Westshore Terminals Investment Corporation
First Quarter Report
For the three months ended March 31, 2025

Westshore Terminals Investment Corporation (the "Corporation") was incorporated under the Business Corporations Act (British Columbia) on September 28, 2010 and is domiciled in Canada. The registered and head office of the Corporation is located at Suite 1800, 1067 West Cordova Street, Vancouver, British Columbia V6C 1C7. The Corporation owns all of the limited partnership units of Westshore Terminals Limited Partnership ("Westshore"), a limited partnership established under the laws of British Columbia.

The Corporation derives its cash inflows from its investment in Westshore by way of distributions on Westshore's limited partnership units. Westshore operates a coal storage and unloading/loading terminal at Roberts Bank, British Columbia (the "Terminal"). Westshore's operating revenues are derived from rates charged for loading coal onto seagoing vessels. Westshore is currently undertaking significant infrastructure additions to the Terminal to allow it to handle potash for BHP Canada Inc., a subsidiary of BHP Group Limited ("BHP").

Westshore's results are affected by various factors, including the volume of coal shipped by each customer, and their contracted rate per tonne, as well as Westshore's operating costs and capital expenditures.

Caution Concerning Forward-Looking Statements

This MD&A contains certain forward-looking statements, which reflect the current expectations of the Corporation and Westshore with respect to future events and performance. Forward-looking statements are based on information available at the time they are made, assumptions by management, and management's good faith belief with respect to future events. They speak only as of the date of this MD&A, and are subject to inherent risks and uncertainties, including those risk factors outlined in the Annual Information Form of the Corporation filed on http://www.sedarplus.ca, that could cause actual performance or results to differ materially from those reflected in the forward-looking statements, historical results or current expectations.

Forward-looking information included in this document includes: statements regarding Westshore's future revenues and the impacts thereon, including anticipated throughout volumes and loading rates, distribution of throughput by customer, the US/CDN dollar exchange rate, anticipated rail performance, and the impact of construction activity at Westshore; statements regarding Westshore's potash project, including the timing of payment and amount of Westshore's capital contribution to the project, Westshore's ability to fund and the sources of funding for Westshore's capital contribution to the project, the project schedule and expected completion date, and timing of meaningful revenue from handling potash; Westshore continuing to meet annual operating and capital requirements and payment of the dividend and managing variations in working capital without any need for financing except for material capital improvements; the absence of liquidity concerns with respect to the ongoing operations of Westshore; funding requirements of post-retirement benefit obligations; ability to extend its credit facility when it matures; assumptions in connection with critical accounting estimates; and share repurchases.

Forward-looking statements should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether, or the times at which, such performance or results will be achieved. There is significant risk that estimates, predictions, forecasts, conclusions and projections will not prove to be accurate, that assumptions may not be correct and that actual results may differ materially from such estimates, predictions, forecasts, conclusions or projections. Readers of this MD&A should not place undue reliance on forward-looking statements as a number of risk factors could cause actual results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed in the forward-looking statements. Specific risk factors include, among others: Westshore's dependence on coal shipments, which are in turn affected by global demand and competition in the supply of seaborne coal, the ability of customers to maintain or increase sales or deliver coal to the Terminal and fluctuations in exchange rates; fluctuations in inflation rates; Westshore's ability to renegotiate key customer contracts in the future on favourable terms or at all; global changes in climate change initiatives and environmental regulations and policies; and risks related to the construction and operation of the potash project, including cost overruns and delays. See risk factors outlined in the Annual Information Form referred to above.

Management's Discussion & Analysis of Financial Condition and Results of Operations

The unaudited financial results along with management's discussion and analysis contained in this report should be read in conjunction with the Corporation's unaudited condensed consolidated financial statements for the three-month period ended March 31, 2025, and annual audited financial statements and management's discussion and analysis included in the Corporation's Annual Report for the year ended December 31, 2024. The date of this management's discussion and analysis and results of operations is May 2, 2025.

As of May 2, 2025, the Corporation has 61,769,766 (December 31, 2024 – 61,769,766) issued and outstanding shares. The Corporation renewed its normal course issuer bid ("NCIB") effective April 15, 2025 which allows the Corporation to purchase for cancellation up to 807,118 Common shares (approximately 2.5% of its "public float" (as defined in the TSX Company Manual)) in the following 12 months. Shareholders may contact the Corporation to request a copy of the Corporation's notice of intention to make a normal course issuer bid that was filed with the Toronto Stock Exchange.

No Common shares have been purchased under the NCIB during 2025 up to and including May 2, 2025. In 2024, a total of 744,909 Common shares were repurchased under the NCIB for a total of $17.7 million.

The following table sets out selected consolidated financial information of the Corporation for the three months ended March 31, 2025.

(In thousands of Canadian dollars except per share amounts and where noted)	**Three Months Ended**	
	March 31, 2025	**March 31, 2024**
	$	**$**
Tonnage (000 tonnes)	5,902	6,014
Revenue	82,808	84,758
Profit before income tax	15,732	20,909
Profit for the period	11,470	15,245
Profit for the period per share(1)	0.19	0.24
Dividends declared	23,164	45,323
Dividends declared per share	0.375	0.725

(1) Weighted average shares outstanding for the three-month period ended March 31, 2025 was 61,769,766 (March 31, 2024 - 62,514,675).

The following tables set out selected consolidated financial information for the Corporation on a quarterly basis for the last eight quarters.

(In thousands of Canadian dollars except per share amounts and where noted)	Three Months Ended			
	Mar 31, 2025	**Dec 31, 2024**	**Sep 30, 2024**	**Jun 30, 2024**
	$	**$**	**$**	**$**
Tonnage (000 tonnes)	5,902	6,279	7,179	7,291
Revenue	82,808	110,853	103,496	105,622
Profit before income tax	15,732	43,003	46,624	47,431
Profit for the period	11,470	31,375	34,021	34,611
Profit for the period per share	0.19	0.51	0.55	0.56
Dividends declared	23,164	23,164	23,164	23,188
Dividends declared per share	0.375	0.375	0.375	0.375
Shares repurchased (000 shares)	-	-	66	679
Cost of shares repurchased	-	-	1,540	16,116

(In thousands of Canadian dollars except per share amounts and where noted)	Three Months Ended			
	Mar 31, 2024	**Dec 31, 2023**	**Sep 30, 2023**	**Jun 30, 2023**
	$	**$**	**$**	**$**
Tonnage (000 tonnes)	6,014	6,733	7,397	6,685
Revenue	84,758	88,693	100,264	93,015
Profit before income tax	20,909	30,546	45,550	38,545
Profit for the period	15,245	22,282	33,240	28,135
Profit for the period per share	0.24	0.36	0.53	0.45
Dividends declared	45,323	21,880	21,880	21,880
Dividends declared per share	0.725	0.35	0.35	0.35

Results of Operations

(In thousands of Canadian dollars)	Three Months Ended	
	March 31, 2025	**March 31, 2024**
	$	**$**
Revenue:		
Coal loading	78,785	79,834
Other	4,023	4,924
	82,808	84,758
Expenses:		
Operating	58,817	54, 685
Administrative	4,095	4,635
	62,912	59,320
Other:		
Foreign exchange gain (loss)	507	(731)
Gain on disposal of property, plant and equipment	8	1
Net finance costs	(4,679)	(3,799)
Profit before income tax	15,732	20,909
Income tax expense	4,262	5,664
Profit for the period	11,470	15,245
Other comprehensive income (loss), net of income tax	(5,864)	7,334
Total comprehensive income for the period	5,606	22,579

Tonnage shipped for Q1 2025 was 5.9 million tonnes compared to 6.0 million tonnes for the same period in 2024. Of the tonnes shipped in Q1 2025, 63% was thermal coal and 37% was metallurgical coal, compared to 62% and 38% respectively for the same period in the prior year. Volumes were down 1.9% for the quarter (year over year) as a result of adverse weather that impacted our operations and logistics chain as well as weaker thermal coal prices and demand.

Coal loading revenue, consistent with lower tonnage shipped, decreased by 1.3% to $78.8 million for Q1 2025 compared to $79.8 million for the same period in 2024. The average loading rate in Q1 2025 was $13.35 per tonne compared to $13.27 per tonne through the same period in 2024.

Other revenue for Q1 2025 was $4.0 million compared to $4.9 million for Q1 2024. The amounts for both periods primarily consisted of wharfage fees and revenue relating to train and vessel operations.

Operating and administrative expenses increased by 6.1% to $62.9 million for Q1 2025 compared to $59.3 million for the same period in 2024 due to higher operating costs driven by inflation, timing of maintenance activities and logistics costs.

Foreign exchange gain of $0.5 million in Q1 of 2025 increased from a loss of $0.7 million in the same period of 2024. Q1 2025 included a $0.7 million unrealized gain on the mark to market of foreign exchange hedging contracts, compared to a $1.3 million unrealized loss in Q1 2024.

Net finance costs increased to $4.7 million in Q1 2025 from $3.8 million during the same period of 2024, primarily due to less interest income earned in the first quarter of 2025 compared to the first quarter of 2024 as a result of lower interest rates.

Income tax expense decreased to $4.3 million in Q1 2025 from $5.7 million in Q1 2024 due to lower profits before taxes.

Profit in the quarter decreased to $11.5 million in Q1 2025 from $15.2 million during the same period of 2024, as a result of lower revenues and higher operating and administrative costs.

Other comprehensive income or loss includes actuarial gains and losses on the defined benefit post-retirement obligations which are primarily impacted by the discount rate used, membership assumptions and the plan asset performance (relative to actuarial expectations).

After-tax other comprehensive income (loss) for the first quarter of 2025 decreased to a loss of $5.9 million from an income of $7.3 million in Q1 2024. The change in the first quarter of 2025 was primarily caused by a 0.25% decrease in the discount rate which increased the post-retirement obligations and plan assets performing worse than actuarial expectations. The change in the first quarter of 2024 was primarily caused by a 0.25% increase in the discount rate which decreased the post-retirement obligations and plan assets performing better than actuarial expectations.

Cash Flows

Cash flows from operations are available to the Corporation to fund capital and other expenditures, establish reserves and pay dividends to and repurchase shares from shareholders.

(In thousands of Canadian dollars)	Three Months Ended	
	March 31, 2025 $	March 31, 2024 $
Operating cash flows before the below noted items	29,188	38,210
Working capital changes	(8,689)	(5,787)
Long term receivable	(4,383)	(1,833)
Lease obligation interest paid	(5,017)	(5,020)
Long term deferred revenue	87,665	36,667
Income tax paid	(11,597)	(27,785)
Cash flow provided by operations	87,167	34,452
Cash flows used in financing activities	(22,580)	(20,165)
Cash flows used in investing activities	(60,273)	(38,862)
Increase (decrease) in cash and cash equivalents	4,314	(24,575)

Operating cash flows before changes in working capital, long term receivable, lease obligation interest payments, long term deferred revenue and income tax payments decreased by 23.6% to $29.2 million in the first quarter of 2025 from $38.2 million for the same period in 2024. Working capital changes resulted in a $8.7 million outflow in the first quarter of 2025 compared to a $5.8 million outflow in the first quarter of 2024, primarily due to changes in accounts payable, prepaid expenses and deferred revenue which fluctuate depending on the timing of receipts and payments. The invoicing and payment mechanics under the BHP Agreement relating to reimbursement of construction costs for the potash project may result in larger variations in our accounts receivable and accounts payable. $87.7 million was invoiced to BHP in the period for the potash project (2024 - $36.7 million), of which $4.4 million will be retained by BHP pursuant to a 5% holdback (Q1 2024 - $1.9 million). Income tax payments decreased to $11.6 million in the first quarter of 2025 from $27.8 million for the same period in 2024. The Q1 2024 tax payments included a $16.1 million true-up payment due to instalment underpayments for the 2023 taxation year. No instalment true-up was required in Q1 2025 for the 2024 taxation year. As a result of these changes, cash flow from operations increased to $87.2 million in the first quarter of 2025 from $34.5 million in the first quarter of 2024.

Long term deferred revenue of $87.7 million in the first quarter of 2025 increased from $36.7 million for the same period in 2024 as a result of the increased amounts invoiced to BHP in connection with the potash project. Westshore's total long term deferred revenue as at March 31, 2025 was $451.0 million.

Cash flows used in financing activities increased to $22.6 million in the first quarter of 2025 from $20.2 million for the same period in 2024. This was the result of an increase in the quarterly dividend paid to shareholder to $0.375 per share for the Q4 2024 dividend, which was paid in the first quarter of 2025, from $0.35 per share for the Q4 2023 dividend, which was paid in the first quarter of 2024.

Cash flows used in investing activities increased to $60.3 million in in first quarter of 2025 from $38.9 million in the first quarter of 2024 primarily driven from an increase in capital expenditures. Of that $60.3 million, $56.4 million was related to the potash project. At the end of the quarter, $124.7 million had been incurred in capital expenditures but was not yet paid for.

Liquidity and Capital Resources

Meeting annual operating and capital requirements and payment of the dividend, along with managing variations in working capital, are well within Westshore's financial capacity based solely on revenues less expenses, without any need for financing except for material capital improvements. As a result, the Corporation does not anticipate any liquidity concerns with the ongoing operations of Westshore.

Pursuant to the BHP Agreement, BHP is required to reimburse Westshore for construction costs relating to the potash infrastructure additions up to the agreed budget of approximately $1 billion and subject to a 5% holdback on each periodic payment, which is reflected in the balance sheet as a "long term receivable" ($22.5 million as at March 31, 2025), after which costs incurred by Westshore to complete the project will not be reimbursed. Based on the information currently available, Westshore expects to contribute approximately $225 million for such expenditures, and that they will be incurred starting in the second quarter of 2026 and continuing until final payments to suppliers expected in mid 2027. Significant factors in the increase in project costs over the budget include inflation having been higher than anticipated when the budget was established in 2021, and delays in completion of outsourced design engineering which will result in increased labour and other costs to maintain the tight project schedule. The Corporation does not anticipate any liquidity concerns resulting from Westshore's obligation to fund the potash project cost overruns and expects to fund much of this amount through its cash reserve, cash flows from operations and funds released under the 5% holdback, with any further requirements being funded by borrowing. As at March 31, 2025, Westshore has commitments related to the potash project of $294.2 million that have not yet been accrued for.

Westshore has a $40 million operating facility that is used for a letter of credit related to pension funding and day to day operational liquidity. The facility matures on August 31, 2025 and is secured by a pledge of all the assets of Westshore. Westshore does not anticipate any issues with extending this credit facility when it matures. The operating facility bears interest at a variable rate plus a margin and no repayments will be required until maturity. There is an outstanding letter of credit of $1.3 million under this facility which is the only amount drawn down on the facility at quarter end.

Westshore has post-retirement benefit obligations under its defined benefit pension plan and other post-retirement benefit plans which it is required to fund each year. Westshore's cash funding requirements are estimated to be $2.4 million in 2025 (2024 - $2.4 million), which is comprised of nil contributions (2024 - $nil) to the defined benefit pension plan as this plan is currently in a surplus position and $2.4 million (2024 - $2.4 million) for payments for other post-retirement benefits. To date, Westshore has contributed nil (2024 - $nil) and $1.1 million (2024 - $1.2 million) to the defined benefit pension plan and other post-retirement benefit plans respectively. Westshore does not anticipate any issues satisfying its 2025 funding obligations out of current cash flows.

The statement of financial position as of March 31, 2025 reflects a net defined benefit pension asset of $27.2 million (December 31, 2024 - $34.2 million) and $67.2 million (December 31, 2024 - $64.6 million) of other post-retirement benefit obligations. The change in 2025 was primarily caused by a 0.25% decrease in the discount rate since December 31, 2024, and weaker plan asset performance. This net obligation amount will decline in the future if long term interest rates increase and will increase if such rates fall.

Future undiscounted minimum payments under Westshore's material lease obligations are as follows:

(In thousands of Canadian dollars)	March 31, 2025
Less than 1 year	$ 20,797
Between 1 and 5 years	90,919
More than 5 years	941,034
	$ 1,052,750

Under our lease with Vancouver Fraser Port Authority ("VFPA"), annual rent is comprised of two fixed amounts, basic and ancillary rent. The basic rent is fixed until December 31, 2026, and may be revised by VFPA at that time and every three years thereafter. If VFPA increases the basic rent at any such time, Westshore has the right to seek a review of the revised amount. The ancillary rent will escalate annually.

Westshore does not have any other material long-term obligations.

Outlook

The operating cash inflows of the Corporation are entirely dependent on Westshore's operating results. They are affected by the volume and mix of coal shipped through the Terminal, the rates charged to customers for the handling of that coal, and Westshore's operating and administrative costs.

The variance in revenues from 2024 will ultimately be impacted by numerous factors, including total volumes shipped through the Terminal, the distribution of throughput by customer and the US/CDN dollar exchange rate.

Based on the most recent information provided by Westshore's customers, performance year to date, anticipated rail performance, and construction activity on site, 2025 throughput volumes are anticipated to be approximately 26.5 million tonnes at an average loading charge of approximately $13.20 per tonne, for the full year. The average loading rate for a period reflects the customer mix, US/CDN exchange rate and thermal coal sale prices achieved by our customers.

Westshore's potash project is on schedule to complete in 2026 and we anticipate meaningful revenue for potash handling to commence in 2027. Due to the higher than budgeted inflation rate and delays in completion of outsourced design engineering which will result in increased labour and other costs to maintain the tight project schedule, we expect the total cost of the project to be approximately $225 million above the original budget, which Westshore will be responsible for funding.

Quarterly Distributions

On April 15, 2025, shareholders on record as of March 31, 2025 received $0.375 per share representing an aggregate amount of $23,163,662 (March 31, 2024 - $0.375 per share for an aggregate of $23,443,003 and a one-time non-recurring special dividend of $0.35 per share representing an aggregate amount of $21,880,136).

The dividend and share repurchase program are subject to periodic review based on factors including operating performance, current and anticipated market conditions, other opportunities that may come before Westshore, and other potential capital upgrade projects.

Related Party Transactions

Westar Management Ltd. (the "Manager") provides management services to Westshore pursuant to a management agreement between Westshore and the Manager (the "Management Agreement"). Westshore pays an annual management fee to the Manager and an incentive fee based on a percentage of annual profit above $42 million, subject to a cap of $7.5 million per annum. The annual base management fee for 2025 is $1,957,000 and this fee will escalate at

3% annually. The fee is paid in monthly installments and $489,250 (2024 - $475,000) was paid by Westshore for the three-month period ended March 31, 2025.

The Manager also provides administration services to the Corporation pursuant to an administration agreement and appoints three of the eight directors of the General Partner pursuant to a governance agreement. The Corporation pays an annual administration fee in monthly installments. The fees payable to the Manager will be $652,000 for 2025 and will increase by 3% per annum. The Corporation paid $163,000 (2024 - $158,000) to the Manager for the three-month period ended March 31, 2025.

Affiliates of the Manager also provides insurance and vehicle leasing services to Westshore.

Changes in Accounting Policies

The Corporation's financial statements have been prepared using the material accounting policies and methods of computation consistent with those applied in the Corporation's Annual Report for the year ended December 31, 2024. There were no new standards effective January 1, 2025 that impacted these unaudited condensed consolidated interim financial statements.

Critical Accounting Estimates

The preparation of financial statements and related disclosures in accordance with IFRS Accounting Standards requires the Corporation to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses and contingencies. These estimates are based on historical experience and on assumptions that are considered at the time to be reasonable under the circumstances. Under different assumptions or conditions, the actual results may differ, potentially materially, from those previously estimated.

The following is a discussion of the accounting estimates that are significant in determining the Corporation's financial results.

Property, plant and equipment: Depreciation

Property, plant and equipment are stated at cost less accumulated depreciation. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. Depreciation is calculated using the straight line method over the estimated useful production life of the assets. The estimated useful lives of property, plant and equipment range from 3 to 35 years and are reviewed annually. A change in the estimated useful lives of property, plant and equipment could result in either a higher or lower depreciation charge to profit for the period.

Asset Retirement Obligations

Westshore is required to recognize the fair value of an estimated asset retirement obligation when a legal or constructive obligation is present, a reliable estimate of the obligation can be made, and it is probable that Westshore will be required to settle the obligation. At the expiry of the Terminal's lease, the VFPA has the option to acquire the assets of the Terminal at fair value or require Westshore to return the site to its original condition. Westshore believes that the probability that the VFPA will elect to enforce site restoration is remote. Any change in the estimate of the probability of incurring such costs could have a material impact on the asset retirement obligation.

Lease Obligation

The lease obligation is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using Westshore's incremental borrowing rate. The lease liability is measured at amortized cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in Westshore's estimate of the amount expected to be payable under a residual value guarantee or if Westshore changes its assessment of whether it will exercise a purchase, extension or termination option. Any change in the incremental borrowing rate of Westshore could have a material impact on future lease obligations.

Goodwill

Goodwill is tested for impairment on an annual basis, or more frequently if events or changes in circumstances indicate that the asset might be impaired, by comparing the fair value of Westshore to its carrying value, including goodwill. If the fair value of Westshore is less than its carrying value, a goodwill impairment loss is recognized as the excess of the carrying value of the goodwill over the fair value of the goodwill. The determination of fair value requires management to make assumptions and estimates about future coal loading rates, customer shipments, operating costs, foreign exchange rates and discount rates. Changes in any of these assumptions, such as lower coal loading rates, a decline in customer shipments, an increase in operating costs or an increase in discount rates could result in an impairment of all or a portion of the goodwill carrying value in future periods.

Employee Future Benefits

Westshore has post-retirement benefit obligations under its pension plans and other post-retirement benefit plans, the costs of which are based on estimates. Actuarial calculations of benefit costs and obligations depend on Westshore's assumptions about future events. Major estimates and assumptions relate to expected plan investment performance, salary escalation, retirement ages of employees and expected health care costs, as well as discount rates, withdrawal rates and mortality rates.

Disclosure Controls and Procedures and Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting and disclosure controls and procedures. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. There have been no changes in Westshore's internal control over financial reporting or disclosure controls and procedures during the quarter ended March 31, 2025 that have materially affected, or are reasonably likely to affect, the Corporation's financial and other reporting.

Additional Information

Additional information relating to the Corporation, including the Corporation's latest Annual Report and Annual Information Form, are available on SEDAR+ at http://www.sedarplus.ca and on Westshore's website at www.westshore.com.

On behalf of the Directors,

(Signed) "William W. Stinson"
William W. Stinson
Chairman, President and Chief Executive Officer
May 2, 2025

WESTSHORE TERMINALS INVESTMENT CORPORATION

Unaudited Condensed Consolidated Statements of Financial Position
(Expressed in thousands of Canadian dollars)

	Note	March 31, 2025	December 31, 2024
Assets			
Current assets:			
Cash and cash equivalents		$ 140,907	$ 136,593
Accounts receivable		29,618	33,143
Inventories		18,227	18,688
Prepaid expenses		1,584	3,301
Income tax recoverable		3,417	-
		193,753	191,725
Property, plant and equipment:	5		
At cost		1,273,368	1,187,105
Accumulated depreciation		(372,158)	(366,552)
		901,210	820,553
Long term receivable	13	22,548	18,165
Right-of-use assets	14	408,881	411,115
Goodwill		365,541	365,541
Other intangible assets		9,519	9,210
Employee future benefits	10	27,206	34,222
		$ 1,928,658	$ 1,850,531
Liabilities and Shareholders' Equity			
Current liabilities:			
Accounts payable and accrued liabilities		$ 192,520	$ 164,946
Income tax payable		-	2,556
Deferred revenue		1,649	16,885
Other liabilities	12	1,870	2,611
Lease obligation current portion	14	647	550
Dividends payable to shareholders		23,164	23,164
		219,850	210,712
Long term deferred revenue	13	450,968	363,303
Deferred income taxes	8	41,643	45,174
Employee future benefits	10	67,224	64,579
Lease obligation	14	440,632	440,864
		1,220,317	1,124,632
Shareholders' equity:			
Share capital		1,419,472	1,419,472
Deficit		(711,131)	(693,573)
		708,341	725,899
		$ 1,928,658	$ 1,850,531

Commitments and contingencies (note 15)

See accompanying notes to unaudited condensed consolidated financial statements.

Approved on behalf of the Board:

(Signed) "William W. Stinson"
William W. Stinson
Director

(Signed) "M. Dallas H. Ross"
M. Dallas H. Ross
Director

WESTSHORE TERMINALS INVESTMENT CORPORATION

Unaudited Condensed Consolidated Statements of Comprehensive Income
(Expressed in thousands of Canadian dollars)

Three months ended March 31, 2025 and 2024

	Note		2025		2024
Revenue:					
Coal loading		$	78,785	$	79,834
Other			4,023		4,924
			82,808		84,758
Expenses:	4				
Operating			58,817		54,685
Administrative			4,095		4,635
			62,912		59,320
Other:					
Foreign exchange gain (loss)			507		(731)
Gain on disposal of property, plant and equipment equipment			8		1
Net finance costs	6		(4,679)		(3,799)
Profit before income tax			15,732		20,909
Income tax expense	7		4,262		5,664
Profit for the period			11,470		15,245
Other comprehensive income (loss):					
Items that will not be recycled to net income:					
Defined benefit plan actuarial gains (losses)			(8,033)		10,047
Income tax recovery (expense) on other comprehensive income (loss)			2,169		(2,713)
Other comprehensive income (loss) for the period, net of income tax			(5,864)		7,334
Total comprehensive income for the period		$	5,606	$	22,579
Profit per share:					
Basic and diluted earnings per share	9	$	0.19	$	0.24
Weighted average number of shares outstanding			61,769,766		62,514,675

See accompanying notes to the unaudited condensed consolidated financial statements.

WESTSHORE TERMINALS INVESTMENT CORPORATION

Unaudited Condensed Consolidated Statements of Changes in Equity
(Expressed in thousands of Canadian dollars)

Three months ended March 31, 2025 and 2024

		Share capital		Deficit		Total
Balance at January 1, 2024	$	1,436,587	$	(707,033)	$	729,554
Profit for the period		-		15,245		15,245
Other comprehensive income:						
Defined benefit plan actuarial gains, net of tax		-		7,334		7,334
Total comprehensive income for the period		-		22,579		22,579
Distributions to shareholders of the Corporation:						
Dividends declared to shareholders		-		(45,323)		(45,323)
Balance at March 31, 2024	$	1,436,587	$	(729,777)	$	706,810

		Share capital		Deficit		Total
Balance as at January 1, 2025	$	1,419,472	$	(693,573)	$	725,899
Profit for the period		-		11,470		11,470
Other comprehensive loss:						
Defined benefit plan actuarial losses, net of tax		-		(5,864)		(5,864)
Total comprehensive income for the period		-		5,606		5,606
Distributions to shareholders of the Corporation:						
Dividends declared to shareholders		-		(23,164)		(23,164)
Balance at March 31, 2025	$	1,419,472	$	(711,131)	$	708,341

See accompanying notes to the unaudited condensed consolidated financial statements.

WESTSHORE TERMINALS INVESTMENT CORPORATION

Unaudited Condensed Consolidated Statements of Cash Flows
(Expressed in thousands of Canadian dollars)

Three months ended March 31, 2025 and 2024

	2025	2024
Cash provided by (used in):		
Operations:		
Profit for the period	$ 11,470	$ 15,245
Adjustments for:		
Foreign exchange contracts	(741)	1,327
Depreciation and amortization	8,279	8,476
Employee future benefits	1,247	3,700
Net finance costs	4,679	3,799
Income tax expense	4,262	5,664
Gain on disposal of property, plant and equipment	(8)	(1)
	29,188	38,210
Changes in non-cash operating working capital and other:		
Accounts receivable	3,525	3,262
Inventories	461	(258)
Prepaid expenses	1,717	(3,334)
Accounts payable and accrued liabilities	844	(6,107)
Deferred revenue	(15,236)	650
	(8,689)	(5,787)
Long term receivable	(4,383)	(1,833)
Lease obligation interest paid	(5,017)	(5,020)
Long term deferred revenue	87,665	36,667
Income taxes paid	(11,597)	(27,785)
	87,167	34,452
Financing:		
Interest received	719	1,762
Dividends paid to shareholders	(23,164)	(21,880)
Lease obligation	(135)	(47)
	(22,580)	(20,165)
Investments:		
Property, plant and equipment, net	(59,743)	(38,513)
Other intangible assets	(530)	(349)
	(60,273)	(38,862)
Increase (decrease) in cash and cash equivalents	4,314	(24,575)
Cash and cash equivalents, beginning of the period	136,593	164,747
Cash and cash equivalents, end of the period	$ 140,907	$ 140,172
Supplemental information:		
Non-cash transactions:		
Capital expenditures unpaid at period end	$ 124,735	$ 73,992
Lease modification	-	163,715

See accompanying notes to the unaudited condensed consolidated financial statements.

1. Reporting entity:

Westshore Terminals Investment Corporation was incorporated under the *Business Corporation Act* (British Columbia) on September 28, 2010 and is domiciled in Canada. The registered and head office is located at Suite 1800, 1067 West Cordova Street, Vancouver, British Columbia, V6C 1C7. These unaudited condensed consolidated interim financial statements as at and for the three months ended March 31, 2025 comprises Westshore Terminals Investment Corporation and its subsidiaries (together referred to as the “Corporation”). The Corporation owns all of the limited partnership units of Westshore Terminals Limited Partnership (“Westshore”), a partnership established under the laws of British Columbia.

The Corporation derives its cash inflows from its investment in Westshore by way of distributions on Westshore’s limited partnership units. Westshore operates a coal storage and loading terminal at Roberts Bank, British Columbia (the “Terminal”). Substantially all of Westshore’s operating revenues are derived from rates charged for loading coal onto seagoing vessels.

2. Basis of preparation:

(a) Statement of compliance:

These unaudited condensed consolidated interim financial statements have been prepared in accordance with IFRS Accounting Standards IAS 34, *Interim Financial Reporting.* Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Corporation since the last annual consolidated financial statements as at and for the year ended December 31, 2024. These unaudited condensed consolidated interim financial statements do not include all of the information required for full annual financial statements prepared in accordance with IFRS.

The consolidated annual financial statements of the Corporation as at and for the year ended December 31, 2024 which were prepared under IFRS are available upon request from the Corporation’s registered office, at www.westshore.com or on SEDAR+ at https://www.sedarplus.ca.

These unaudited condensed consolidated interim financial statements were approved by the Board of Directors on May 2, 2025.

(b) Basis of measurement:

These unaudited condensed consolidated interim financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position:

- derivative financial instruments are measured at fair value;
- the defined benefit obligation is recognized as the present value of the defined benefit obligation, less plan assets at fair value; and
- lease obligations are measured at amortized cost using the effective interest rate method.

(c) Functional and presentation currency:

These unaudited condensed consolidated interim financial statements are presented in Canadian dollars, which is the Corporation and its subsidiaries’ functional currency. All financial information presented in Canadian dollars have been rounded to the nearest thousand.

(Tabular amounts expressed in thousands of Canadian dollars, except share amounts)

(d) Use of estimates and judgments:

The preparation of the unaudited condensed consolidated interim financial statements in conformity with IAS 34 requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment relate to the determination of the useful lives of plant and equipment, asset retirement obligations, valuation of goodwill and the measurement of defined benefit obligations.

3. Material accounting policies:

The Corporation's financial statements have been prepared using the material accounting policies and methods of computation consistent with those applied in the Corporation's Annual Report for the year ended December 31, 2024.

4. Expenses:

Recorded in operating and administrative expenses on the unaudited condensed consolidated statements of comprehensive income were the following amounts:

	Three months ended March 31	
	2025	2024
Salaries, wages and benefits	$ 32,688	$ 32,942
Depreciation and amortization	8,279	8,476
Other	21,945	17,902
Expenses	$ 62,912	$ 59,320

5. Plant and equipment:

For the three-month period ended March 31, 2025, $86,473,000 of construction-in-progress was added, of which $81,414,000 related to potash capital improvements. $124,735,000 of construction-in-progress was yet to be paid for at period end which increased by $26,730,000 compared to December 31, 2024.

(Tabular amounts expressed in thousands of Canadian dollars, except share amounts)

6. Net finance costs:

	Three months ended March 31	
	2025	2024
Interest income, net	$ (719)	$ (1,762)
Pension interest expense, net	381	541
Capital lease interest	5,017	5,020
Net finance costs	$ 4,679	$ 3,799

7. Income tax expense:

	Three months ended March 31	
	2025	2024
Reconciliation of effective tax rate:		
Profit before income tax	$ 15,732	$ 20,909
Statutory rate	27.00%	27.00%
Expected income tax expense	4,248	5,645
Permanent differences	14	19
Actual income tax expense	$ 4,262	$ 5,664

8. Deferred tax assets and liabilities:

	March 31, 2025	December 31, 2024
Deferred tax assets:		
Non-pension defined benefits liability	$ 18,151	$ 17,436
Foreign exchange contracts	505	705
Lease obligation	119,145	119,182
Long term deferred revenue	121,761	98,092
Total assets	259,562	235,415
Deferred tax liabilities:		
Property, plant, and equipment	(183,462)	(160,348)
Post-retirement benefits	(7,345)	(9,240)
Right-of-use assets	(110,398)	(111,001)
Total liabilities	(301,205)	(280,589)
Net deferred income tax liabilities	$ (41,643)	$ (45,174)

(Tabular amounts expressed in thousands of Canadian dollars, except share amounts)

9. Profit per share:

Basic and diluted earnings per share:

	Three months ended March 31	
	2025	2024
Profit for the period	$ 11,470	$ 15,245
Weighted average number of Common shares outstanding	61,769,766	62,514,675
Basic and diluted earnings per share	$ 0.19	$ 0.24

The Corporation has no dilutive securities.

10. Employee future benefits:

The Corporation makes contributions to one non-contributory defined benefit plan and one non-contributory defined contribution plan that provide pension benefits for employees upon retirement. The Corporation also provides two non-contributory, other post-retirement benefit plans that provide retiring allowances and other medical benefits after retirement.

	March 31, 2025	December 31, 2024
Fair value of plan assets	$ 167,072	$ 169,367
Defined benefit pension obligations	(139,866)	(135,145)
Defined benefit pension asset	27,206	34,222
Other post-retirement benefit obligations	$ (67,224)	$ (64,579)

(Tabular amounts expressed in thousands of Canadian dollars, except share amounts)

Profit and Loss:

Profit and loss includes the following amounts in respect of post-retirement obligations:

Pension obligations expense recognized in profit and loss	Three months ended March 31, 2025	Three months ended March 31, 2024
Service costs:		
Current service costs	$ 348	$ 363
Past service costs	1,465	3,961
Non-investment expenses	55	55
	1,868	4,379
Net interest costs		
Interest cost	1,615	1,612
Expected return on plan assets	(2,000)	(1,897)
	(385)	(285)
	$ 1,483	$ 4,094

Other post-retirement benefits expense recognized in profit and loss	Three months ended March 31, 2025	Three months ended March 31, 2024
Current service costs	$ 494	$ 484
Interest costs	766	826
	$ 1,260	$ 1,310

The current and past service costs are recognized in operating expenses and net interest costs are included in net finance costs.

11. Loans and borrowings:

The Corporation has a $40 million operating facility that is used for a letter of credit relating to pension funding and day to day operations. The facility matures on August 31, 2025 and is secured by a pledge of all of the assets of the Corporation. The operating facility bears interest at a variable rate plus a margin and no repayments will be required until maturity. There is an outstanding letter of credit of $1.3 million (December 31, 2024 - $1.3 million) which is the only amount drawn on this facility (see note 15).

Under its credit facility, the Corporation is required to comply with certain financial covenants. At March 31, 2025, the Corporation was in compliance with these financial covenants.

(Tabular amounts expressed in thousands of Canadian dollars, except share amounts)

12. Financial instruments:

The carrying amounts of financial assets and liabilities reported in the unaudited condensed consolidated statement of financial position approximate their fair values.

IFRS 13, *Fair Value Measurement*, requires classification of financial instruments within a hierarchy that prioritizes the inputs to fair value measurement. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability, directly or indirectly;

Level 3 – Inputs that are not based on observable market data.

Financial instruments carried at fair value, by the levels in the fair value hierarchy, are as follows:

	Fair Value Hierarchy Level	March 31, 2025	December 31, 2024
Financial liabilities:			
Derivative instruments:			
Foreign exchange contracts	Level 2	$ 1,870	$ 2,611

As at March 31, 2025, Westshore has entered into option collars with notional amounts totaling US$49.5 million (December 31, 2024 - US$66.0 million) to exchange U.S. dollars for Canadian dollars if the strike price drops below $1.340 or increases above $1.405 (December 31, 2024 – drops below $1.330 or increases above $1.405). These foreign exchange contracts have not been designated as hedges.

The following table summarizes the gains (losses) on foreign exchange contracts for the three-month periods ended March 31, 2025 and 2024:

	2025	2024
Foreign exchange contracts	$ 741	$ (1,327)

The fair value liability is recorded in other liabilities. The unrealized gain (loss) was recorded in foreign exchange gain (loss) in the unaudited condensed consolidated statements of comprehensive income.

The carrying amounts of these contracts are equal to fair value, which is based on valuations obtained from the counterparties. The mark-to-market value is determined by the counterparty by multiplying the notional amount of the trade with the difference between the forward rate and the contract rate and discounting the resultant asset or liability by an applicable discount factor.

(Tabular amounts expressed in thousands of Canadian dollars, except share amounts)

13. BHP Potash Capital Project:

During the three months ended March 31, 2025, the Corporation invoiced $87,665,000 (2024 - $36,667,000) to BHP Canada Inc., a subsidiary of BHP Group ("BHP") related to the construction of the necessary infrastructure to enable it to handle potash. These non-refundable upfront fees received from BHP are recorded as deferred revenue and will be recognized when the corresponding future service is provided over the course of the export contract. At March 31, 2025, the total long term deferred revenue related to the BHP project is $450,968,000 (December 31, 2024 - $363,303,000). BHP will retain 5% of all amounts invoiced pursuant to holdback provisions in the agreement with BHP. The 5% holdback is recorded as long term receivable, to be received in stages relating to commissioning and performance objectives. As at March 31, 2025, the holdback amount was $22,548,000 (December 31, 2024 - $18,165,000).

14. Leases:

The Corporation is committed to low value, short term leases related to the rental of vehicles and equipment.

The Corporation has a land lease with the Vancouver Fraser Port Authority ("VFPA") which has been identified as a material lease contract. In February 2024, our lease with VFPA was amended, with retroactive effect as of January 1, 2023 (the "Amended Lease"). The term of the Amended Lease is January 1, 2023 to December 31, 2051, with Westshore having further options to extend the term to December 31, 2070. The Amended Lease has been accounted for as a lease modification in 2024, in accordance with IFRS 16 *Leases*. As a result, the Corporation's lease liability was remeasured by applying an incremental borrowing rate of 4.60% as the discount rate and assumes the extension of the lease to December 31, 2070.

Under the Amended Lease, annual rent is comprised of two fixed amounts, basic rent and ancillary rent. The basic rent is fixed until December 31, 2026, and may be revised by VFPA at that time and every three years thereafter. The ancillary rent will escalate annually by 5% per annum until 2027, thereafter based on the Consumer Price Index (CPI). Unlike the old lease, the Amended Lease does not provide for an annual participation rental fee based on the volume of coal shipped.

Additional information about this lease, including the effects of the modification, is presented below. No other material lease contracts were identified.

Right-of-use asset		
2024		
Balance at January 1	$	256,337
Adjustment for lease modification		163,715
Depreciation charge for the year		(8,937)
Balance at December 31		411,115
2025		
Balance at January 1		411,115
Depreciation charge for the period		(2,234)
Balance at March 31	$	408,881

(Tabular amounts expressed in thousands of Canadian dollars, except share amounts)

Lease obligation	
2024	
Balance at January 1	$ 277,890
Adjustment for lease modification	163,715
Interest accretion	20,077
Lease payments	(20,268)
Balance at December 31	441,414
2025	
Balance at January 1	441,414
Interest accretion	5,017
Lease payments	(5,152)
Balance at March 31	$ 441,279

Lease obligation	2025
Maturity analysis – contractual undiscounted cash flows	
Less than one year	$ 20,797
One to five years	90,919
More than five years	941,034
Total undiscounted lease liabilities at period end	$ 1,052,750

15. Commitments and Contingencies:

The Corporation has provided a letter of credit of $1,312,000 (December 31, 2024 - $1,312,000) related to pension funding.

The Corporation continues to enter into contracts with various vendors for the construction of the potash capital improvements. Pursuant to the agreement, BHP is required to fund the capital improvements up to the agreed budget, with Westshore being responsible for all amounts in excess of the agreed budget. As at March 31, 2025, the Corporation has commitments related to this project of $294,159,000 that have not been accrued for.

(Tabular amounts expressed in thousands of Canadian dollars, except share amounts)

16. Related party transactions:

	Three months ended March 31, 2025	Three months ended March 31, 2024
Administration agreement		
Westar Management Ltd.	$ 163	$ 158
Management agreement:		
Westar Management Ltd. - base fee	489	475
Insurance premiums:		
Affiliate of Westar Management Ltd.	462	563
Vehicle leases:		
Affiliate of Westar Management Ltd.	55	51
Director fees:		
Director fees	254	206

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