CHINOOK TYEE INDUSTRY LIMITED
(Formerly Global Railway Industries Ltd.)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

SEPTEMBER 30, 2013

(Unaudited – Prepared by Management)

NOTICE OF NO AUDITOR REVIEW OF
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements. The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

CHINOOK TYEE INDUSTRY LIMITED (Formerly Global Railway Industries Ltd.)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2013 AND DECEMBER 31, 2012
(Unaudited - Expressed in Canadian Dollars)

	Notes		September 30, 2013		December 31, 2012
ASSETS					
Current assets					
Cash		$	1,247,758	$	650,969
Short-term investments			1,523,472		3,527,048
Receivables	3		127,010		28,059
Prepaid expenses			101,344		13,500
Loans receivable	4		905,060		-
			3,904,644		4,219,576
Equity accounted investments	5		59,922		-
TOTAL ASSETS		$	3,964,566	$	4,219,576
LIABILITIES AND EQUITY					
Current liabilities					
Trade and other payables	6	$	96,753	$	72,026
Income taxes payable			-		254,985
			96,753		327,011
Loan payable	7		214,569		-
Equity					
Equity atributable to owners					
Share capital	8		26,071,953		26,387,766
Contributed surplus			2,744,438		2,744,438
Deficit			(25,369,612)		(25,239,639)
Reserves			6,255		-
			3,453,034		3,892,565
Non-controlling interest			200,210		-
TOTAL EQUITY			3,653,244		3,892,565
TOTAL LIABILITIES AND EQUITY		$	3,964,566	$	4,219,576

The accompanying notes are an integral part of these consolidated financial statements.

CHINOOK TYEE INDUSTRY LIMITED (Formerly Global Railway Industries Ltd.)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
NINE MONTHS ENDED SEPTEMBER 30, 2013 AND 2012
(Unaudited - Expressed in Canadian Dollars)

	Notes	Nine Months ended September 30, 2013	Nine Months ended September 30, 2012	Three Months ended September 30, 2013	Three Months ended September 30, 2012
Revenue					
Interest		$ 31,902	$ 64,386	$ 8,730	$ 13,263
Other		254,985	-	254,985	-
		286,887	64,386	263,715	13,263
EXPENSES					
Directors' fees		40,000	48,173	20,500	15,000
General and administrative costs	9	342,740	516,176	72,556	268,734
Interest		1,090	-	6	-
Regulatory fees and shareholder communication		34,396	30,474	12,769	(5,665)
		418,226	594,823	105,831	278,069
Income (loss) before income taxes		(131,339)	(530,437)	157,884	(264,806)
Income tax expense (recovery)		10	(16,939)	-	(16,939)
Income (loss) for the period		$ (131,349)	$ (513,498)	$ 157,884	$ (247,867)
Other comprehensive income (loss)					
Foreign currency translation differences on foreign operations		11,583	-	11,583	-
Comprehensive income (loss) for the period		$ (119,766)	$ (513,498)	$ 169,467	$ (247,867)
Income (loss) for the period attributable to :					
Owners		$ (129,973)	$ (513,498)	$ 158,691	$ (247,867)
Non-controlling interest		(1,376)	-	(807)	-
Income (loss) for the period		$ (131,349)	$ (513,498)	$ 157,884	$ (247,867)
Comprehensive income (loss) for the period attributable to :					
Owners		$ (123,718)	$ (513,498)	$ 164,946	$ (247,867)
Non-controlling interest		3,952	-	4,521	-
Comprehensive income (loss) for the period		$ (119,766)	$ (513,498)	$ 169,467	$ (247,867)
Weighted average number of common shares outstanding		12,116,909	15,264,065	12,116,909	15,264,065
Income (loss) per common share attributable to owners, basic and fully diluted		$ (0.01)	$ (0.03)	$ 0.01	$ (0.02)

The accompanying notes are an integral part of these consolidated financial statements.

CHINOOK TYEE INDUSTRY LIMITED (Formerly Global Railway Industries Ltd.)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
NINE MONTHS ENDED SEPTEMBER 30, 2013 AND 2012
(Unaudited - Expressed in Canadian Dollars)

	Equity attributable to owners							
	Number of Common Shares Issued	Share Capital	Contributed Surplus	Reserves - Foreign Currency Translation	Deficit	Total equity atrributable to owners	Non-controlling interest	Total equity
Balance, December 31, 2011	15,264,065	$ 26,387,766	$ 2,744,438	$ -	$ (18,427,557)	$ 10,704,647	$ -	$ 10,704,647
Loss for the period	-	-	-	-	(513,498)	(513,498)	-	(513,498)
Dividends paid	-	-	-	-	(6,105,626)	(6,105,626)	-	(6,105,626)
Balance, September 30, 2012	15,264,065	26,387,766	2,744,438	-	(25,046,681)	4,085,523	-	4,085,523
Loss for the period	-	-	-	-	(192,958)	(192,958)	-	(192,958)
Balance, December 31, 2012	15,264,065	26,387,766	2,744,438	-	(25,239,639)	3,892,565	-	3,892,565
Loss for the period	-	-	-	-	(129,973)	(129,973)	(1,376)	(131,349)
Share repurchase (note 8)	(1,373,100)	(315,813)	-	-	-	(315,813)	-	(315,813)
Share consolidation (note 8)	(10,418,224)	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	6,255	-	6,255	-	6,255
Purchase of subsidiary	-	-	-	-	-	-	201,586	201,586
Balance, September 30, 2013	3,472,741	$ 26,071,953	$ 2,744,438	$ 6,255	$ (25,369,612)	$ 3,453,034	$ 200,210	$ 3,653,244

The accompanying notes are an integral part of these consolidated financial statements.

CHINOOK TYEE INDUSTRY LIMITED (Formerly Global Railway Industries Ltd.)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
NINE MONTHS ENDED SEPTEMBER 30, 2013 AND 2012
(Unaudited - Expressed in Canadian Dollars)

	Nine Months ended September 30, 2013	Nine Months ended September 30, 2012	Three Months ended September 30, 2013	Three Months ended September 30, 2012
CASH PROVIDED BY (USED IN):				
OPERATING ACTIVITIES				
Income (loss) for the period	$ (131,349)	$ (513,498)	$ 157,884	$ (247,867)
Items not affecting cash:				
Income tax recovery	-	(16,939)	-	(16,939)
Non-controlling interest	200,210	-	200,210	-
Foreign exchange	7,631	-	7,631	-
Interest income	(31,902)	(64,386)	(8,730)	(13,263)
	44,590	(594,823)	356,995	(278,069)
Changes in non-cash working capital items				
Trade and other receivables	(98,951)	124,992	(77,959)	100,416
Escrow receivables	-	3,542,829	-	377,554
Prepaid expenses	(87,844)	(17,838)	11,658	17,837
Trade and other payables	24,727	(191,648)	50,047	(132,610)
Provisions	-	200,000	-	200,000
Taxes payable	(254,985)	(19,328)	(254,985)	(19,328)
	(372,463)	3,044,184	85,756	265,800
INVESTING ACTIVITIES				
Proceeds from sale of short-term deposits	4,315,113	1,782,906	1,815,113	-
Purchase of short-term deposits	(2,300,000)	(2,500,000)	(2,300,000)	-
Interest received	20,365	59,958	(10,622)	17,301
Purchase of long-term investments	(59,922)	-	(59,922)	-
Advances on loans receivable	(905,060)	-	(905,060)	-
	1,070,496	(657,136)	(1,460,491)	17,301
FINANCING ACTIVITIES				
Increase in loans payable	214,569	-	214,569	-
Dividends paid	-	(6,105,626)	-	-
Repurchase and cancellation of share capital	(315,813)	-	-	-
	(101,244)	(6,105,626)	214,569	-
Change in cash	596,789	(3,718,578)	(1,160,166)	283,101
Cash, beginning of the period	650,969	4,285,302	2,407,924	283,623
Cash, end of the period	$ 1,247,758	$ 566,724	$ 1,247,758	$ 566,724

The accompanying notes are an integral part of these consolidated financial statements.

1. NATURE OF OPERATIONS

Chinook Tyee Industry Limited (formerly Global Railway Industries Ltd), is domiciled in British Columbia, Canada with its Registered Office located at 1000, 925 West Georgia Street, Vancouver, BC V6C 3L2. The Company's common shares trade on the NEX, which is a separate board of the TSX Venture Exchange, under the trading symbol "XCX.H".

The Company is seeking to identify and evaluate potential businesses with a view to completing a change of business under the policies of the TSX Venture Exchange.

Following the sale of its last operating subsidiary during fiscal 2011, the Company ceased to carry on business in the railroad industry and initiated the voluntary winding-up of the Company, which was approved by shareholders at a special meeting held on August 30, 2011. The Company paid dividends to shareholders of $15,264,065 or $1.00 per common share on November 2, 2011 and $6,105,626 or $0.40 per common share on May 14, 2012.

On January 31, 2013, at a special meeting of the Company's shareholders, the shareholders passed special resolutions to revoke the Certificate of Intent to Dissolve issued to the Company by the Registrar of Corporations of Alberta and to continue the Company from the jurisdiction of Alberta to the jurisdiction of British Columbia. On April 16, 2013, the Company received a Certificate of Continuance to British Columbia from the jurisdiction of Alberta where it was originally incorporated on January 30, 1997.

2. BASIS OF PREPARATION

Statement of compliance

These consolidated interim financial statements are unaudited and have been prepared in accordance with International Accounting Standards ("IAS") 34, "Interim Financial Reporting". These consolidated interim financial statements do not include all of the information required for annual financial statements.

These consolidated interim financial statements have been prepared following the same accounting policies and methods of computation as the consolidated financial statements of the Company for the year ended December 31, 2012. The disclosures provided below are incremental to those included with the annual consolidated financial statements and certain disclosures, which are normally required to be included in the notes to the annual consolidated financial statements, have been condensed or omitted. These consolidated interim financial statements should be read in conjunction with the consolidated financial statements and notes thereto in the Company's annual consolidated financial statements for the year ended December 31, 2012.

These consolidated interim financial statements were approved by the Company's Board of Directors on November 28, 2013.

Basis of preparation

These consolidated financial statements have been prepared on a going concern basis, under the historical cost convention, except for financial instruments which are measured at fair value.

Basis of consolidation

The consolidated financial statements include the accounts of Chinook Tyee Industry Limited (formerly Global Railway Industries Ltd.) and its 54% owned subsidiary, Boreal Taiga Biofuels Limited ("BTBL") and BTBL's wholly-owned subsidiary, BT Biofuels Europe GmbH ("BTBE").

2. BASIS OF PREPARATION (cont'd…)

Basis of consolidation (cont'd…)

Control over a subsidiary exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of the entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Non-controlling interests represent equity interests in subsidiaries owned by outside parties. The share of net assets and changes in net assets of subsidiaries attributable to non-controlling interests are presented as a component of equity. Changes in the parent company's ownership interest in subsidiaries that do not result in a loss of control are accounted for as acquisition or disposal transactions.

All intercompany balances and any unrealized gains and losses or income and expenses arising from intercompany transactions are eliminated in preparing the consolidated financial statements.

Functional and presentation currency

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). These financial statements are presented in Canadian dollars, which is the Company's presentation currency.

The Company's functional and presentation currency is the Canadian dollar ($). The functional currency of 097 BC and BTBL is the Canadian dollar. The functional currency of BTBE and its jointly controlled entity, Asiamerica AG ("Asiamerica") is the Euro (EUR).

3. RECEIVABLES

	September 30, 2013	December 31, 2012
Canadian Federal and Provincial Sales Tax Receivable	$ 106,166	$ 28,059
Other receivables	20,844	-
	$ 127,010	$ 28,059

4. LOANS RECEIVABLE

	September 30, 2013	December 31, 2012
Secured loans to Xanthus Group (EUR 150,000)	$ 208,860	$ -
Mezzanine loans (EUR 500,000)	696,200	-
	$ 905,060	$ -

BTBE has a secured loan outstanding to Xanthus Group (note 5) for $208,860 (EUR 150,000), bearing interest at 8% per annum and a mezzanine loan outstanding to Asiamerica for $696,200 (EUR 500,000), bearing interest at 2% per annum (note 5).

(Unaudited - Expressed in Canadian Dollars)

5. EQUITY ACCOUNTED INVESTMENTS

Xanthus Group

Xanthus Holdings PLC and its wholly-owned subsidiaries including, Xanthus SPEC 1 Limited, are collectively referred to as "Xanthus Group".

During the quarter ended September 30, 2013, the Company purchased a controlling ownership in BTBL through the acquisition of equity and debt. BTBL has invested in the restructuring of Xanthus Group, which is listed on the Entry Standard of the Frankfurt Stock Exchange and on Xetra under the trading symbol "XNH".

Through its subsidiary holdings, BTBL holds a secured loan outstanding to Xanthus Group for $208,860 (EUR 150,000) and jointly owns and equally financed Asiamerica (note 4). Asiamerica purchased a 50% interest in DYVA Holdings AG, the holding company that owns the controlling interest in the Xanthus Group. There has been no material equity gain or loss from acquisition to date.

The non-controlling shareholder in BTBL holds an equal shareholding in Asiamerica and participated equally in the mezzanine loan financing of the jointly-controlled investee company.

Mezzanine loans are provided as part of the initial capitalization of a company, versus equity, and are long-term in duration.

6. TRADE AND OTHER PAYABLES

	September 30, 2013	December 31, 2012
Trade and other payables	$ 11,856	$ 3,869
Non-trade payables and accrued expenses	84,897	68,157
	$ 96,753	$ 72,026

7. LOAN PAYABLE

	September 30, 2013	December 31, 2012
BTBL mezzanine loan from BTBL's non-controlling shareholder, unsecured and bearing no interest, 154,100 Euro	$ 214,569	$ -

(Unaudited - Expressed in Canadian Dollars)

8. SHARE CAPITAL

	Number of Shares		Amount
Authorized			
Unlimited number of voting common shares, no par value			
Unlimited number of preferred shares, issuable in one or more series, desigmations, rights, privileges restrictions and conditions determined by Board of Directors			
Issued			
Preferred shares, balance September 30, 2013 and December 31, 2012	-	$	-
Issued			
Common shares			
Balance December 31, 2012 and January 1, 2012	15,264,065	$	26,387,766
Repurchase and cancellation of shares	(1,373,100)		(315,813)
Share consolidation	(10,418,224)		-
Balance, September 30, 2013	3,472,741	$	26,071,953

During the nine months ended September 30, 2013, 1,373,100 common shares were repurchased for $315,813 and cancelled.

On August 8, 2013, at an annual general and special meeting of the Company's shareholders, the shareholders passed a resolution to consolidate all of the Company's issued Class A Voting Common Shares on the basis of four (4) pre-consolidation Common Shares being consolidated into one (1) Common Share.

Share Options

There were no share options outstanding as at September 30, 2013 and December 31, 2012.

9. GENERAL AND ADMINISTRATIVE COSTS

		Nine Months ended September 30, 2013		Nine Months ended September 30, 2012
Office and supplies	$	40,568	$	11,953
Professional fees		213,935		250,711
Rent and insurance		46,069		53,512
Salaries and benefits		42,168		-
Cost of goods sold		-		200,000
	$	342,740	$	516,176

10. RELATED PARTY TRANSACTIONS

During the nine months ended September 30, 2013, the Company entered into the following related party transactions:

(a) Paid or accrued fees of $40,000 (2012 - $48,173) to non-executive directors of the Company.

(b) Paid $60,750 (2012 - $135,000) for management services provided by a company owned by the Company's former acting President and former Chief Executive Officer. The management service contract was cancelled during the year.

(c) Paid or accrued fees of $23,535 (2012 – $Nil) to the Chief Financial Officer of the Company.

(d) Purchased a controlling interest in BTBL through the acquisition of equity and debt for $529,000 from North Group Finance Limited, which owns 39% of the Company (note 5).

11. CAPITAL MANAGEMENT

The Company’s capital is comprised of shareholders’ equity less liabilities. Cash and short-term deposits are managed for liquidity and operational needs in conjunction with budgeted or expected capital needs. The Company’s objective when managing capital is to maintain its ability to retain sufficient liquidity to make investments as opportunities arise and to continue to meet ongoing expenditure and operational needs.

The Company manages the capital structure and makes adjustments to its capital management strategies when economic conditions or risk characteristics of its capital change. To maintain or adjust the capital structure, the Company may consider the issuance of shares, acquire assets or adjust the amount of cash or short-term deposits held.

Currently, the Company’s strategy is to monitor economic conditions and capital markets and to allocate operating capital for investment opportunities arising from market conditions.

The Company expects its current and available capital resources will be sufficient to meet operational needs through its 2013 operating period.

12. FINANCIAL INSTRUMENTS

Fair value

The Company's financial instruments consist of cash, short-term investments, receivables and trade and other payables. As at September 30, 2013 and December 31, 2012, the fair value of these financial instruments approximates their carrying value due to the relatively short periods to maturity of the instruments.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The Company’s credit risk associated with cash and short-term investments is minimized by ensuring these financial assets are invested with highly rated financial institutions.

The Company also has credit risk attributable to its receivables. The amounts disclosed in the Statement of Financial Position are net of allowances for impairment, estimated based on prior experience.

12. FINANCIAL INSTRUMENTS (cont'd…)

Currency risk

The Company holds cash in Canadian, EUR and US currencies and makes investments in foreign companies, equities and financial instruments. Accordingly, there is risk of losses from volatility in foreign currency fluctuations.

The Company's controlling interest in BTBL is subject to foreign currency risk, which may adversely affect the Company's financial position, results of operations and cash flows. The following table summarizes the geographical distribution of the Company's financial instruments in Canadian dollars at September 30, 2013:

	Euro	CDN Dollar	Total
Cash and accounts receivable	1%	99%	100%
Loan receivable	100%	0%	100%
Loan payable	0%	100%	100%

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows from a financial instrument will fluctuate because of changes in market interest rates. The Company's variable rate financial assets are comprised of short-term investments. The Company's loans receivable have fixed interest rates and are not affected by changes in interest rates and the Company's loan payable bears no interest and is not affected by changes in interest rates.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet financial obligations as they fall due. The Company manages liquidity risk through management of its capital structure as outlined in Note 11.

13. SUBSEQUENT EVENT

Subsequent to quarter end, the Company entered into a workout loan agreement with DYVA, whereby the Company will make available to DYVA a revolving credit facility in the amount of EUR 700,000. Any funds drawn will bear interest at 8.5% per annum. The workout loan is secured by a controlling 55% shareholding in the Xanthus Group (note 5).