distillery in Toronto's historic Distillery District
- **Vineyard & Winery (The Grange):** Produces award-winning wines at a historic estate vineyard in Prince Edward County, Ontario

The Company's consolidated financial statements include the accounts of Northfield and its subsidiaries, with the following ownership structure as of December 31, 2024:

- Distillery Network Inc. (Spirit of York): 57.6% ownership
- The Grange of Prince Edward Inc.: 56.7% ownership
- True North Airways Group: 91.0% ownership (through Northfield Aviation Group Inc.)

This integrated business model provides our shareholders with diversified exposure to growth opportunities through both public and private market investments, while offering operational leverage through our controlled subsidiaries.

Northfield's largest and most strategic investment, Juno Corp., achieved transformative milestones in 2024 with three major discoveries in the Ring of Fire. Representing 59% of our investment portfolio at \$31.5 million, Juno's discoveries of high-grade critical minerals and gold have positioned it as a leader in this emerging world-class mineral district. These developments demonstrate the significant value creation potential within our investment portfolio.



## 2. COMPANY OVERVIEW AND STRATEGY

### A Diversified Value-Creation Platform

Northfield Capital Corporation ("Northfield" or the "Company") operates as a strategic investment and active management platform listed on the TSX Venture Exchange under the symbol "NFD.A". Our differentiated business model combines the capital appreciation potential of a focused investment portfolio with the operational cash flow and growth opportunities of controlled operating businesses. This balanced approach enables us to create shareholder value through multiple economic cycles and market conditions.

**Our mission is clear:** to identify, acquire, and actively develop undervalued assets across selected sectors where our capital, expertise, and relationships can drive substantial value creation over time.

### Investment Philosophy and Approach

Northfield's investment philosophy is guided by four foundational principles:

1. **High-Conviction Positions:** We take concentrated positions in businesses with compelling value propositions, focusing on opportunities where we can deploy between \$1-10 million of capital and achieve meaningful influence or control.
2. **Sector Expertise:** We focus on sectors where our management team and Board possess deep domain knowledge and relationship networks—primarily in critical minerals, precious metals, transportation, and specialty consumer products.
3. **Active Value Creation:** Unlike passive investment funds, we actively engage with our investee companies, providing strategic guidance, operational support, and access to our extensive network of industry relationships.
4. **Disciplined Capital Allocation:** We maintain a rigorous investment process that prioritizes asymmetric risk-reward opportunities, downside protection, and clear pathways to value realization.

This approach has enabled us to build substantial positions in high-potential companies like Juno Corp. (critical minerals and precious metals), Voyageur Mineral Explorers Corp. (junior exploration company with royalty assets), and G2 Goldfields Inc. (gold), which collectively represent over 80% of our investment portfolio value.

### Integrated Business Model

Northfield's business model integrates four complementary segments that create a diversified value-creation platform:

**Investment Operations** (67% of asset value): Our core investment portfolio comprises strategic positions in both public and private companies, with a focus on critical minerals, precious metals, and royalty businesses. This segment provides capital appreciation potential and investment income.

**Aviation Services** (TNA Group – 91% ownership): Provides chartered air service, flight training, and aircraft maintenance across Canada with strategic expansion into Latin American markets. This business delivers stable cash flows with scalable growth opportunities in specialized aviation services.

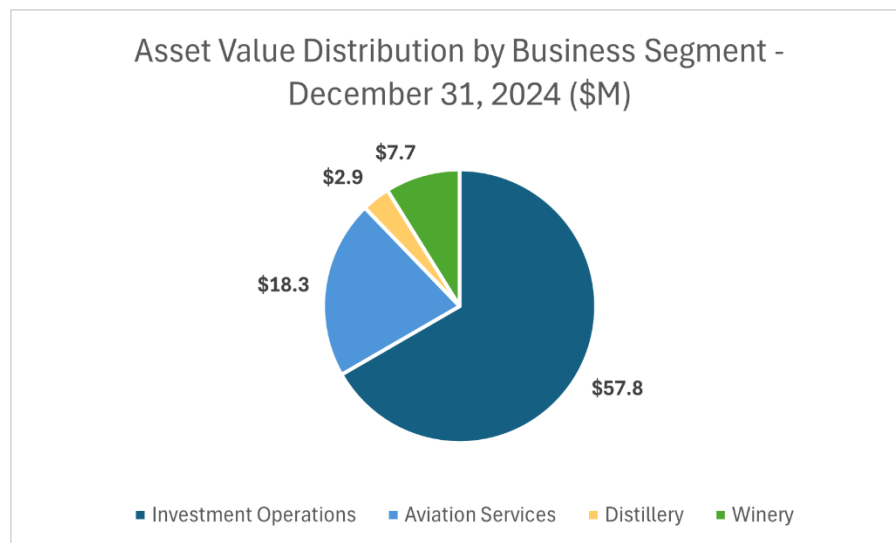


**Craft Distillery** (Spirit of York – 57.6% ownership): A premium craft distillery in Toronto's historic Distillery District producing award-winning spirits with expanding distribution and brand recognition. This business provides exposure to the high-growth premium spirits category.

**Vineyard & Winery** (The Grange – 56.7% ownership): An established estate vineyard and winery in Prince Edward County producing premium wines with an integrated hospitality experience. This business combines agricultural assets with brand value and experiential retail opportunities.

This integrated model enables Northfield to:

- **Diversify risk exposure** across multiple sectors and asset classes
- **Deploy capital opportunistically** based on relative value and growth potential
- **Leverage operational expertise** across complementary businesses
- **Create strategic synergies** between portfolio companies
- **Access diverse liquidity sources** through both public and private markets



### Active Management Approach

What truly differentiates Northfield is our hands-on, value-additive approach to managing both our investment portfolio and operating businesses. Our executive team and Board bring decades of entrepreneurial experience, industry relationships, and capital markets expertise to each investment.

For our investment portfolio, this means:

- Taking board positions or observer rights to influence strategic direction
- Providing access to capital through direct investment and third-party introductions
- Assisting with corporate development, M&A opportunities, and exit planning
- Accelerating growth through commercial introductions and partnership opportunities



For our operating businesses, this means:

- Recruiting and developing exceptional management teams
- Implementing disciplined capital allocation and operational efficiency initiatives
- Driving strategic expansion into adjacent markets and complementary offerings
- Building scalable platforms with multiple paths to value realization

### **Capital Allocation Framework**

Northfield employs a disciplined capital allocation framework guided by our commitment to long-term value creation:

1. **Maintain Strong Liquidity:** We maintain substantial liquidity reserves (currently \$3.6 million in cash plus \$4.9 million in marketable securities) to ensure operational flexibility and capitalize on opportunistic investments.
2. **Reinvest in Growth:** We selectively reinvest in our highest-potential opportunities, whether through follow-on investments in portfolio companies or expansion capital for operating businesses.
3. **Strategic Acquisitions:** We pursue accretive acquisitions that enhance our existing platforms or provide entry into attractive adjacent markets.
4. **Return Capital:** We opportunistically repurchase shares when market valuations create compelling value, as evidenced by our recently announced normal course issuer bid.

This framework ensures that capital is deployed to its highest and best use, balancing near-term returns with long-term value creation.

### **Value Creation Model**

Northfield's value creation model is based on three complementary approaches:

**Build:** We identify and develop high-potential operating businesses in specialty sectors where we can establish sustainable competitive advantages and drive organic growth.

**Transform:** We actively engage with our investee companies to enhance strategic positioning, operational performance, and market valuation through hands-on involvement and strategic guidance.

**Monetize:** We strategically realize value through various mechanisms including public listings, strategic sales, dividend streams, or continued compounding of capital within successful ventures.

This multifaceted approach enables Northfield to generate returns across different timeframes and market conditions, creating a resilient platform for long-term value creation.

### **Strategic Vision**

Looking forward, Northfield is positioned to capitalize on several compelling macro trends:

- **Critical Minerals Revolution:** Our substantial investment in the critical minerals sector through Juno Corp. positions us to benefit from the accelerating global transition to clean energy and electrification.



- **Resource Sector Resurgence:** Our strategic investments in precious metals and mineral royalties position us to benefit from favorable supply-demand dynamics in key commodity markets.
- **Aviation Services Consolidation:** The fragmented regional aviation market presents opportunities for our TNA Group to expand through strategic acquisitions and service extensions.
- **Premium Beverage Premiumization:** Both our distillery and winery operations are benefiting from the continued consumer shift toward premium, authentic, and locally-produced beverages.

By maintaining our disciplined investment approach, operational excellence, and strategic focus, Northfield aims to deliver sustained growth in net asset value and shareholder returns over the long term.

Our strategy has produced a compound annual growth rate in net asset value per share of approximately 8% over the past five years, despite challenging market conditions. With our strong capital position, diversified business model, and focused investment approach, Northfield is exceptionally well-positioned to accelerate value creation in the years ahead.

### 3. 2024 HIGHLIGHTS AND PERFORMANCE SUMMARY

#### Key Investment Milestones:

- Juno Corp., our largest investment position (16.8% ownership, \$31.5M fair value), made three major discoveries in the Ring of Fire:
  - **Vespa Complex:** High-grade vanadium-titanium-scandium and high-purity iron potential
  - **Pluto and North Edge:** Two high-grade gold discoveries, establishing a potential new Archean gold district
- Juno expanded its mineral claim holdings to 5,300 sq km (58% of the Ring of Fire)
- Juno successfully raised C\$36.5 million in 2024 financings

#### Financial Highlights

- **Net Asset Value:** \$72.9 million (\$6.09 per basic share) as of December 31, 2024, representing a 16.5% increase from \$62.6 million (\$5.63 per basic share) at December 31, 2023
- **Net Income:** \$2.3 million attributable to shareholders (\$0.19 per basic and diluted share), compared to a net loss of \$6.7 million (\$(0.60) per basic and diluted share) in 2023
- **Investment Portfolio:** \$55.5 million in cash net of credit facilities, cash equivalents, marketable securities and other investments, representing an increase of \$8.1 million (17.1%) from December 31, 2023
- **Equity Financing:** Successfully completed private placements in July and December 2024, raising aggregate gross proceeds of \$9.5 million
- **Strong Balance Sheet:** Increased working capital position to \$6.9 million (or \$55.3 million including Other Investments), providing significant capacity for new investment opportunities



## Operational Highlights

- **Aviation Services:** Increased revenue by 30% to \$5.6 million, capitalizing on higher charter flight demand and expanded service offerings
- **Spirits Production:** Grew distillery revenue by 43% to \$2.0 million through expanded distribution channels and product innovations
- **Vineyard & Winery:** Achieved 27% revenue growth to \$1.4 million despite challenging agricultural conditions
- **Strategic Expansions:**
  - Commenced construction of new aircraft maintenance hangar in Midland, Ontario
  - Acquired strategic land parcel in El Salvador to support Latin American aviation expansion

## Investment Portfolio Performance

- **Unrealized Gains:** Generated \$19.4 million in unrealized gains on investment portfolio, compared to \$2.2 million in unrealized losses in 2023
- **Portfolio Composition:** Refined investment focus with approximately 89% of investments concentrated in the resource sector, including critical minerals, precious metals, and royalty companies
- **Key Holdings:** Major value appreciation in core holdings including Juno Corp. (critical minerals and precious metals), Voyageur Mineral Explorers Inc. (junior exploration company with royalty assets), and G2 Goldfields Inc. (gold)

## Subsequent Events

- **Share Split:** On February 11, 2025, completed a 5-for-1 forward share split of both Class A and Class B shares
- **Strategic Acquisition:** On January 2, 2025, closed acquisition of additional 4,787,301 shares of Voyageur Mineral Explorers Corp., strengthening position in mineral royalty sector and increasing Northfield's ownership to 50.2%
- **Normal Course Issuer Bid:** On January 15, 2025, initiated a normal course issuer bid to purchase up to 708,505 Class A shares (representing 5% of outstanding Class A shares)
- **Fleet Enhancement & Aircraft Loan:** On March 14, 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.





## 4. FINANCIAL HIGHLIGHTS

### Financial Performance Overview

Northfield Capital achieved significant financial improvements in 2024, demonstrating the resilience of our diversified business model and validating our strategic investment decisions. Our balanced approach to capital allocation, combined with operational enhancements across our business segments, has driven substantial value creation despite variable market conditions.

#### Key Performance Metrics

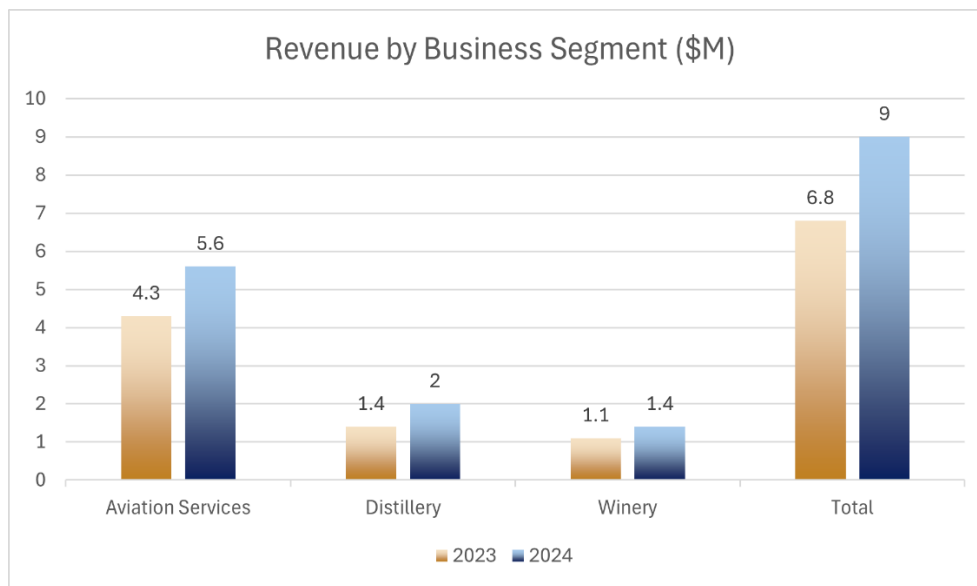
Financial Metric (\$ millions)	2024	2023	Change	% Change
<b>Consolidated Revenue</b>	<b>\$19.2</b>	\$5.8	\$13.4	231%
<b>- Net Investment Income/(Loss)</b>	<b>\$10.2</b>	\$(1.0)	\$11.2	1,120%
<b>- Operating Business Revenue</b>	<b>\$9.0</b>	\$6.8	\$2.2	32%
<b>EBITDA</b>	<b>\$3.7</b>	\$(5.8)	\$9.5	164%
<b>Net Income/(Loss) to Shareholders</b>	<b>\$2.3</b>	\$(6.7)	\$9.0	134%
<b>Earnings Per Share (Basic)</b>	<b>\$0.19</b>	\$(0.60)	\$0.79	132%
<b>Total Assets</b>	<b>\$86.8</b>	\$78.4	\$8.4	11%
<b>Shareholders' Equity</b>	<b>\$74.7</b>	\$62.4	\$12.3	20%
<b>Net Asset Value Per Share</b>	<b>\$6.09</b>	<b>\$5.63</b>	<b>\$0.46</b>	<b>8%</b>
<b>Cash &amp; Marketable Securities</b>	<b>\$8.5</b>	\$9.5	\$(1.0)	(11%)

### Performance Analysis

#### Revenue Growth

Consolidated revenue increased dramatically by 231% to \$19.2 million in 2024, driven by:

- **Investment Portfolio Turnaround:** Net investment income swung to a positive \$10.2 million from a loss of \$1.0 million in 2023, representing a remarkable \$11.2 million improvement. This recovery was fueled primarily by \$19.4 million in unrealized gains across our investment portfolio, reflecting the significant appreciation in our core holdings, particularly in the critical minerals and royalty sectors.
- **Operating Business Expansion:** Revenue from our operating businesses grew by a robust 32% to \$9.0 million, with all segments contributing to this growth:
  - Aviation services revenue increased by 30% to \$5.6 million
  - Distillery operations revenue increased by 43% to \$2.0 million
  - Winery operations revenue increased by 27% to \$1.4 million



### Profitability Improvements

The Company's profitability metrics demonstrated remarkable improvement in 2024:

- **EBITDA:** Consolidated EBITDA improved to \$3.7 million, a \$9.5 million positive swing from the negative \$5.8 million recorded in 2023. This improvement reflects both the substantial recovery in investment performance and enhanced operational efficiency across our business segments.
- **Net Income:** Net income attributable to shareholders reached \$2.3 million (\$0.19 per share), compared to a net loss of \$6.7 million (\$0.60 per share) in 2023. This \$9.0 million improvement underscores the effectiveness of our strategic initiatives and the underlying strength of our business model.
- **Gross Margin:** Gross margin from operating subsidiaries increased by 64% to \$1.9 million, reflecting our focused efforts on operational efficiency and value-added product offerings. Notably, the distillery segment's gross margin percentage improved significantly to 25% from 14% in the prior year.

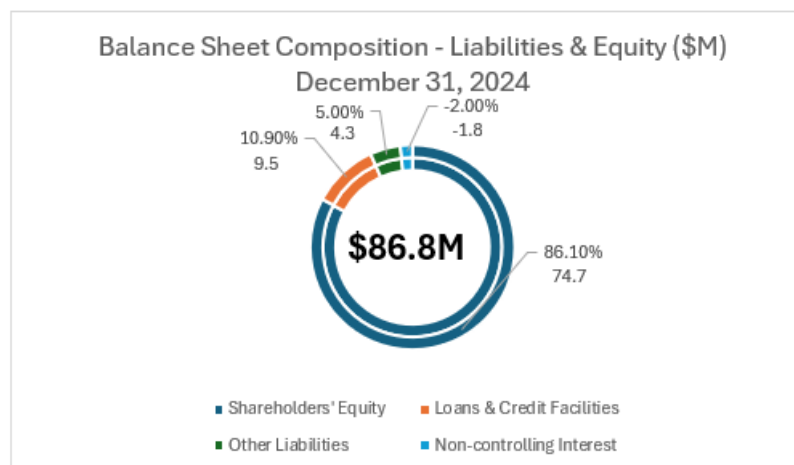
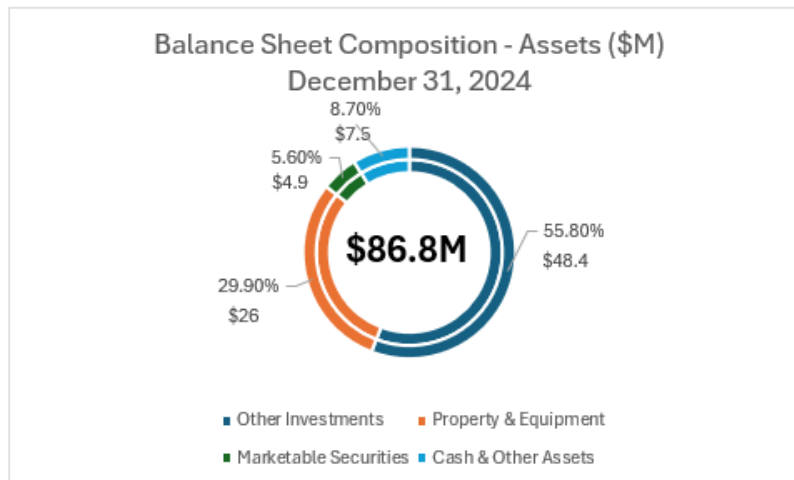
### Balance Sheet Strength

Northfield maintained a robust balance sheet in 2024, providing a solid foundation for our growth initiatives:

- **Asset Growth:** Total assets increased by 11% to \$86.8 million, primarily driven by appreciation in our investment portfolio and strategic capital investments in our operating businesses.
- **Equity Enhancement:** Shareholders' equity increased by 20% to \$74.7 million, bolstered by both profitable operations and our successful equity private placements, which raised net proceeds of \$9.3 million.
- **Debt Reduction:** Total debt decreased by 26% to \$9.5 million, improving our financial flexibility and reducing interest expenses.



- **Liquidity Position:** While cash and marketable securities decreased slightly to \$8.5 million from \$9.5 million, our overall liquidity position remains strong, representing approximately 10% of total assets and providing ample resources for opportunistic investments and operational needs.



## Capital Management

Our disciplined approach to capital management has strengthened our financial foundation:

- **Equity Financing:** Successfully completed two strategic private placements in July and December 2024, raising aggregate gross proceeds of \$9.5 million and strengthening our capacity for new investments.
- **Debt Optimization:** Reduced outstanding loans and credit facilities by \$3.3 million, lowering our financial leverage and interest expense burden.
- **Working Capital:** Increased working capital position to \$6.9 million (or \$55.3 including Other Investments), enhancing our operational flexibility and ability to respond to market opportunities.



- **Capital Allocation:** Deployed \$2.2 million in new investments and \$2.5 million in strategic capital expenditures to support growth initiatives across our business segments.

Our prudent financial management ensures that Northfield maintains both the stability to weather market fluctuations and the flexibility to capitalize on emerging opportunities. The significant improvements in our financial performance validate our strategic direction and position us well for continued growth in 2025 and beyond.

### Segment Financial Performance

Each of our business segments contributed to our overall financial improvement:

- **Investment Operations:** Generated net income of \$6.4 million in 2024, a \$10.2 million improvement from the \$3.8 million loss recorded in 2023. This remarkable turnaround was driven by substantial unrealized appreciation in our investment portfolio, particularly in our critical minerals and royalty holdings.
- **Aviation Services:** Achieved revenue growth of 30% to \$5.6 million, reflecting increased demand for charter services and operational expansion. While net loss increased to \$1.5 million due to strategic investments in infrastructure and market expansion, the segment's long-term prospects have been significantly enhanced.
- **Distillery Operations:** Delivered revenue growth of 43% to \$2.0 million with gross margin percentage improving to 25% from 14%. While the segment's net loss increased to \$3.2 million due to expanded marketing and talent investments, these initiatives are building the foundation for accelerated growth and eventual profitability.
- **Winery Operations:** Generated revenue growth of 27% to \$1.4 million with gross margin improving to \$0.2 million from a negative \$0.3 million in the prior year. The segment's net loss remained stable at \$1.3 million while establishing a stronger operational foundation.

The diverse performance of our business segments demonstrates the resilience of our diversified business model and our ability to create value through both financial investments and operating businesses. As we continue to optimize our portfolio and drive operational improvements, we expect to further enhance our financial performance in the years ahead.

## 5. BUSINESS SEGMENT ANALYSIS

Northfield's integrated business model encompasses four complementary segments, each with distinct value drivers and growth trajectories. In 2024, all segments demonstrated meaningful progress toward their strategic objectives, contributing to Northfield's overall performance improvement. Our balanced approach to capital allocation across these segments enhances our resilience while providing multiple avenues for value creation.

### AVIATION SERVICES (TNA GROUP)

#### Operational Overview

The TNA Group, our aviation services platform (91% ownership), delivered substantial revenue growth while executing strategic expansion initiatives that position the business for accelerated growth. Operating a diverse fleet of fixed-wing aircraft and a helicopter, TNA provides essential air transportation, flight training, and aircraft maintenance services across Canada, with an expanding presence in Latin America.

**Financial Performance**

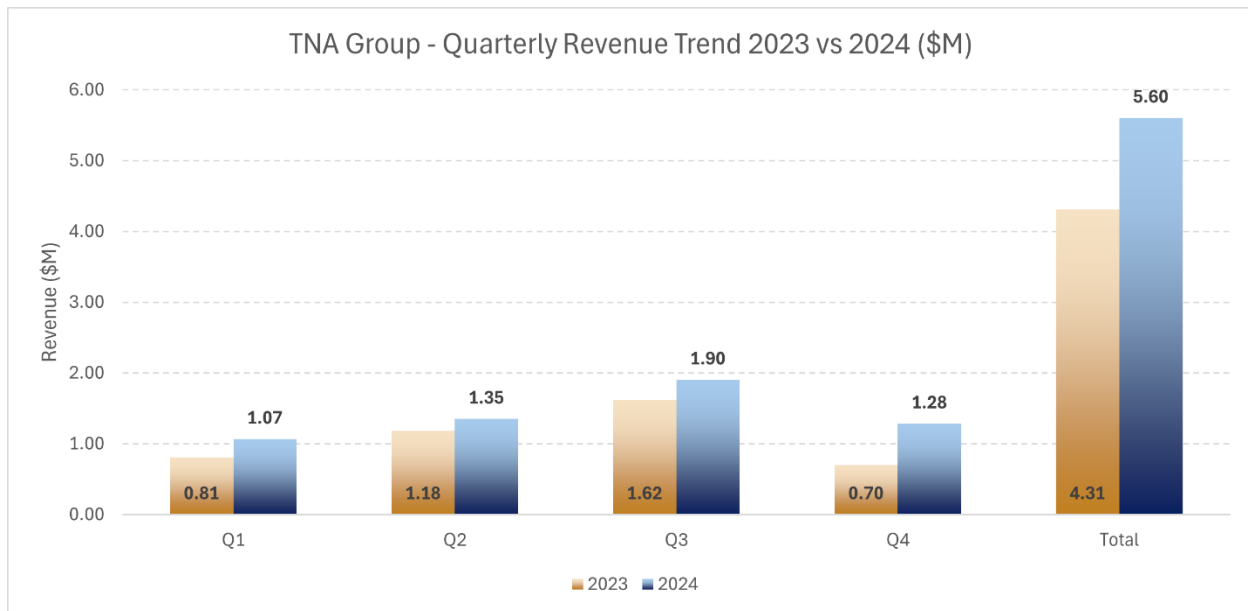
(\$ millions)	2024	2023	Change	% Change
<b>Revenue</b>	<b>\$5.6</b>	\$4.3	\$1.3	30%
<b>Cost of Sales</b>	<b>\$(4.3)</b>	\$(3.1)	\$(1.2)	(39%)
<b>Gross Margin</b>	<b>\$1.3</b>	\$1.2	\$0.1	8%
<b>Gross Margin %</b>	<b>23%</b>	28%	(5%)	(18%)
<b>Operating Expenses</b>	<b>\$(2.8)</b>	\$(2.6)	\$(0.2)	(8%)
<b>Segment EBITDA</b>	<b>\$(0.02)</b>	\$(0.5)	\$0.5	97%

TNA's revenue grew by 30% to \$5.6 million in 2024, driven by increased charter flight volume, expanded service offerings, and higher aircraft utilization rates. While gross margin percentage decreased to 23% from 28% due to higher fuel and labor costs, absolute gross margin improved by 8% to \$1.3 million. The segment EBITDA remained slightly negative at \$(0.02) million as we continued to invest in infrastructure and expansion initiatives that will drive future profitability.

**Strategic Developments**

TNA executed several transformative initiatives in 2024 and early 2025:

- Infrastructure Expansion:** Began construction (Q4) on a brand-new 13,000-square-foot hangar at Huronia Airport in Midland, Ontario, serving as a key base for executive charter services, complementing the existing 10,000-square-foot hangar in Sudbury that houses Omar Aviation, a wholly-owned TNA subsidiary providing maintenance services.
- Latin American Expansion:** Established TNA SOUTH in El Salvador and acquired strategic land (50 acres, \$0.8 million investment) in El Zonte, also known as Bitcoin Beach, to support operations in Central America, targeting the growing mining, resource exploration, and tourism sectors. Positioned to leverage El Salvador's progressive digital asset legislation by accepting Bitcoin for charter payments.
- Strategic Partnerships:** Secured corporate clients in the mining and resource sectors, generating \$1.2 million in revenue (21% of segment revenue). Established key relationships with government agencies to support aerial firefighting operations and partnered with luxury resorts and hotels to provide exclusive transportation services for their guests and community members.
- Fleet Enhancement:** Strategically expanded capabilities with the acquisition (in Q1 2025) of two high-performance helicopters – a 1999 Eurocopter AS350-B3 (\$1.595 million USD) and a 1980 Bell 206B-3 Jet Ranger (\$395,000 USD) – significantly enhancing capacity for firefighting, resource sector logistics, and private charter services. In addition, TNA successfully obtained 704 Operator's Certificate, enabling operation of mid-size and light executive jets for premium charter services.



## Outlook

The aviation segment is positioned for accelerated growth and margin improvement in 2025:

- **Hangar Completion:** The completion of the Midland hangar in Q2 2025 will enable TNA to layer on additional charter revenue by having an additional base of operations in Southern Ontario to complement the Sudbury hangar used for maintenance services.
- **Latin American Operations:** Commercial operations in El Salvador are expected to commence in Q3 2025, providing access to the growing Central American market and opportunities for counter-seasonal revenue to complement Canadian operations.
- **Operational Efficiencies:** Implementation of enhanced flight planning and dispatch systems will drive improved fleet utilization and fuel efficiency.
- **Strategic Acquisitions:** The fragmented regional aviation market presents compelling acquisition opportunities to expand TNA's geographic footprint and service offerings.

With these initiatives, we expect the aviation segment to achieve revenue growth of 10-15% in 2025 with margin improvement as infrastructure investments begin to yield returns and operational efficiencies take effect.

## DISTILLERY OPERATIONS (SPIRIT OF YORK)

### Operational Overview

Spirit of York (57.6% ownership), our premium craft distillery located in Toronto's historic Distillery District, achieved significant revenue growth and brand development milestones in 2024. The operation produces a portfolio of award-winning spirits including vodka, gin, whisky, and specialty liqueurs distributed through both on-premise retail and wholesale channels.

**Financial Performance**

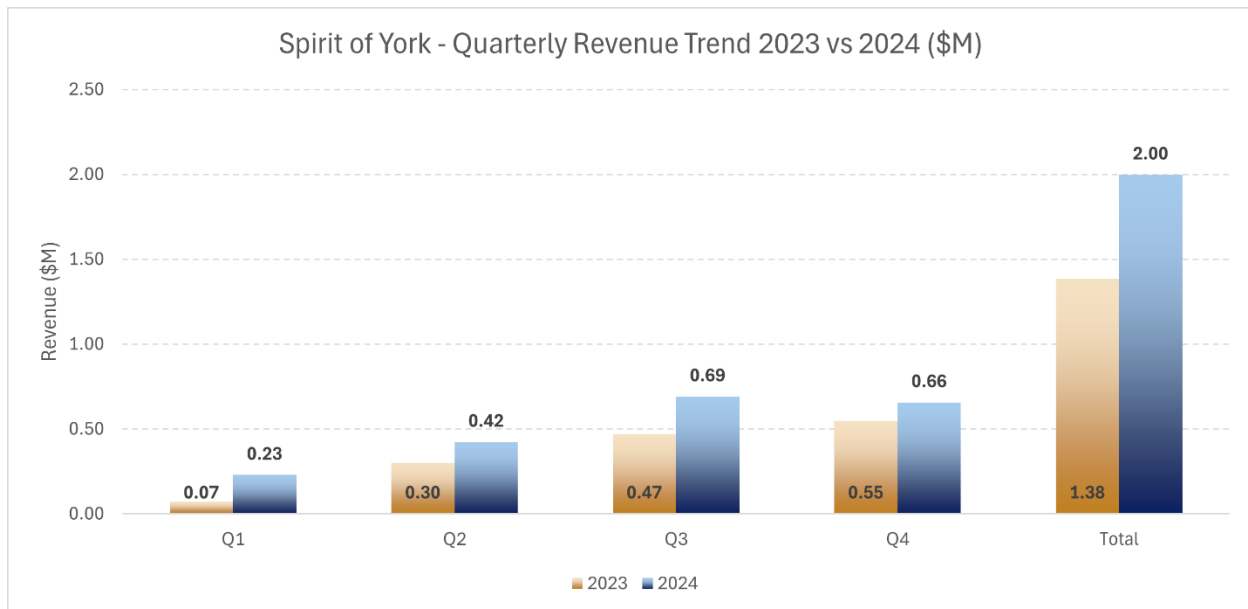
(\$ millions)	2024	2023	Change	% Change
<b>Revenue</b>	<b>\$2.0</b>	\$1.4	\$0.6	43%
<b>Cost of Sales</b>	<b>\$(1.5)</b>	\$(1.2)	\$(0.3)	(25%)
<b>Gross Margin</b>	<b>\$0.5</b>	\$0.2	\$0.3	150%
<b>Gross Margin %</b>	<b>25%</b>	14%	11%	79%
<b>Operating Expenses</b>	<b>\$(3.7)</b>	\$(2.1)	\$(1.6)	(76%)
<b>Segment EBITDA</b>	<b>\$(2.0)</b>	\$(0.8)	\$(1.2)	(150%)

Spirit of York achieved impressive revenue growth of 43% to \$2.0 million, driven by expanded distribution channels, new product introductions, and increased on-premise sales at its flagship distillery location. Gross margin percentage improved substantially to 25% from 14% in the prior year, reflecting improved production efficiencies, optimized product mix, and selected price adjustments. Segment EBITDA remained negative at \$(2.0) million as we strategically invested in brand building, market expansion, and talent acquisition.

**Strategic Developments**

Key strategic accomplishments in 2024 included:

1. **Major Strategic Partnership:** Secured position as the Official Gin of Live Nation Canada, Inc. in Ontario through a three-year partnership launched in 2024, bringing Spirit of York Premium Gin to concertgoers at four major music festivals and eight Live Nation venues across Ontario, including Toronto's legendary Budweiser Stage. Created "The Garden," an immersive, botanical-inspired lounge at the venue's Lakehouse, designed to embody the 15 botanicals infused in Spirit of York's handcrafted gin.
2. **Premium Canadian Positioning:** Reinforced commitment to Canadian craftsmanship by sourcing 100% of ingredients – including heritage grains and pristine water – from Canadian farmers, strengthening Canada's agricultural economy while ensuring premium quality that commands higher price points.
3. **Product Portfolio Expansion:** Introduced three new product offerings, including a premium small-batch whisky and specialty seasonal releases that command higher price points and margins.
4. **Distribution Expansion:** Increased retail distribution points by 35%, securing placement in premium independent retailers and specialty liquor outlets across Ontario.



## Outlook

Spirit of York is positioned for continued growth and margin improvement in 2025:

- **Production Scale Efficiencies:** As production and sales volumes increase and our sales team expands our distribution in Ontario through the LCBO, we expect to realize additional economies of scale that will grow revenue and further enhance gross margins.
- **Category Expansion:** Planned introduction of a new line of ready-to-drink (RTD) products potentially in Q2 2025 will access the rapidly growing premium cocktail segment with higher-velocity products.
- **Distribution Depth:** Strategic focus on building depth within existing markets through enhanced merchandising, point-of-sale programs, and trade marketing initiatives.
- **Experiential Retail:** Expansion of on-premise experiences, including enhanced distillery tours, tasting programs, and private events to drive high-margin direct sales and brand advocacy.

With these initiatives, we expect the distillery segment to achieve revenue growth of 15-20% in 2025 with continued gross margin improvement, positioning the business to potentially approach EBITDA breakeven in as early as 2026.

## WINERY OPERATIONS (THE GRANGE)

### Operational Overview

The Grange of Prince Edward (56.7% ownership), our estate vineyard and winery located in Ontario's Prince Edward County, demonstrated resilience and strategic progress despite agricultural challenges. The operation encompasses 40 acres of vineyards, a historic barn winery, and an integrated hospitality experience focused on premium cool-climate wines.



**Financial Performance**

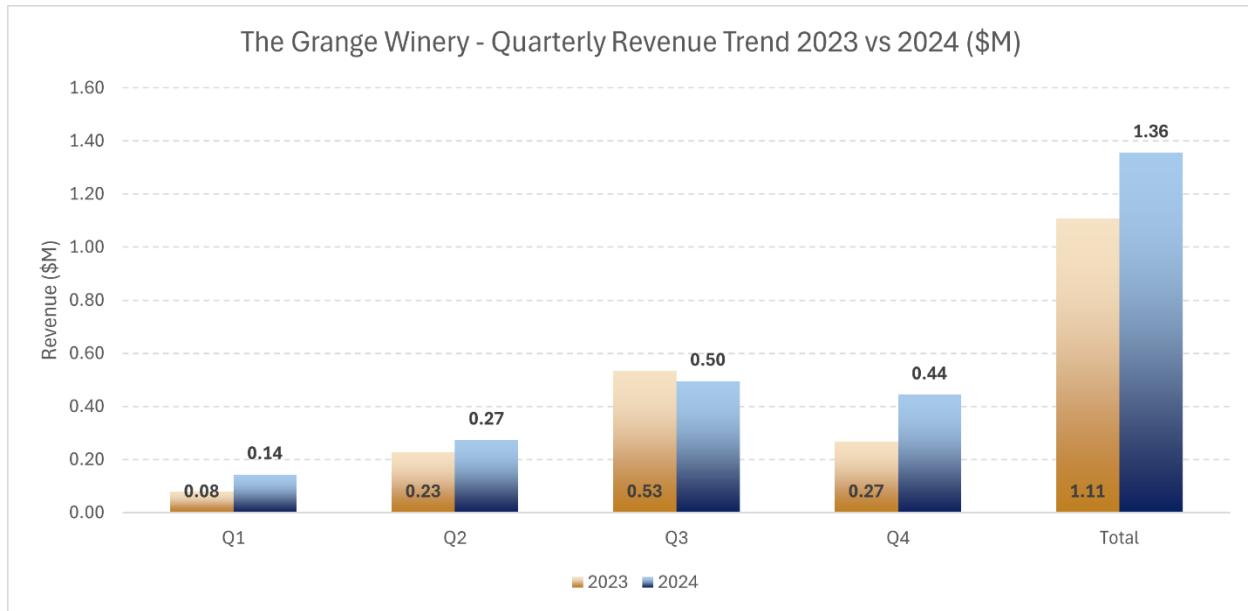
(\$ millions)	2024	2023	Change	% Change
<b>Revenue</b>	<b>\$1.4</b>	\$1.1	\$0.3	27%
<b>Cost of Sales</b>	<b>\$(1.2)</b>	\$(1.4)	\$0.2	14%
<b>Gross Margin</b>	<b>\$0.2</b>	\$(0.3)	\$0.5	167%
<b>Gross Margin %</b>	<b>14%</b>	(27%)	41%	152%
<b>Operating Expenses</b>	<b>\$(1.5)</b>	\$(1.1)	\$(0.4)	(36%)
<b>Segment EBITDA</b>	<b>\$(1.0)</b>	\$(0.8)	\$(0.2)	(25%)

The Grange generated revenue growth of 27% to \$1.4 million, reflecting stronger direct-to-consumer sales, expanded hospitality offerings, and improved distribution to licensees and the LCBO. Most notably, gross margin improved dramatically to \$0.2 million (14% margin) from a negative \$0.3 million in the prior year, demonstrating the success of our operational efficiency initiatives and reduced inventory shrinkage. Segment EBITDA remained negative at \$(1.0) million as we invested in vineyard improvements, hospitality enhancements, and brand development.

**Strategic Developments**

Key accomplishments in 2024 included:

1. **Strategic Cultural Partnership:** Established an exhilarating three-year partnership with Roy Thomson Hall and Allied Music Centre (home to the iconic Massey Hall and TD Music Hall), positioning The Grange's wines across hospitality spaces of these legendary Toronto concert venues. Developed plans for a new wine bar in Roy Thomson Hall's east lobby, creating a dedicated space for concertgoers to enjoy the winery's premium offerings.
2. **Estate Series and Aurelia Series Launch:** Released the first wines in the highly anticipated Estate Series in April 2024 with the barrel program wines launching in September 2024. Wines garnered attention and receivable accolades from the National Wine Awards of Canada, All Canadian Wine Championships, and the Ontario Wine Awards. In Q4, the winery introduced its Aurelia Series wines, high-end small-lot wines (pinot noir and chardonnay) which have higher margins as a premium product.
3. **Vineyard Optimization:** Implemented precision viticulture techniques and completed strategic replanting of four acres with high-value varietal clones to increase yield and margins. Further replanting expected in 2025 and 2026 to full complete the vineyard rejuvenation.
4. **Extended Guest Experiences:** Expanded visitor engagement through intimate wine tasting events at concert venues, providing guests with immersive wine experiences while enjoying performances, thereby increasing brand visibility and direct consumer connections beyond the winery.
5. **Hospitality Enhancement:** Expanded on-site visitor experiences including new tasting programs, an expanded culinary program, and private event capabilities, increasing average visitor spend on site at the winery.
6. **Direct-to-Consumer Channel:** Launched enhanced e-commerce platform and wine club program as well as expanded sales team to focus on licensee business.



## Outlook

The Grange is positioned for continued growth and margin improvement in 2025:

- **Yield Improvement:** Vineyard enhancement initiatives are expected to increase grape yield and quality in the 2025 harvest, reducing reliance on purchased fruit and improving cost structure.
- **Hospitality Expansion:** Planned enhancement of the event space will increase capacity for high-margin weddings and corporate events, which deliver both immediate revenue and long-term customer acquisition benefits.
- **Product Premiumization:** Strategic focus on limited-production, estate-grown wines commanding premium price points will drive both revenue growth and margin expansion.
- **Channel Optimization:** Continued emphasis on direct-to-consumer channels will improve margin mix while reducing dependence on competitive wholesale channels.

With these initiatives, we expect the winery segment to achieve revenue growth of 15-20% in 2025 with continued gross margin improvement as operational efficiencies and channel optimization efforts yield incremental benefits.

## INVESTMENT OPERATIONS

### Operational Overview

Northfield's investment operations, our largest business segment by asset value, delivered exceptional performance in 2024, generating substantial unrealized gains that validate our focused investment approach. Our investment portfolio spans public and private companies, with strategic concentrations in critical minerals, precious metals, and royalty businesses.

**Financial Performance**

(\$ millions)	2024	2023	Change	% Change
<b>Realized Gains/(Losses)</b>	<b>\$(9.9)</b>	\$0.4	\$(10.3)	(2,575%)
<b>Unrealized Gains/(Losses)</b>	<b>\$19.4</b>	\$(2.2)	\$21.6	982%
<b>Interest and Other Income</b>	<b>\$0.5</b>	\$0.5	\$0.0	0%
<b>Total Investment Income</b>	<b>\$10.0</b>	\$(1.3)	\$11.3	869%
<b>Operating Expenses</b>	<b>\$(3.6)</b>	\$(2.5)	\$(1.1)	(44%)
<b>Segment EBITDA</b>	<b>\$6.6</b>	\$(3.6)	\$10.2	283%

The investment segment generated total investment income of \$10.0 million in 2024, a dramatic \$11.3 million improvement from the \$1.3 million loss recorded in 2023. This performance was driven by \$19.4 million in unrealized gains, partially offset by \$9.9 million in realized losses primarily related to strategic portfolio adjustments. Segment EBITDA improved to \$6.5 million, a \$10.3 million positive swing from the prior year.

**Portfolio Composition and Performance**

Our investment portfolio is strategically concentrated in sectors where we maintain differentiated insights and competitive advantages:

Sector	% of Portfolio	Fair Value (\$M)	YoY Change
<b>Critical Minerals</b>	59%	\$31.6	25%
<b>Gold</b>	17%	\$8.9	(6%)
<b>Royalty</b>	13%	\$7.1	43%
<b>Transportation</b>	9%	\$4.6	(14%)
<b>Other Sectors</b>	2%	\$1.2	28%
<b>Total Portfolio</b>	<b>100%</b>	<b>\$53.3</b>	<b>17%</b>

Key investment positions driving performance in 2024 included:

1. **Juno Corp.** (16.8% ownership, \$31.5 million fair value at December, 31, 2024): Our premier investment position appreciated by 26% following transformative discoveries in 2024. Juno's three major discoveries - Vespa Complex (high-grade critical minerals), Pluto, and North Edge (high-grade gold) - position it as a leader in the Ring of Fire. Highlights include:
  - 24 holes drilled at Vespa revealing high-grade vanadium-titanium-scandium - Notable intercepts: 48.7% Fe, 10.9% TiO<sub>2</sub>, 1.1% V<sub>2</sub>O<sub>5</sub> over 25.1m
  - Pluto discovery: 78.9 g/t Au over 3.9m including 370.0 g/t Au over 0.6m
  - North Edge discovery: 25.9 g/t Au over 2.3m
  - Expanded claim holdings to 5,300 sq km (58% of Ring of Fire)
  - Successfully raised C\$36.5 million in 2024 (Northfield invested an additional \$250,000 through a private placement)
2. **Voyageur Mineral Explorers Corp.** (35.3% ownership, \$7.0 million fair value at December 31, 2024): This junior exploration company with royalty assets appreciated by 45% as royalty assets operated by Foran Mining Corporation (TSX:FOM) progressed towards development of



the McIlvenna Bay Deposit, resource delineation drilling of the Tesla Zone, evaluation of the Bigstone deposit and near mine exploration of several promising targets. We increased our position through open market purchases and entered agreements to acquire additional shares. Subsequent to year end on January 2, 2025, we increased our position further to 50.2% through a private market transaction whereby we issued 718,095 Northfield Class A shares in exchange for 4,787,301 common shares of Voyageur (14.9% interest).

3. **G2 Goldfields** (1% ownership, \$4.1 million fair value at December 31, 2024): This gold exploration investment appreciated by 91% following successful exploration results. We strategically reduced our position, realizing gains of \$1.0 million while maintaining substantial exposure to future upside.

### Summary of Investment Portfolio

The following information regarding the portfolio is historical as at the dates indicated and may change due to the ongoing investment activities of Northfield, in addition to fluctuations in the fair values of investments. The fair value of investments has been measured in accordance with Northfield's accounting policy and the amounts at which Northfield's investments could be disposed of currently may differ from their carrying values for a variety of reasons discussed in "Risk Factors" below.

The portfolio consists of investments, cash and cash equivalents. The fair value of individual positions as a percentage of portfolio assets is used by management to monitor concentration, exposure and other factors.

As at December 31, 2024, the portfolio consists of the following:

Portfolio assets by investment type	Number of positions	Cost	Total fair value	Percentage of
		\$000's	\$000's	portfolio
Equity - Public	16	31,109	20,986	38%
Equity - Private	11	8,287	32,028	58%
Warrant - Public	6	-	240	0%
Call Option - Public	0	-	-	0%
Equity investments	33	39,396	53,254	96%
Cash and cash equivalents, net of credit facility			2,252	4%
Total portfolio			55,506	100%

As at December 31, 2023, the portfolio consists of the following:

Portfolio assets by investment type	Number of positions	Cost	Total fair value	Percentage of
		\$000's	\$000's	portfolio
Equity - Public	17	42,887	19,559	41%
Equity - Private	6	8,343	25,904	55%
Warrant - Public	9	-	229	1%
Call Option - Public	2	157	44	0%
Equity investments	34	51,388	45,736	97%
Cash and cash equivalents, net of credit facility			1,643	3%
Total portfolio			47,379	100%



At December 31, 2024, equity investments represented 96% of the portfolio. Northfield held 27 equity investments (16 public and 11 private). This compares to 23 equity investments representing 97% of portfolio assets as of December 31, 2023 (17 public and 6 private). At December 31, 2024, cash and cash equivalents, net of credit facilities represented 4% of the portfolio (December 31, 2023 – 3%). As such, Northfield is well capitalized and has the ability to make meaningful new equity investments as opportunities present themselves.

The Portfolio consisted the following investments as of December 31, 2024:

Investee Name	Investment Type	Industry	Geography	Cost	Fair value	% of Northfield Portfolio	% Ownership of Investee
				\$ 000's	\$ 000's		
Juno Corp. <sup>(3)</sup>	Equity - Private	Critical Minerals	Canada	6,843	31,501	59%	17%
Voyageur Mineral Explorers Inc. <sup>(3)</sup>	Equity - Public	Royalty	Canada	3,754	6,955	13%	35%
G2 Goldfields Inc.	Equity - Public	Gold	Canada	579	4,054	8%	1%
STLLR Gold Inc.	Equity - Public	Gold	Canada	14,906	2,027	4%	2%
Rocky Shore Gold Ltd. (former Hemlo Explorers Inc.) <sup>(3)</sup>	Equity - Public	Gold	Canada	4,518	1,709	3%	22%
Rhyolite Resources Ltd.	Equity - Public	Holding Company	Canada	1,855	398	1%	5%
GPM Metals Inc.	Equity - Private	Gold	Canada	334	391	1%	2%
Batik Resources Ltd.	Equity - Private	Tin	Canada	200	200	0%	1%
Matador Gold Technologies Inc.	Equity - Private	Technology	Canada	157	188	0%	0%
Andex Minerals Inc.	Equity - Private	Gold	Canada	50	178	0%	0%
MonteOro Minerals Ltd.	Equity - Private	Gold	Canada	149	149	0%	2%
Fox River Resources	Equity - Public	Gold	Canada	75	118	0%	0%
Other <sup>(1)</sup>				1,756	508		
<b>Other Investments</b>				<b>35,176</b>	<b>48,376</b>	<b>91%</b>	
Titanium Transportation Group	Equity - Public	Transportation	Canada	3,954	4,569	8%	5%
iShares Bitcoin Trust	Equity - Public	Crypto	United States	266	309	1%	0%
Other <sup>(2)</sup>				-	-		
<b>Marketable Securities</b>				<b>4,220</b>	<b>4,878</b>	<b>9%</b>	
<b>Total Portfolio - December 31, 2024</b>				<b>39,396</b>	<b>53,254</b>	<b>100%</b>	

(1) Other consists of several other investments (19 positions) with nominal fair value but still maintained by Northfield.

(2) Other consists of several other investments (0 positions) with nominal fair value but still maintained by Northfield.

(3) Investment in Associate. All other investments are arms-length.

(4) Totals may not add due to rounding.



The Portfolio consisted the following investments as of December 31, 2023:

Investee Name	Investment Type	Industry	Geography	Cost \$ 000's	Fair value \$ 000's	% of Northfield Portfolio	% Ownership of Investee
Juno Corp. <sup>(3)</sup>	Equity - Private	Critical Minerals	Canada	6593	25,001	55%	20%
STLLR Gold Inc.	Equity - Public	Gold	Canada	25796	5,674	13%	12%
Voyageur Mineral Explorers Inc. <sup>(3)</sup>	Equity - Public	Royalty	Canada	3418	4,804	11%	33%
G2 Goldfields Inc.	Equity - Public	Gold	Canada	773	2,126	5%	2%
Hemlo Explorers Inc. <sup>(3)</sup>	Equity - Public	Gold	Canada	3580	638	1%	25%
Rhyolite Resources Ltd.	Equity - Public	Holding Company	Canada	2023	407	1%	5%
Andex Minerals Inc.	Equity - Private	Gold	Canada	50	248	1%	0%
GPM Metals Inc.	Equity - Public	Gold	Canada	334	154	0%	3%
Batik Resources Ltd.	Equity - Private	Tin	Canada	200	200	0%	0%
Matador Gold Technologies Inc.	Equity - Private	Technology	Canada	157	157	0%	0%
Rocky Shore Metals Ltd.	Equity - Private	Gold	Canada	150	150	0%	0%
MonteOro Minerals Ltd.	Equity - Private	Gold	Canada	149	149	0%	0%
Cypress Hills Resource Corp.	Equity - Public	Oil & Gas	Canada	158	120	0%	11%
Argo Gold Inc.	Equity - Public	Gold	Canada	142	95	0%	0%
Other <sup>(1)</sup>				1731	449	1%	
<b>Other Investments</b>				<b>45,255</b>	<b>40,370</b>	<b>88%</b>	
Titanium Transportation Group	Equity - Public	Transportation	Canada	3725	4,343	10%	4%
Vicinity Motor Corp	Equity - Public	Transportation	Canada	2252	978	2%	2%
Occidental Petroleum	Call Option - Public	Oil & Gas	United States	25	26	0%	0%
Microsoft	Call Option - Public	Technology	United States	132	18	0%	0%
Other <sup>(2)</sup>				157	44		
<b>Marketable Securities</b>				<b>6,134</b>	<b>5,365</b>	<b>12%</b>	
<b>Total Portfolio - December 31, 2023</b>				<b>50,668</b>	<b>45,735</b>	<b>100%</b>	

(1) Other consists of several other investments (15 positions) with nominal fair value but still maintained by Northfield.

(2) Other consists of several other investments (2 positions) with nominal fair value but still maintained by Northfield.

(3) Investment in Associate. All other investments are arms-length.

(4) Totals may not add due to rounding.



### *Investments by Industry*

The following table summarizes the carrying value and cost of Northfield's investments, both public and private, aggregated by industry as at December 31, 2024 and December 31, 2023:

Portfolio investments by industry (\$'000's)	% of Northfield Portfolio	As at December 31, 2024			% of Northfield Portfolio	As at December 31, 2023		
		Fair value	Cost	Difference		Fair value	Cost	Difference
Critical Minerals	59%	31,551	7,093	24,458	55%	25,156	6,869	18,287
Gold	17%	8,868	20,991	-12,123	21%	9,390	31,462	-22,072
Transportation	9%	4,569	3,953	616	12%	5,321	5,977	-656
Royalty	13%	7,058	3,754	3,304	11%	4,928	3,418	1,510
Holding Company	1%	398	1,855	-1,457	1%	407	2,023	-1,616
Technology	0%	188	482	-294	0%	174	714	-540
Oil & Gas	0%	98	200	-102	0%	146	225	-79
Tin	0%	200	200	-	0%	200	200	-
Copper	0%	-	101	-101	0%	-	-	-
Cannabis	0%	13	500	-487	0%	13	500	-487
Crypto	1%	309	266	43	0%	-	-	-
Total portfolio investments	100%	53,254	39,396	13,857	100%	45,735	51,388	-5,653

### *Investments by Geography*

The following table summarizes the locations of Northfield's investments, both public and private, according to their headquarters as at December 31, 2024 and December 31, 2023:

Headquarters of investee	As at December 31, 2024		As at December 31, 2023	
	Number of investments	Fair value \$'000's	Number of investments	Fair value \$'000's
Canada	32	52,945	32	45,691
United States	1	309	2	44
Total	33	53,254	34	45,735

At December 31, 2024, 1 of Northfield's 33 investees were located outside of Canada. These investments represented 0.6% of the fair value of the portfolio. This compares to 2 of 34 investees representing 0.09% of the fair value of the portfolio as at December 31, 2023. Northfield does not have significant exposure to investments denominated in currencies other than the Canadian dollar. Management does not set restrictions on allocations by geography and does not conduct any hedging activities.



### *Investments by Size*

The following table summarizes the size of Northfield's investments according to their market capitalizations in Canadian dollars as at December 31, 2024 and December 31, 2023:

<b>Investments by issuer size (market cap)</b>	<b>As at December 31, 2024</b>		<b>As at December 31, 2023</b>	
	<b>Number of investments</b>	<b>Fair value \$000's</b>	<b>Number of investments</b>	<b>Fair value \$000's</b>
Under \$350 million	<b>21</b>	<b>20,960</b>	26	19,787
\$350 million to \$1 billion	<b>0</b>	<b>0</b>	0	0
Over \$1 billion	<b>1</b>	<b>266</b>	2	44
Private investments (unallocated)	<b>11</b>	<b>32,028</b>	6	25,904
<b>Total</b>	<b>33</b>	<b>53,254</b>	<b>34</b>	<b>45,735</b>

At December 31, 2024, 21 of Northfield's 33 investments were in investees with market capitalizations of less than \$350 million. These investments represented 39% of the portfolio. This compares to 26 of 34 investments representing 43% of the portfolio as at December 31, 2023. When considering the size of public issuers in which to invest, management does not set restrictions or target allocations for the portfolio, instead focusing on total potential returns and appropriateness of such investments in the context of Northfield's overall portfolio. Smaller investees may be subject to significant price fluctuations and positions in smaller issuers may be difficult to build or exit due to lack of liquidity.

### **Strategic Developments**

Key investment activities and developments in 2024 included:

1. **Portfolio Optimization:** Executed strategic rebalancing to reduce positions in underperforming holdings (primarily STLLR Gold and Vicinity Motor) and redeploy capital to higher-conviction opportunities.
2. **Private Company Value Creation:** Actively engaged with private company holdings, particularly Juno Corp., providing strategic guidance, capital introduction services, and operational support to accelerate value creation.
3. **Capital Raising:** Successfully completed two private placements raising aggregate gross proceeds of \$9.5 million, enhancing our capacity to pursue new investment opportunities and support existing portfolio companies.
4. **Strategic Block Acquisitions:** Negotiated strategic block acquisitions in key holdings, including the December 2024 agreement to acquire 4.8 million additional Voyageur shares (closed January 2025), strengthening our influence in high-conviction positions.

### **Outlook**

The investment segment is well-positioned to create substantial value in 2025:

- **Critical Minerals and Precious Metals Focus:** Our significant exposure to the critical minerals and precious metals sector through Juno Corp. positions us to benefit from

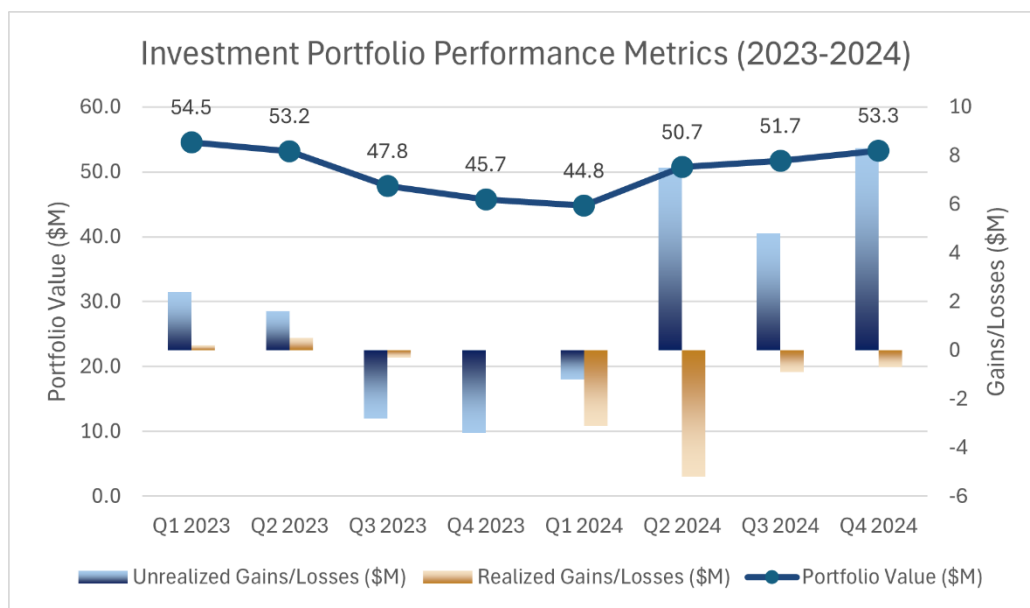




accelerating global demand for battery metals, clean energy materials and precious metals (namely gold).

- **Royalty Advancement:** Our expanded position in Voyageur Mineral Explorers is advancing as underlying royalty assets (Foran Mining Corporation) continue to ramp up towards production.
- **New Investment Initiatives:** Our strong capital position enables us to pursue compelling new opportunities should they arise, particularly in the resource sector where we maintain information advantages.

With these initiatives and favorable positioning, we expect the investment segment to remain the primary driver of Northfield's net asset value growth in 2025 and beyond.



The diversified nature of our business segments provides both stability and multiple avenues for value creation. While our investment operations delivered exceptional performance in 2024, our operating businesses continue to build scale, enhance operational efficiency, and develop sustainable competitive advantages that will drive long-term value. This balanced approach enables Northfield to generate shareholder returns through various market conditions while maintaining strategic flexibility.

## 6. REALIZED GAINS AND LOSSES ON INVESTMENTS

### Overview of Investment Monetization Activity

During 2024, Northfield executed a significant portfolio rebalancing initiative to optimize capital allocation, reduce exposure to underperforming positions, and strategically recycle capital into higher-conviction opportunities. This disciplined approach to portfolio management resulted in the monetization of several investment positions throughout the year.

For the twelve months ended December 31, 2024, Northfield realized aggregate net losses of \$9.9 million on investment dispositions, representing a negative return on investment (ROI) of 66% on the

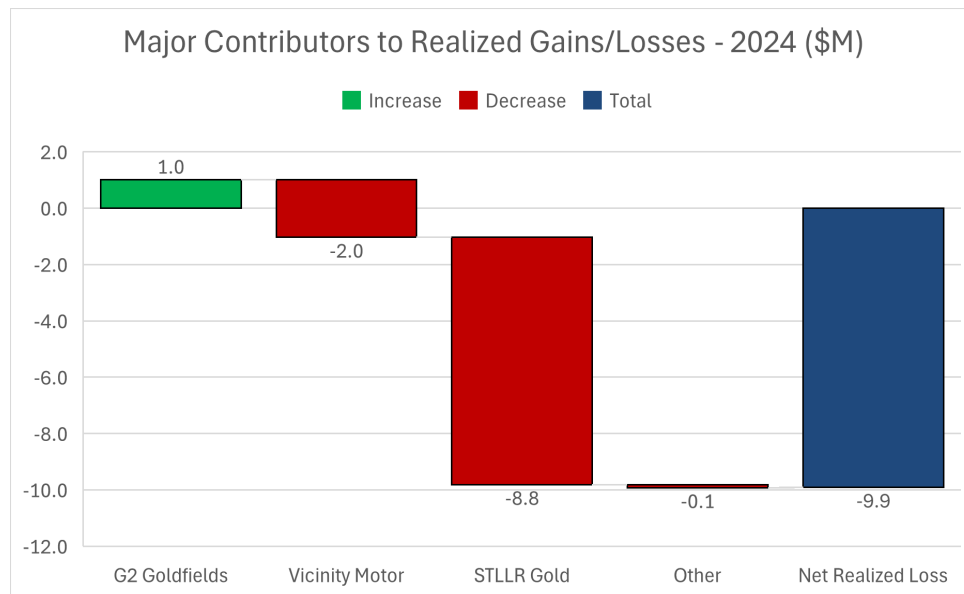


cost basis of positions sold. While these realized losses were substantial, they were more than offset by unrealized gains of \$19.4 million across the remaining portfolio, resulting in overall positive investment performance for the year.

### Summary of Major Investment Dispositions

The following table summarizes the major realized gains and losses on investment dispositions during 2024:

Investment	Industry	Proceeds (\$000's)	Cost Basis (\$000's)	Realized Gain/(Loss) (\$000's)	ROI (%)
<b>Marketable Securities</b>					
Vicinity Motor Corp	Transportation	\$206	\$2,252	\$(2,046)	(91%)
iShares Bitcoin Trust	Cryptocurrency	\$168	\$148	\$20	14%
Titanium Transportation	Transportation	\$238	\$206	\$32	15%
Other	Various	\$131	\$157	\$(26)	(17%)
<b>Subtotal - Marketable Securities</b>		<b>\$743</b>	<b>\$2,763</b>	<b>\$(2,020)</b>	<b>(73%)</b>
<b>Other Investments</b>					
STLLR Gold Inc. (former NHK)	Gold	\$2,171	\$10,947	\$(8,777)	(80%)
G2 Goldfields Inc.	Gold	\$1,257	\$240	\$1,017	424%
Rocky Shore Metals Ltd.	Mining	\$758	\$653	\$105	16%
Rhyolite Resources Ltd.	Mining	\$35	\$168	\$(133)	(79%)
79North Inc.	Gold	\$25	\$149	\$(124)	(83%)
Other	Various	\$100	\$86	\$14	16%
<b>Subtotal - Other Investments</b>		<b>\$4,346</b>	<b>\$12,243</b>	<b>\$(7,897)</b>	<b>(65%)</b>
<b>TOTAL DISPOSITIONS</b>		<b>\$5,089</b>	<b>\$15,006</b>	<b>\$(9,917)</b>	<b>(66%)</b>



**Note:** Strategic portfolio rebalancing resulted in realized losses offset by unrealized gains elsewhere in the portfolio.

**Strategic Rationale and Capital Recycling**

The significant realized losses in 2024 were largely the result of deliberate portfolio restructuring decisions rather than forced liquidations or reactive selling. Our investment approach emphasizes long-term value creation, which occasionally necessitates difficult decisions to exit underperforming positions and redeploy capital more productively. Key strategic considerations behind our major disposition activities included:

**STLLR Gold Inc. (formerly Nighthawk Gold)**

The disposition of a substantial portion of our STLLR Gold position, resulting in a realized loss of \$8.8 million, represented the culmination of a strategic review process following several years of underperformance. Despite the company's attractive asset base, our analysis indicated that the timeline to value realization had extended significantly beyond our original investment thesis. The decision to reduce our exposure was made to recycle capital into opportunities with more favorable near-term catalysts and value creation potential.

Importantly, we timed our exit to coincide with improved market conditions for gold equities, allowing us to execute the disposition at more favorable prices than were available in prior periods. We maintained a reduced position valued at \$2.0 million at year-end to preserve exposure to potential future upside.

**G2 Goldfields Inc.**

The partial monetization of our G2 Goldfields position represented a successful execution of our investment strategy. Since our initial investment, G2 Goldfields had appreciated substantially following successful exploration results and growing market recognition. Our decision to realize \$1.0 million in gains (424% ROI) on a portion of our position allowed us to:

1. Return a significant portion of our original capital while maintaining substantial exposure to future upside
2. Rebalance the portfolio following the position's growth to a disproportionate size
3. Generate liquidity for deployment into new opportunities

We maintained a substantial position valued at \$4.1 million at year-end, representing our continued conviction in the company's long-term prospects.

**Vicinity Motor Corp.**

The complete exit from our Vicinity Motor position, resulting in a realized loss of \$2.0 million, followed a comprehensive reassessment of the company's competitive positioning and growth trajectory. Our analysis indicated that the company faced increasing competitive pressures and capital constraints that would likely limit its ability to achieve our targeted returns within our investment time horizon. This disposition allowed us to eliminate a position with deteriorating fundamentals and redeploy capital to more promising opportunities.

**Rocky Shore Metals Ltd.**

The disposition of our Rocky Shore Metals position through its acquisition by Hemlo Explorers Inc. represented a strategic portfolio adjustment. We received Hemlo shares valued at \$758,000, resulting in a realized gain of \$105,000 (16% ROI). This transaction allowed us to:



1. Realize a modest gain on our original investment
2. Consolidate our exposure in the gold exploration sector
3. Increase our strategic position in Hemlo Explorers, where we maintain a 21.7% ownership stake

This transaction exemplifies our approach to actively managing portfolio positions to enhance strategic alignment and influence.

### **Deployment of Monetization Proceeds**

The \$5.1 million in proceeds generated from investment dispositions was strategically redeployed throughout 2024:

1. **Follow-on Investments:** \$1.5 million was allocated to follow-on investments in high-conviction existing holdings, including:
  - Juno Corp.: \$250,000 private placement investment
  - Voyageur Mineral Explorers: \$339,000 open market purchases
  - Rocky Shore Metals Ltd. (prior to acquisition by Hemlo Explorers): \$502,500 in private placements
  - Hemlo Explorers: \$180,000 in private placement and open market purchases
2. **New Investments:** \$690,000 was deployed into new positions, including:
  - iShares Bitcoin Trust: \$413,000 initial position
  - Several smaller exploratory positions in the resource and technology sectors
3. **Operating Business Support:** A portion of the proceeds supported strategic initiatives in our operating businesses, particularly the aviation segment's infrastructure development.
4. **Liquidity Enhancement:** The remaining proceeds enhanced our overall liquidity position, providing capacity for opportunistic investments in 2025.

This disciplined approach to capital recycling ensures that our portfolio remains optimally positioned to capitalize on our highest-conviction opportunities while maintaining appropriate diversification and liquidity.

### **Future Monetization Pipeline**

Looking ahead to 2025, we have identified several potential monetization opportunities within our existing portfolio:

1. **Milestone-Based Value Crystallization:** Several portfolio companies are approaching operational milestones that could trigger valuation re-ratings and create favorable monetization conditions.
2. **Strategic M&A Activity:** Increasing consolidation activity in the resource sector may generate opportunities for advantageous exits from select positions, particularly among smaller exploration-stage companies.



- Portfolio Optimization:** We continue to evaluate all positions against our investment criteria and return expectations, and will act decisively to exit positions that no longer meet our thresholds for capital allocation.

Our approach to monetization remains disciplined and opportunistic rather than calendar-driven. We will continue to evaluate each position based on its risk-adjusted return potential, strategic fit, and opportunity cost relative to alternative investments. This balanced approach allows us to optimize our capital allocation while maintaining exposure to our highest-conviction, long-term value creation opportunities.

The significant portfolio adjustments executed in 2024 have enhanced the quality and focus of our investment portfolio, positioning Northfield to generate improved investment returns in 2025 and beyond.

## 7. RESULTS OF OPERATIONS

### Consolidated Performance

Northfield achieved a significant improvement in financial performance for the year ended December 31, 2024, reporting net income attributable to shareholders of \$2.3 million (\$0.19 per share) compared to a net loss of \$6.7 million (\$0.60) per share) in 2023. This \$9.0 million positive swing primarily resulted from:

- Increased net investment income of \$11.2 million, driven by unrealized gains of \$19.4 million on the investment portfolio
- Revenue growth of 31.7% across operating businesses to \$9.0 million, reflecting expanded operations and market reach
- Improved gross margin from operating subsidiaries, which increased by 58% to \$1.9 million

The following table summarizes the consolidated results of operations for the years ended December 31, 2024 and 2023:

(\$ millions)	2024	2023	Change	% Change
<b>Net Investment Income (Loss)</b>	<b>\$10.2</b>	<b>\$(1.0)</b>	<b>\$11.2</b>	<b>1,112%</b>
Revenue	\$9.0	\$6.8	\$2.2	32%
Cost of Sales	\$(7.0)	\$(5.6)	\$(1.4)	(25%)
Gross Margin from Operating Subsidiaries	\$1.9	\$1.2	\$0.7	58%
<b>Sub-Total</b>	<b>\$12.1</b>	<b>\$0.2</b>	<b>\$11.9</b>	<b>5,950%</b>
Operating Expenses	\$(11.9)	\$(8.6)	\$(3.3)	(38%)
Income (Loss) Before Income Taxes	\$0.2	\$(8.4)	\$8.6	102%
Income Tax Recovery	\$0.0	\$0.3	\$(0.3)	(99%)
<b>Net Income (Loss)</b>	<b>\$0.2</b>	<b>\$(8.1)</b>	<b>\$8.3</b>	<b>102%</b>
<b>Net Income (Loss) Attributable to Shareholders</b>	<b>\$2.3</b>	<b>\$(6.7)</b>	<b>\$9.0</b>	<b>134%</b>
Net Loss Attributable to Non-controlling Interest	\$(2.0)	\$(1.4)	\$(0.6)	(43%)

Operating expenses increased to \$11.9 million in 2024 from \$8.6 million in 2023, primarily due to:

- Expanded marketing initiatives to support growth in operating businesses (\$1.4 million increase)



- Investment in professional talent and compensation (\$0.5 million increase in salaries and consulting fees)
- Non-cash stock-based compensation of \$0.8 million related to option grants (no comparable expense in 2023)
- Increased amortization of \$0.1 million from capital investments in operating businesses

## Segment Performance

Northfield operates across four distinct business segments, each with unique performance drivers and strategic priorities:

### Investment Portfolio Operations

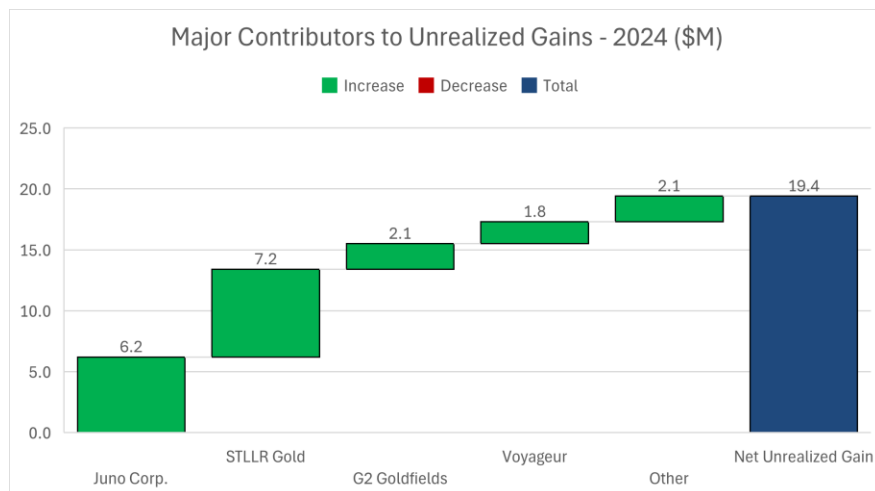
The investment segment, which represents Northfield's core investment activities, delivered substantially improved performance in 2024:

(\$ millions)	2024	2023	Change	% Change
Realized Gain/(Loss) on Investments	<b>\$(9.9)</b>	\$0.4	\$(10.3)	(2,575%)
Unrealized Gain/(Loss) on Investments	<b>\$19.4</b>	\$(2.2)	\$21.6	982%
Interest and Other Income	<b>\$0.5</b>	\$0.5	\$0.0	7%
Operating Expenses	<b>\$(3.6)</b>	\$(2.5)	\$(1.1)	(44%)
<b>Net Income (Loss)</b>	<b>\$6.4</b>	<b>\$(3.8)</b>	<b>\$10.2</b>	<b>268%</b>

The significant improvement in investment performance was primarily driven by unrealized gains of \$19.4 million, reflecting substantial appreciation in key holdings, particularly in the critical minerals and royalty sectors. These gains were partially offset by realized losses of \$9.9 million, largely attributable to strategic portfolio rebalancing activities.

The unrealized gains were concentrated in our core investments:

- Juno Corp.: \$6.2 million gain reflecting progress in critical minerals development
- STLLR Gold Inc.: \$7.2 million recovery from previous mark-downs
- G2 Goldfields Inc.: \$2.1 million appreciation from exploration success
- Voyageur Mineral Explorers Inc.: \$1.8 million increase from royalty portfolio expansion





Operating expenses increased by \$1.1 million, primarily due to non-cash stock-based compensation and increased professional fees associated with investment activities.

### Aviation Services

The aviation segment demonstrated strong revenue growth while continuing to invest in strategic initiatives:

(\$ millions)	2024	2023	Change	% Change
Revenue	\$5.6	\$4.3	\$1.3	30%
Cost of Sales	\$(4.3)	\$(3.1)	\$(1.2)	(39%)
Gross Margin	\$1.3	\$1.2	\$0.1	8%
Gross Margin %	23%	28%	(5%)	(18%)
Operating Expenses	\$(2.8)	\$(2.6)	\$(0.2)	(8%)
Net Loss	\$(1.5)	\$(1.4)	\$(0.1)	(7%)

The aviation segment achieved substantial revenue growth of 30% to \$5.6 million, driven by increased demand for charter services and expansion of maintenance activities. However, gross margin percentage decreased to 23% from 28% in the prior year, reflecting higher operational costs, particularly fuel and labor expenses.

Strategic initiatives during 2024 included:

- Acquisition of land in El Salvador to support Latin American market expansion
- Commencement of construction on a new maintenance hangar in Midland, Ontario
- Establishment of TNA SOUTH to develop operations in Central America

These investments position the aviation segment for improved profitability and market reach in 2025 and beyond.

### Spirits Operations (Spirit of York)

The distillery segment delivered strong revenue growth while continuing to scale operations:

(\$ millions)	2024	2023	Change	% Change
Revenue	\$2.0	\$1.4	\$0.6	43%
Cost of Sales	\$(1.5)	\$(1.2)	\$(0.3)	(25%)
Gross Margin	\$0.5	\$0.2	\$0.3	150%
Gross Margin %	25%	14%	11%	75%
Operating Expenses	\$(3.7)	\$(2.1)	\$(1.6)	(76%)
Net Loss	\$(3.2)	\$(1.9)	\$(1.3)	(68%)

The distillery segment achieved impressive revenue growth of 43% to \$2.0 million, driven by expanded distribution and product innovations. Gross margin percentage improved significantly to 25% from 14%, reflecting operational efficiencies and improved product mix.

Operating expenses increased by \$1.6 million, primarily due to:

- Expanded sales and marketing initiatives to support brand development
- Addition of key talent to support growth objectives



- Lease of additional office space to accommodate team expansion

The distillery segment remains in growth investment mode as it scales operations and builds brand presence in the competitive craft spirits market.

### **Vineyard & Winery Operations (The Grange)**

The winery segment demonstrated resilience in a challenging agricultural environment:

(\$ millions)	2024	2023	Change	% Change
Revenue	\$1.4	\$1.1	\$0.3	27%
Cost of Sales	\$(1.2)	\$(1.4)	\$0.2	14%
Gross Margin	\$0.2	\$(0.3)	\$0.5	167%
Gross Margin %	14%	(27%)	42%	152%
Operating Expenses	\$(1.5)	\$(1.1)	\$(0.4)	(36%)
<b>Net Loss</b>	<b>\$(1.3)</b>	<b>\$(1.4)</b>	<b>\$0.1</b>	<b>7%</b>

The winery segment achieved revenue growth of 27% to \$1.4 million despite challenging agricultural conditions. Gross margin improved significantly to \$0.2 million (14% margin) from a negative \$0.3 million in the prior year, reflecting improved operational efficiencies and reduced inventory shrinkage.

Operating expenses increased by \$0.4 million, primarily related to enhanced marketing and sales initiatives and improvements to support hospitality operations.

### **Fourth Quarter Results**

For the three months ended December 31, 2024, Northfield reported a net loss attributable to shareholders of \$0.1 million (\$0.01 per share) compared to a net loss of \$3.7 million (\$0.28 per share) in the fourth quarter of 2023. The improvement of \$3.6 million was primarily driven by:

1. Increased net investment income of \$3.3 million, primarily from unrealized gains on investments
2. Revenue growth across operating businesses of 60% to \$2.4 million
3. Improved gross margin from operating subsidiaries to \$0.6 million from a negative \$0.6 million in Q4 2023

This performance demonstrates the continued positive momentum in both investment activities and operating businesses during the final quarter of 2024.

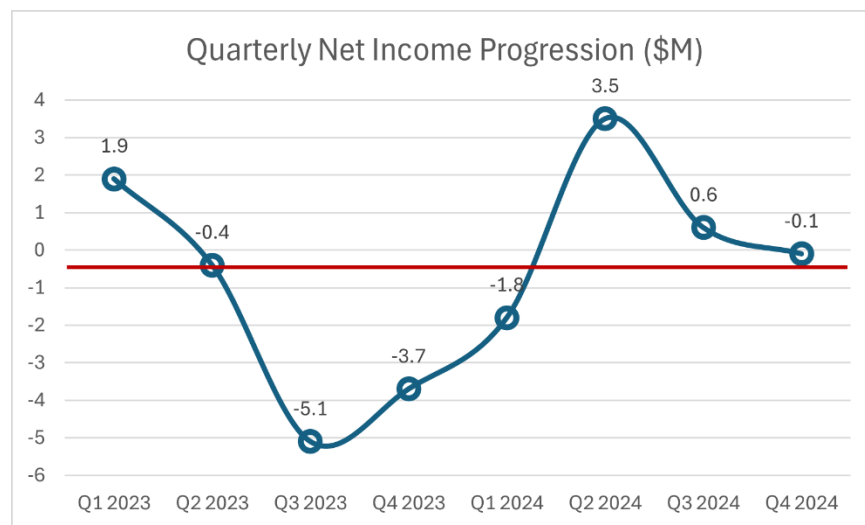




## 8. SUMMARY OF QUARTERLY RESULTS

The following table summarizes Northfield's quarterly financial performance for the past eight quarters:

(\$ millions, except per share data)	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024
Net Investment Income (Loss)	\$3.2	\$1.4	\$(4.3)	\$(1.4)	\$(0.1)	\$7.3	\$1.1	\$1.9
Revenue	\$1.0	\$1.7	\$2.6	\$1.5	\$1.4	\$2.0	\$3.1	\$2.4
Cost of Sales	\$(0.7)	\$(1.1)	\$(1.7)	\$(2.1)	\$(1.3)	\$(1.6)	\$(1.7)	\$(2.3)
Gross Margin	\$0.3	\$0.6	\$0.9	\$(0.6)	\$0.1	\$0.4	\$1.4	\$0.1
Operating Expenses	\$(1.9)	\$(2.2)	\$(2.7)	\$(1.8)	\$(2.2)	\$(3.3)	\$(3.6)	\$(2.8)
Income (Loss) Before Income Taxes	\$1.6	\$(0.2)	\$(6.1)	\$(3.8)	\$(2.2)	\$4.4	\$(1.1)	\$(0.9)
Net Income (Loss) Attributable to Shareholders	\$1.9	\$(0.4)	\$(5.1)	\$(3.7)	\$(1.8)	\$3.5	\$0.6	\$(0.1)
<b>Earnings (Loss) Per Share</b>	<b>\$0.18</b>	<b>\$(0.04)</b>	<b>\$(0.46)</b>	<b>\$(0.28)</b>	<b>\$(0.16)</b>	<b>\$0.32</b>	<b>\$0.05</b>	<b>\$(0.01)</b>



Northfield's quarterly results demonstrate the inherent variability associated with investment operations and the seasonal nature of certain operating businesses. Key factors contributing to quarterly fluctuations include:

- Investment Valuation:** The timing of realized and unrealized gains/losses on investments can create significant quarter-to-quarter variability
- Seasonal Factors:** Aviation and winery operations experience seasonal patterns, with stronger performance typically in summer months
- Investment Timing:** The timing of investment activities and strategic initiatives can impact quarterly results



4. **Non-recurring Items:** Items such as stock-based compensation and non-recurring professional fees can affect specific quarters

Despite these quarterly fluctuations, the overall trend demonstrates improving performance, particularly in the latter half of 2024.

## 9. FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

### Financial Position

Northfield maintains a strong financial position, with total assets of \$86.8 million and shareholders' equity of \$72.9 million as of December 31, 2024, compared to total assets of \$78.4 million and shareholders' equity of \$62.6 million as of December 31, 2023.

The following table summarizes key financial position metrics:

(\$ millions)	December 31, 2024	December 31, 2023	Change	% Change
Cash and Cash Equivalents	\$3.6	\$4.1	\$(0.5)	(12%)
Marketable Securities	\$4.9	\$5.4	\$(0.5)	(9%)
Other Investments	\$48.4	\$40.4	\$8.0	20%
Property and Equipment	\$26.0	\$25.9	\$0.1	0%
Other Assets	\$3.9	\$2.6	\$1.3	50%
<b>Total Assets</b>	<b>\$86.8</b>	<b>\$78.4</b>	<b>\$8.4</b>	<b>11%</b>
Loans and Credit Facilities	\$9.5	\$12.8	\$(3.3)	(26%)
Other Liabilities	\$4.4	\$3.0	\$1.4	47%
<b>Total Liabilities</b>	<b>\$13.9</b>	<b>\$15.8</b>	<b>\$(1.9)</b>	<b>(12%)</b>
Shareholders' Equity	\$74.7	\$62.4	\$12.3	20%
Non-controlling Interest	\$(1.8)	\$0.2	\$(2.0)	(1,000%)
<b>Total Equity</b>	<b>\$72.9</b>	<b>\$62.6</b>	<b>\$10.3</b>	<b>16%</b>

The \$10.3 million increase in total equity primarily resulted from:

- Net proceeds from equity private placements of \$9.3 million
- Net income attributable to shareholders of \$2.3 million
- Offset by a \$2.0 million increase in the deficit attributable to non-controlling interests

Working capital, defined as current assets less current liabilities, increased to \$6.9 million at December 31, 2024, from \$6.7 million at December 31, 2023, providing a solid foundation for ongoing operations and strategic initiatives.

### Liquidity and Capital Resources

Northfield maintains substantial liquidity to support its ongoing operations and strategic initiatives. Primary sources of liquidity include:

1. **Cash and Cash Equivalents:** \$3.6 million as of December 31, 2024
2. **Marketable Securities:** \$4.9 million of highly liquid public company investments
3. **Credit Facilities:** Unutilized bank credit line of \$1.0 million



4. **Investment Portfolio Monetization:** Ability to selectively monetize portions of the investment portfolio as required

During 2024, Northfield strengthened its capital position through:

- Completion of private placements raising gross proceeds of \$9.5 million
- Selective monetization of investment positions generating proceeds of \$5.1 million
- Reduction of loans and credit facilities by \$3.3 million, lowering interest expense and enhancing financial flexibility

The following table summarizes the Company's cash flows for the years ended December 31, 2024 and 2023:

(\$ millions)	2024	2023	Change
Cash Flows from Operating Activities	\$(4.6)	\$2.2	\$(6.8)
Cash Flows from Investing Activities	\$(2.5)	\$(9.4)	\$6.9
Cash Flows from Financing Activities	\$6.7	\$5.0	\$1.7
<b>Net Change in Cash</b>	<b>\$(0.5)</b>	<b>\$(2.2)</b>	<b>\$1.8</b>
Cash, Beginning of Year	\$4.1	\$6.3	\$(2.2)
<b>Cash, End of Year</b>	<b>\$3.5</b>	<b>\$4.1</b>	<b>\$(0.4)</b>

Operating activities used \$4.6 million in 2024 compared to generating \$2.2 million in 2023, primarily due to:

- Increased investment in working capital to support operating business growth
- Timing of investment activities and portfolio adjustments
- Expanded marketing and business development initiatives

Investing activities used \$2.5 million in 2024, primarily for property and equipment purchases:

- Land acquisition in El Salvador (\$0.8 million)
- Aircraft maintenance hangar construction in progress (\$0.7 million)
- Equipment and facility upgrades for operating businesses (\$1.0 million)

Financing activities generated \$6.7 million in 2024, primarily from:

- Net proceeds from equity private placements of \$9.3 million
- Offset by loan repayments of \$2.3 million and lease payments of \$0.4 million

Northfield's capital allocation strategy balances multiple priorities:

1. Maintaining adequate liquidity for operational needs
2. Funding strategic growth initiatives in operating businesses
3. Supporting investment activities to build long-term shareholder value
4. Opportunistic share repurchases when market conditions are favorable

Management believes that current liquidity resources are sufficient to fund operations, support strategic initiatives, and pursue compelling investment opportunities for the foreseeable future.

### Credit Facilities

Northfield maintains the following credit facilities to support its operations:



1. **Corporate Bank Line:** \$1.0 million credit facility with a major Canadian bank, with \$nil drawn as of December 31, 2024 (December 31, 2023: \$0.8 million). Interest rate is prime plus 0.5% (6.45% at December 31, 2024).
2. **Winery Credit Line:** \$0.2 million facility for The Grange operations, with \$0.2 million drawn as of December 31, 2024 (December 31, 2023: \$0.2 million). Interest rate is prime plus 1.0% (6.95% at December 31, 2024).
3. **Margin Accounts:** Various broker margin accounts secured by marketable securities, with \$1.2 million drawn as of December 31, 2024 (December 31, 2023: \$1.5 million). Interest rates range from prime plus 1.5% to prime plus 2.0%.
4. **Aircraft Loan Agreement:** 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.

These facilities provide operational flexibility and support for strategic investments and asset acquisitions. Northfield manages these facilities conservatively, maintaining substantial headroom relative to available collateral and ensuring appropriate alignment with our long-term growth strategy.

In addition, the corporate bank line and winery credit line (along with the mortgage for the Grange outlined in note 10 to the financial statements) 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.

### Contractual Obligations

The following table summarizes Northfield's contractual obligations as of December 31, 2024:

Year	Amount (\$ millions)
2025	\$3.3
2026	\$2.2
2027	\$4.8
2028	\$0.3
2029	\$0.3
2030 & thereafter	\$2.0
<b>Total</b>	<b>\$12.8</b>

Northfield has sufficient resources to meet these obligations through existing cash, ongoing operations, and available credit facilities.



## 10. RELATED PARTY TRANSACTIONS

Northfield engages in various transactions with related parties in the normal course of business, conducted on terms equivalent to those prevailing in arm's length transactions. Key related party transactions during 2024 included:

### Executive and Director Compensation

- **Executive Management:** Cash compensation of \$920,000 (2023: \$620,000) and stock-based compensation of \$464,915 (2023: \$nil)
- **Directors:** Cash compensation of \$132,000 (2023: \$132,000) and stock-based compensation of \$242,564 (2023: \$nil)

### Transactions with Associated Companies

#### Juno Corp. (16.8% ownership):

- TNA provided aviation services totaling \$1,202,027 (2023: \$1,164,235)
- Juno paid rent of \$100,170 to Northfield subsidiary (2023: \$82,620)
- Northfield invested \$250,000 in Juno private placement, acquiring 100,000 common shares

#### Voyageur Mineral Explorers Corp. (35.3% ownership):

- Voyageur paid rent of \$32,910 to Northfield subsidiary (2023: \$35,460)
- Northfield acquired 727,000 common shares for \$338,844 through open market purchases
- In December 2024, Northfield entered into agreements to acquire an additional 4,787,301 shares (closed January 2, 2025)

#### Hemlo Explorers Inc. (21.7% ownership):

- Hemlo paid rent of \$37,170 to Northfield subsidiary (2023: \$36,900)
- Northfield participated in a private placement, investing \$128,000 for 2,560,000 units
- Northfield acquired 600,000 common shares for \$52,567 through open market purchases
- Northfield received 15,151,200 common shares valued at \$757,560 through Hemlo's acquisition of Rocky Shore Metals. Hemlo subsequently renamed to Rocky Shore Gold.

These transactions were conducted in the normal course of business and recorded at exchange amounts established and agreed to by the related parties.

## 11. RISKS AND RISK MANAGEMENT

Northfield's integrated business model and investment activities expose the Company to various risks that require active monitoring and management. Our comprehensive risk management framework emphasizes proactive identification, rigorous assessment, and strategic mitigation of key risks across our portfolio and operating businesses. The following section outlines the principal risks facing Northfield and our approach to managing these challenges.

### Investment Concentration and Market Risk

**Risk Profile:** Approximately 89% of Northfield's investment portfolio is concentrated in the resource sector, with significant exposures to critical minerals (59%), gold (17%), and resource royalties (13%). This concentration creates vulnerability to sector-specific downturns, commodity price volatility, and capital market sentiment shifts that could materially impact portfolio valuations simultaneously.



**Management Approach:** We manage concentration risk through:

- Strategic diversification within the resource sector across different commodities, geographies, and development stages
- Maintaining positions in complementary sectors including transportation and technology
- Establishing investment thresholds for single positions and sectors with defined trigger points for rebalancing
- Regular stress-testing of the portfolio against commodity price scenarios and market disruption events
- Implementing selective hedging strategies for larger positions when appropriate

Our Investment Committee conducts quarterly concentration reviews, assessing not only direct exposures but also correlation factors between holdings to maintain appropriate risk parameters.

### **Liquidity and Valuation Risk**

**Risk Profile:** Northfield's portfolio includes substantial positions in private companies (60% of investment value) and smaller capitalization public companies with limited trading volumes. These investments may be difficult to monetize quickly without significant discounts, particularly during market disruptions. Additionally, valuation methodologies for private investments involve significant judgment and estimation uncertainty.

**Management Approach:** Our liquidity risk mitigation strategy includes:

- Maintaining approximately \$8.5 million in cash and highly liquid marketable securities (10% of total assets)
- Establishing a multi-tiered liquidity classification system for all investments with regular monitoring
- Implementing structured position sizing based partly on liquidity characteristics
- Utilizing rolling three-year investment horizons to align expected liquidity events with capital requirements
- Employing conservative valuation methodologies for private investments, typically based on recent third-party transactions or comparable company multiples
- Securing standby credit facilities to provide contingency liquidity if required

Our Finance Committee and external valuation experts conduct independent reviews of private company valuations quarterly to ensure methodological consistency and appropriate conservatism.

### **Operational Business Risks**

**Risk Profile:** Northfield's operating businesses face distinct sector-specific challenges: aviation operations are vulnerable to regulatory changes, safety incidents, and fuel price volatility; alcohol production businesses confront agricultural variability, distribution constraints, and competitive pressures in premium segments.

**Management Approach:** We employ a multi-faceted approach to operational risk management:

- Implementing business-specific risk management frameworks tailored to each operating segment
- Establishing autonomous management teams with deep sector expertise while maintaining active board oversight
- Developing comprehensive business continuity plans with regular testing and refinement



- Deploying predictive maintenance protocols and safety management systems in aviation operations
- Diversifying supply chains and implementing selective vertical integration in distillery and winery operations
- Structuring appropriate insurance coverage with regular policy reviews and gap analyses
- Conducting quarterly operational reviews focused on emerging risks and mitigation strategies

Our decentralized operational structure combined with centralized risk oversight provides both specialized management and consistent governance across disparate business units.

### **Regulatory and Compliance Risk**

**Risk Profile:** Northfield operates in multiple highly regulated industries including aviation (Transport Canada oversight), alcohol production (provincial liquor regulations), and investment management (securities regulations). Regulatory changes or compliance failures could materially impact operating permissions, distribution channels, and reputation.

**Management Approach:** Our regulatory risk management includes:

- Maintaining dedicated compliance personnel within each operating business
- Participating actively in industry associations to monitor regulatory developments
- Developing robust compliance management systems with regular internal audits
- Implementing comprehensive training programs for regulatory-sensitive positions
- Engaging specialized external counsel to provide regulatory interpretation guidance
- Establishing governance processes for timely reporting of compliance matters to the Board
- Maintaining constructive relationships with regulatory authorities across jurisdictions

Our Audit Committee conducts quarterly compliance reviews with particular focus on high-consequence regulatory domains like aviation safety and securities disclosure requirements.

### **Key Personnel Risk**

**Risk Profile:** Northfield's success depends significantly on the specialized knowledge, industry relationships, and investment judgment of key executives and managers. The departure of key individuals could negatively impact both investment decisions and operational oversight, particularly given the Company's active management approach.

**Management Approach:** We address key personnel risk through:

- Implementing tiered succession planning for all critical roles
- Developing a balanced compensation structure with both short and long-term incentives aligned with company objectives
- Establishing co-investment opportunities that align management interests with long-term value creation
- Building collaborative decision-making processes that distribute expertise across management teams
- Cultivating depth in our professional networks to facilitate rapid talent acquisition when needed
- Focusing on organizational culture that promotes retention, development, and knowledge sharing





Our integrated risk management framework enables Northfield to navigate complex market conditions while pursuing strategic growth opportunities. By maintaining this disciplined approach to risk identification and mitigation, we protect shareholder value while positioning the Company to capitalize on emerging opportunities across our diverse business platform.

## **12. CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES**

### **Understanding the Foundation of Our Financial Reporting**

The preparation of Northfield's financial statements requires management to make significant judgments, estimates, and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses. While we maintain rigorous processes to ensure these estimates are reasonable, they inherently involve uncertainty and could differ materially from actual results. The following represent the most significant accounting areas requiring judgment and estimation that are fundamental to understanding our financial performance.

#### **Fair Value Measurement of Investments**

**Nature and Importance:** The valuation of our investment portfolio, particularly our private company investments which represent 58% of our investment portfolio (\$32.0 million), requires significant judgment in determining fair value. Unlike public companies with observable market prices, private company valuations rely on estimation techniques that involve meaningful assumptions.

**Methodology and Impact:** For private companies like Juno Corp. (our largest investment at \$31.5 million), we primarily use recent third-party transaction evidence, comparable company analysis, and discounted cash flow models. Key assumptions include:

- Appropriate comparable companies and valuation multiples
- Discount rates that reflect company-specific risk factors
- Growth projections and milestone achievement probabilities

Small changes in these assumptions can significantly impact valuations. For example, a 25% change in key valuation inputs for our Level 3 investments would result in approximately \$8.0 million variance in total portfolio value. This highlights why understanding our valuation methodology is crucial when assessing our financial performance and net asset value.

#### **Useful Lives and Depreciation Methods**

**Nature and Importance:** Our significant investment in property and equipment (\$26.0 million), particularly our aviation assets, requires judgment in determining appropriate useful lives and depreciation methods. This directly impacts reported profitability across our operating segments.

**Methodology and Impact:** We employ both straight-line and usage-based depreciation methods:

- Aircraft frames are depreciated straight-line over 25 years
- Aircraft engines use units-of-production method based on flight hours
- Buildings are depreciated at 2-10% declining balance
- Vines are depreciated straight-line over 20 years

These judgments significantly affect our operating results. For example, aviation segment depreciation of \$1.2 million in 2024 reflects our estimates of asset utilization and economic useful life. Changes in these estimates could materially impact segment profitability and asset carrying values.





## **Impairment Assessments**

**Nature and Importance:** We regularly evaluate whether indicators of impairment exist across our diverse asset base, including investments, property and equipment, and goodwill. These assessments require significant judgment about future performance and market conditions.

**Methodology and Impact:** For our investment holdings, we consider both qualitative factors (competitive position, management changes, regulatory environment) and quantitative indicators (financial performance relative to projections, financing availability). When impairment indicators exist, we compare carrying values to estimated recoverable amounts.

During 2024, despite challenging market conditions in certain sectors, our assessment did not identify significant impairments requiring recognition. However, this required substantial judgment, particularly for earlier-stage companies where performance can be volatile and recoverable value estimation is inherently subjective.

## **Deferred Tax Recognition**

**Nature and Importance:** Determining the recognition and measurement of deferred tax assets, particularly related to tax loss carryforwards, requires significant judgment about the probability of future taxable profits against which these assets can be utilized.

**Methodology and Impact:** As of December 31, 2024, Northfield had unrecognized temporary differences of \$40.5 million, including non-capital loss carryforwards of \$23.1 million. We use projected future taxable income, tax planning strategies, and the expected timing of reversals to assess whether sufficient taxable profit will be available. Our judgment about the recognition of these potential tax benefits directly impacts our effective tax rate and reported earnings.

## **13. NON-IFRS FINANCIAL MEASURES**

### **Alternative Performance Perspectives**

Northfield uses certain financial measures that are not defined under International Financial Reporting Standards (IFRS) to evaluate the performance of our business segments and overall operations. These non-IFRS measures provide additional perspectives on our financial results and should be considered as supplements to, not substitutes for, our IFRS performance measures.

We believe these measures provide valuable insights into our operational effectiveness, underlying business trends, and comparability across reporting periods by adjusting for factors that may obscure core operating performance. While we consider these measures meaningful, they do not have standardized meanings under IFRS and may not be comparable to similarly titled measures presented by other companies.

### **Key Non-IFRS Measures**

#### **EBITDA and Adjusted EBITDA**

**Definition:** EBITDA represents earnings before interest, taxes, depreciation, and amortization. Adjusted EBITDA further excludes non-recurring items, stock-based compensation, unrealized investment gains/losses, and other specified items that management believes are not representative of our ongoing operations.



**Why It's Useful:** Our diverse business model, which combines investment activities with operating businesses across multiple sectors, creates a complex financial profile with significant non-cash items. EBITDA and Adjusted EBITDA allow investors to:

- Assess operational performance before the impact of capital structure and asset base
- Compare performance across our distinct business segments on a more normalized basis
- Evaluate underlying business momentum without the volatility of investment valuation changes
- Better understand the cash generation potential of our operating businesses

For our operating businesses (aviation, distillery, and winery), these measures are particularly meaningful as they highlight operational progress despite ongoing capital investments in growth initiatives.

### **Net Asset Value (NAV) and NAV Per Share**

**Definition:** NAV represents the total fair value of our assets less the value of our liabilities. NAV per share is calculated by dividing NAV by the number of outstanding shares (basic or diluted).

**Why It's Useful:** As a diversified investment and operating company, our book value under IFRS does not always fully reflect the underlying value of our assets, particularly our private company investments. NAV and NAV per share help investors:

- Evaluate the underlying value of our diverse asset base
- Track the growth in intrinsic value over time, regardless of short-term market fluctuations
- Compare our market value (based on share price) to our underlying asset value
- Assess management's effectiveness at creating shareholder value

We consider NAV growth per share to be one of our most important long-term performance metrics and a key indicator of our success in creating shareholder value.

### **Working Capital and Liquidity Metrics**

**Definition:** Working capital represents current assets less current liabilities. We also monitor adjusted working capital (excluding marketable securities) and liquidity ratio (liquid assets divided by near-term obligations).

**Why It's Useful:** These measures help investors understand:

- Our ability to meet short-term obligations and fund operations
- Available financial flexibility to capitalize on investment opportunities
- Potential funding requirements for our operating businesses
- Overall financial resilience through market cycles

### **Return on Investment (ROI)**

**Definition:** ROI measures the gain or loss on an investment relative to its cost basis, typically presented as a percentage.

**Why It's Useful:** As an active investor with a concentrated portfolio approach, ROI metrics provide insights into:

- Investment selection effectiveness across various sectors
- Realized versus unrealized returns on our portfolio holdings



- Capital allocation decisions and timing of investment transactions
- Long-term track record in generating investment returns

**Reconciliation to IFRS Measures**

The following table provides a reconciliation of our key non-IFRS measures to the most directly comparable IFRS measures for the years ended December 31, 2024 and 2023:

Category	2024 (\$000's)	2023 (\$000's)
<b>EBITDA Reconciliation</b>		
Net income (loss) attributable to shareholders	\$2,276	(\$6,679)
Add: Interest expense	\$664	\$486
Add: Income tax expense (recovery)	(\$4)	(\$269)
Add: Depreciation and amortization	\$1,796	\$1,650
<b>EBITDA</b>	<b>\$4,732</b>	<b>(\$4,812)</b>
Add: Stock-based compensation	\$809	\$0
Add: Unrealized losses (gains) on investments	(\$19,443)	\$2,202
Add: Non-recurring professional fees	\$450	\$225
<b>Adjusted EBITDA</b>	<b>(\$13,452)</b>	<b>(\$2,385)</b>
<b>NAV Reconciliation</b>		
Total assets	\$86,781	\$78,398
Less: Total liabilities	(\$13,839)	(\$15,792)
<b>Net Asset Value (NAV)</b>	<b>\$72,942</b>	<b>\$62,606</b>
<b>NAV Per Share Calculation</b>		
Weighted average shares outstanding - basic	11,970,370	11,101,800
Weighted average shares outstanding - diluted	12,060,915	11,101,800
<b>NAV per share - basic</b>	<b>\$6.09</b>	<b>\$5.63</b>
<b>NAV per share - diluted</b>	<b>\$6.05</b>	<b>\$5.63</b>
<b>Working Capital and Liquidity</b>		
Current assets	\$11,226	\$11,403
Less: Current liabilities	(\$4,333)	(\$4,518)
<b>Working Capital</b>	<b>\$6,893</b>	<b>\$6,885</b>
Cash and cash equivalents	\$3,582	\$4,094
Marketable securities	\$4,878	\$5,365
Undrawn credit facilities	\$1,017	\$253
<b>Total Available Liquidity</b>	<b>\$9,477</b>	<b>\$9,712</b>

**Note:** These non-IFRS measures provide additional insight into the Company's performance and should not be considered alternatives to measures defined by IFRS.

**Segment-Level Non-IFRS Measures**

We also utilize non-IFRS measures to evaluate the performance of our individual business segments:

**Investment Operations:**

- Realized ROI
- Unrealized ROI
- Portfolio turnover
- Concentration metrics

**Aviation Services:**

- Flight hours
- Revenue per flight hour
- Aircraft utilization rates
- Maintenance expense per flight hour

**Distillery Operations:**

- Production volume
- Revenue per case
- Direct-to-consumer sales percentage
- Brand contribution margin

**Winery Operations:**

- Production yields
- Direct-to-consumer sales percentage
- Visitor metrics and conversion rates
- Estate versus non-estate production mix

These operational metrics, while not financial measures under IFRS, provide valuable insights into the underlying drivers of financial performance for each business segment and help management identify areas for improvement and resource allocation.

**Limitations of Non-IFRS Measures**

While we believe these non-IFRS measures enhance understanding of our financial performance, they have limitations and should be considered alongside, not as replacements for, our IFRS results. Limitations include:

- Lack of standardized definitions across companies
- Potential for management discretion in calculating certain adjustments
- Exclusion of certain cash and non-cash items that impact overall financial position
- Inability to fully capture the complexities of our diverse business model

We regularly review our non-IFRS measures to ensure they provide meaningful information that accurately reflects our business performance and helps stakeholders make informed investment decisions.

**14. DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING****Management's Responsibility and Evaluation Framework**

Northfield's management, under the supervision of the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), is responsible for establishing and maintaining adequate disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR") as defined under National Instrument 52-109. Our control framework is designed to provide reasonable



assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

**Disclosure Controls and Procedures**

DC&P are designed to provide reasonable assurance that information required to be disclosed in reports filed with securities regulatory authorities is recorded, processed, summarized, and reported within the time periods specified under Canadian securities laws. DC&P include controls and procedures designed to ensure information is accumulated and communicated to management, including the CEO and CFO, as appropriate, to allow timely decisions regarding required disclosure.

As of December 31, 2024, the CEO and CFO have evaluated the design and operating effectiveness of Northfield's DC&P. Based on this evaluation, which included inquiry, review, and testing of our disclosure process across our diverse business segments, the CEO and CFO have concluded that Northfield's DC&P were effective as of December 31, 2024, in providing reasonable assurance that material information relating to the Company, including its consolidated subsidiaries, is made known to them in a timely manner.

**Internal Control over Financial Reporting**

ICFR is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS. ICFR includes those policies and procedures that:

1. Pertain to the maintenance of records that accurately and fairly reflect transactions and dispositions of assets
2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS
3. Provide reasonable assurance that receipts and expenditures are made only in accordance with authorizations of management and directors
4. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of assets that could have a material effect on the financial statements

Management has used the Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") to evaluate the design and operating effectiveness of ICFR.

As of December 31, 2024, the CEO and CFO have evaluated the design and operating effectiveness of Northfield's ICFR. This evaluation process was particularly focused on controls over our investment valuation processes, consolidation procedures across our diverse business segments, and financial reporting systems. Based on this evaluation, the CEO and CFO have concluded that Northfield's ICFR was effectively designed and operating effectively as of December 31, 2024.

**Changes in Internal Control over Financial Reporting**

During the year ended December 31, 2024, there were no changes in Northfield's ICFR that materially affected, or are reasonably likely to materially affect, the Company's ICFR. We did implement enhanced controls over our investment valuation processes, particularly for private company holdings, to further strengthen our governance in this critical area. These enhancements included



more formalized documentation requirements and additional independent validation steps, but did not represent a material change to our overall control framework.

### **Inherent Limitations of Control Systems**

Northfield's management, including the CEO and CFO, recognizes that DC&P and ICFR, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Due to the inherent limitations of any control system, misstatements resulting from error or fraud may occur and not be detected. These limitations include the reality that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of controls.

The design of any system of controls is also based upon assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

We continuously evaluate our control environment and implement enhancements when appropriate to maintain effective controls across our increasingly diverse business operations. Our commitment to strong internal controls supports our strategic objectives while providing reliable financial reporting to our stakeholders.

## **15. OUTLOOK AND STRATEGIC PRIORITIES**

### **Positioned for Accelerated Value Creation**

Northfield enters 2025 from a position of strength, with a strategically focused investment portfolio, growing operating businesses, and enhanced financial flexibility to drive our next phase of value creation. The significant progress achieved in 2024—evidenced by our 16.5% increase in net asset value, successful capital raising, and operational advancements across our business segments—has established a solid foundation for sustained growth and shareholder returns.

Our outlook for 2025 remains decidedly positive as we leverage our sector expertise, operational capabilities, and disciplined capital allocation approach to capitalize on emerging opportunities across our diversified business platform.

### **Investment Portfolio Opportunities**

The core of our investment strategy continues to focus on sectors where we maintain differentiated insights and competitive advantages:

**Critical Minerals Acceleration:** Our substantial position in Juno Corp. positions us at the forefront of the global transition to clean energy and electrification. With Juno's three major discoveries in 2024 - the Vespa Complex for critical minerals and Pluto/North Edge for gold - we anticipate important catalysts as the company advances its flagship projects, completes key studies, and further advances resource discoveries in 2025.

**Royalty Portfolio Expansion:** Our strategic position in Voyageur Mineral Explorers provides exposure to a growing portfolio of mineral royalties with escalating cash flow potential. Following our recent acquisition of additional shares, we intend to work closely with management to optimize value for shareholders.



**Gold Portfolio Optimization:** Our refined gold exposure, centered on high-quality exploration and development companies like Juno Corp., G2 Goldfields and Rocky Shore Gold, offers substantial upside potential in a constructive precious metals environment. We will maintain a disciplined approach to position sizing while providing strategic guidance to accelerate value-creating catalysts.

**Monetization Pipeline:** Several portfolio companies are approaching inflection points that may present attractive monetization opportunities in 2025-2026.

### **Operating Business Growth Initiatives**

Each of our operating businesses has established clear strategic priorities to drive growth and margin expansion in 2025:

**Aviation Services Expansion:** The TNA Group is poised for accelerated growth in 2025, with three strategic priorities:

- Completion of the Midland hangar by Q2 2025, enabling the launch of third-party charter services
- Commencement of Latin American operations in 2025, providing counter-seasonal revenue and exposure to high-growth markets
- Targeted fleet optimization to enhance utilization rates and operational efficiency

With these initiatives, we anticipate the aviation segment to achieve approximately 10-15% revenue growth with margin improvement as infrastructure investments begin generating returns.

**Spirits Brand Acceleration:** Spirit of York is positioned to capitalize on the growing premium spirits category with a focus on:

- Deepening distribution in existing markets while expanding reach into LCBO and consideration of entering additional provincial markets
- Enhancing the brand's experiential retail presence with expanded visitor experiences on premise and off premise through activations at our sponsorship locations with Live Nation.

These initiatives are expected to potentially drive 15-20% revenue growth with continued gross margin improvement, positioning the business to possibly approach EBITDA breakeven in 2026.

**Winery Destination Development:** The Grange will focus on enhancing its position as a premium wine destination through:

- Continued premiumization of the product portfolio with emphasis on estate-grown, small-lot productions
- Development of direct-to-consumer channels to improve margin mix and build lasting customer relationships
- Expansion of sponsor partnerships and activations as well as expanded distribution in the LCBO

We anticipate potentially 15-20% revenue growth with further margin enhancement as these initiatives take effect.





## Capital Allocation and Portfolio Optimization

Our capital allocation strategy for 2025 maintains our disciplined approach while emphasizing growth-oriented investments:

**Investment Capital Deployment:** With resource markets on the rebound, there is the potential for a compelling pipeline of new investment opportunities, particularly in the critical minerals and precious metals sectors. Should opportunities arise that meet our investment criteria, we could expect to deploy capital in new investments during 2025.

**Strategic Acquisitions:** We continue to evaluate bolt-on acquisition opportunities for our operating businesses, particularly in the aviation services segment where industry fragmentation presents consolidation opportunities.

**Share Repurchases:** Our recently initiated normal course issuer bid provides the option to opportunistically repurchase shares when market conditions present compelling value, enhancing per-share metrics and demonstrating our commitment to shareholder returns.

## Strategic Priorities

As we move through 2025, Northfield will focus on strategic priorities that will drive our decision-making and resource allocation:

1. **Portfolio Value Crystallization:** Actively working with our core investment holdings to accelerate value-creating catalysts. In particular, supporting Juno Corp.'s continued exploration at its Vespa Complex, North Arm discoveries and newly discovered gold district, with potential to define substantial critical mineral and gold resources that could significantly enhance valuation ahead of any potential public listing.
2. **Operating Margin Enhancement:** Implementing targeted operational efficiency initiatives across our business segments to drive margin expansion and improve return on invested capital. This includes leveraging True North Airways' new 704 Operator's Certificate to provide higher-margin executive jet charter services, maximizing revenue from Spirit of York's Live Nation partnership, and optimizing The Grange's presence at Roy Thomson Hall and Allied Music Centre venues and advance partnerships within the industry to grow both premium beverage brands.
3. **Platform Scalability:** Enhancing the infrastructure, systems, and talent within each operating business to support accelerated growth while maintaining operational excellence. Key initiatives include operationalizing TNA South in El Salvador, utilizing newly acquired helicopters for expanded service offerings, increasing distribution through the LCBO and developing innovative direct-to-consumer channels for our premium beverage businesses.
4. **Strategic Acquisitions:** Pursuing disciplined opportunities to strengthen our existing platforms, with particular focus on the aviation services segment where there could be compelling potential. Following the successful acquisition of high-performance helicopters, we continue to evaluate complementary aviation assets to expand our service capabilities across North and South America.
5. **Corporate Development:** Embracing emerging technologies and systems to drive operational efficiency and market expansion. This includes True North Airways' acceptance of Bitcoin for charter services in El Salvador, leveraging AI-driven exploration methodologies





at Juno Corp., and enhancing e-commerce and direct-to-consumer digital strategies for our beverage businesses.

These priorities reflect our commitment to creating sustainable long-term value through both our investment activities and operating businesses. With our strong financial foundation, disciplined approach to capital allocation, and focused strategic vision, Northfield is exceptionally well-positioned to deliver enhanced shareholder returns in 2025 and beyond.

### **Forward-Looking Statement Disclaimer**

This Outlook and Strategic Priorities section contains forward-looking information that reflects management's current expectations regarding future events and performance. Such information involves significant risks, uncertainties, and assumptions that could cause actual results to differ materially from those expressed or implied in the forward-looking statements.

Key assumptions underlying the forward-looking statements include, but are not limited to: stable macroeconomic conditions; continued operation of our businesses without significant disruption; availability of debt and equity financing on acceptable terms; no material adverse regulatory changes; and competitive dynamics in our operating sectors remaining substantially consistent with current patterns.

Material risk factors that could cause actual results to differ include: volatility in commodity prices affecting our resource investments; challenges in executing operational initiatives on planned timelines; competitive pressures in our operating businesses; regulatory changes affecting our operating segments; difficulty securing necessary permits or approvals; inability to secure financing for growth initiatives on acceptable terms; and unforeseen disruptions to business operations.

Northfield does not undertake any obligation to update forward-looking statements should assumptions or actual results change, except as required by law. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this MD&A.

## **16. FORWARD-LOOKING INFORMATION**

This MD&A contains forward-looking information and statements reflecting management's current views with respect to future events and anticipated financial and operational performance. These forward-looking statements are identified by the use of words such as "expects," "anticipates," "plans," "believes," "estimates," "may," "will," "should," "intends," "forecast," "projects" and similar expressions.

Forward-looking information in this document includes, but is not limited to, statements regarding:

- Expected growth in operating business revenues and profitability
- Anticipated improvements in operating margins for distillery and winery segments
- Projected benefits from strategic initiatives, including the new aircraft hangar
- Expected impact of international expansion in the aviation segment
- Anticipated investment performance and portfolio development
- Future capital allocation priorities and strategies
- Expected operational synergies across business segments
- Planned product innovations and market expansions
- Projected liquidity and capital adequacy



These statements are based on assumptions concerning future economic conditions, market developments, operational capabilities, and regulatory environments. While management believes these assumptions are reasonable based on information currently available, they may prove to be incorrect.

Actual results could differ materially due to various factors, including but not limited to:

- Changes in general economic conditions affecting customer demand or investment valuations
- Fluctuations in commodity prices impacting resource-focused investments
- Competitive dynamics in key operating business segments
- Unexpected regulatory changes or compliance requirements
- Delays or cost overruns in strategic initiatives or capital projects
- Changes in capital market conditions affecting investment valuations or financing capabilities
- Operational challenges or unexpected costs in business expansion initiatives
- Changes in consumer preferences affecting product demand

Northfield does not undertake any obligation to update or revise forward-looking information, whether as a result of new information, future events, or otherwise, except as required by applicable securities laws. Readers are cautioned not to place undue reliance on forward-looking information contained in this MD&A.

## **17. ADDITIONAL INFORMATION**

Additional information relating to Northfield is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).