

**TANO T'ENNEH  
LIMITED PARTNERSHIP**

**FINANCIAL STATEMENTS**

**YEAR ENDED MARCH 31, 2017**

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**NOTICE TO READER**

On the basis of information provided by management, we have compiled the balance sheet of Tano T'enneh Limited Partnership as at March 31, 2017, and the statements of income and partners' capital for the year then ended.

We have not performed an audit or a review engagement in respect of these financial statements and, accordingly, we express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

Prince George, British Columbia  
September 13, 2017

BRENT BURSEY & COMPANY INC.  
Chartered Professional Accountants

**TANO T'ENNEH LIMITED PARTNERSHIP**  
**BALANCE SHEET**  
**MARCH 31, 2017**  
**(Unaudited - See Notice to Reader)**

	2017	2016
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 401,475	\$ 4,043,069
Accounts receivable	533,983	859,764
Temporary investments	<u>5,000,000</u>	<u>-</u>
	5,935,458	4,902,833
<b>DUE FROM RELATED PARTIES (Note 2)</b>	<b>2,454,060</b>	<b>2,459,560</b>
<b>INVESTMENTS (Note 3)</b>	<b>767,919</b>	<b>768,417</b>
<b>PROPERTY, PLANT AND EQUIPMENT (Note 4)</b>	<u><b>971,183</b></u>	<u><b>41,546</b></u>
	<u><b>\$ 10,128,620</b></u>	<u><b>\$ 8,172,356</b></u>
<b><u>LIABILITIES</u></b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 4,500	\$ 4,500
GST payable	<u>23,638</u>	<u>58,037</u>
	28,138	62,537
<b>SILVICULTURE LIABILITIES (Note 5)</b>	<u><b>41,943</b></u>	<u><b>310,318</b></u>
	<u><b>70,081</b></u>	<u><b>372,855</b></u>
<b><u>PARTNERS' EQUITY</u></b>		
<b>PARTNERSHIP UNITS</b>	<b>2,229,143</b>	<b>2,229,143</b>
<b>PARTNERS' CAPITAL</b>	<u><b>7,829,396</b></u>	<u><b>5,570,358</b></u>
	<u><b>10,058,539</b></u>	<u><b>7,799,501</b></u>
	<u><b>\$ 10,128,620</b></u>	<u><b>\$ 8,172,356</b></u>

**TANO T'ENNEH LIMITED PARTNERSHIP**  
**STATEMENT OF INCOME**  
**YEAR ENDED MARCH 31, 2017**  
**(Unaudited - See Notice to Reader)**

	2017	2016
<b>REVENUE</b>		
Contract	\$ 1,450,741	\$ 1,188,990
Management fees	<u>458,983</u>	<u>477,500</u>
	<u>1,909,724</u>	<u>1,666,490</u>
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>		
Administration	2,860	-
Amortization	11,863	-
Bank charges and interest	1,994	78
Consulting fees	144,319	34,433
Licences, fees and dues	2,813	-
Professional fees	81,790	93,639
Property taxes	9,134	-
Repairs and maintenance	17,918	-
Utilities	<u>14,706</u>	<u>-</u>
	<u>287,397</u>	<u>128,150</u>
<b>INCOME BEFORE OTHER INCOME (CHARGE)</b>	<u>1,622,327</u>	<u>1,538,340</u>
<b>OTHER INCOME (CHARGE)</b>		
Adjustment to equity in investee company	-	(232,952)
(Loss) income from investments	(498)	9,156
Interest	8,802	7,423
Rent	31,075	-
Silviculture	<u>214,527</u>	<u>-</u>
	<u>253,906</u>	<u>(216,373)</u>
<b>NET INCOME</b>	<u>\$ 1,876,233</u>	<u>\$ 1,321,967</u>

**TANO T'ENNEH LIMITED PARTNERSHIP**  
**STATEMENT OF PARTNERS' CAPITAL**  
**YEAR ENDED MARCH 31, 2017**  
**(Unaudited - See Notice to Reader)**

	Lheidli T'enneh Band	Tano T'enneh General Partner Corporation	2017 Total	2016 Total
<b>PARTNERS' CAPITAL, BEGINNING OF YEAR</b>	\$ 5,569,828	\$ 530	\$ 5,570,358	\$ 4,082,943
<b>CONTRIBUTIONS</b>	382,805	-	382,805	165,448
<b>NET INCOME</b>	<u>1,876,045</u>	<u>188</u>	<u>1,876,233</u>	<u>1,321,967</u>
<b>PARTNERS' CAPITAL END OF YEAR</b>	<u>\$ 7,828,678</u>	<u>\$ 718</u>	<u>\$ 7,829,396</u>	<u>\$ 5,570,358</u>



**TANO T'ENNEH LIMITED PARTNERSHIP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED MARCH 31, 2017**  
**(Unaudited - See Notice to Reader)**

**1. DESCRIPTION OF ENTITY AND NATURE OF ACTIVITIES**

Tano T'enneh Limited Partnership was formed under the laws of the Province of British Columbia to engage in forest management services in Northern British Columbia. The partnership has one limited partner, Lheidli T'enneh Band, earning an income allocation of 99.99% and is managed by the general partner, Tano T'enneh General Partner Corporation, earning an income allocation of 0.01%. The general partner's shares are held by Lheidli T'enneh Band, as represented by Chief and Council, on behalf of and for the benefit of the membership.

**2. DUE FROM RELATED PARTIES**

	2017	2016
Chunzoolh Forest Products Ltd.	\$ 1,832,079	\$ 1,832,079
Lheit Lit'en Development Corporation	621,981	621,981
Tano T'enneh General Partner Corporation	-	5,500
	<u>\$ 2,454,060</u>	<u>\$ 2,459,560</u>

Amounts due from related parties are unsecured, non-interest bearing with no specific terms of repayment.

The shares of Chunzoolh Forest Products Ltd. are held by Lheit Lit'en Development Corporation, whose shares are held by Lheidli T'enneh Band.

**3. INVESTMENTS**

	2017	2016
LTN Contracting Ltd. (50%)		
Shares	\$ 120	\$ 120
Advances to	631,582	631,582
Equity	<u>150,643</u>	<u>150,643</u>
	<u>782,345</u>	<u>782,345</u>
Shas Resources Limited Partnership (12.5%)		
Partnership units	13	13
Withdrawal	-	(16,227)
(Deficiency) equity	<u>(14,439)</u>	<u>2,286</u>
	<u>(14,426)</u>	<u>(13,928)</u>
	<u>\$ 767,919</u>	<u>\$ 768,417</u>

**TANO T'ENNEH LIMITED PARTNERSHIP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED MARCH 31, 2017**  
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**3. INVESTMENTS, continued**

Investment in LTN Contracting Ltd. is accounted for using the modified equity method. Advances are unsecured, non-interest bearing with no specific terms of repayment.

Financial information for LTN Contracting Ltd. as at April 30, 2017.

<u>Assets</u>	<u>Liabilities</u>	<u>Revenue</u>	<u>Net Income</u>
\$ 3,813,669	\$ 3,512,144	\$ 14,761,566	\$ -

Investment in Shas Resources Limited Partnership is accounted for using the modified equity method. Advances are unsecured, non-interest bearing with no specific terms of repayment.

Financial information for Shas Resources Limited Partnership as at March 31, 2017.

<u>Assets</u>	<u>Liabilities</u>	<u>Revenue</u>	<u>Net Loss</u>
\$ 238,899	\$ 354,420	\$ 432,194	\$ 3,982

**4. PROPERTY, PLANT AND EQUIPMENT**

			2017	2016
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Building	\$ 593,145	\$ 11,863	\$ 581,282	\$ -
Land	389,901	-	389,901	41,546
	<u>\$ 983,046</u>	<u>\$ 11,863</u>	<u>\$ 971,183</u>	<u>\$ 41,546</u>

**5. SILVICULTURE LIABILITIES**

The accrued silviculture liabilities are recorded at the estimated costs to meet silviculture commitments on forest licences held in trust for Chunzoolh Forest Products Ltd. by the partnership.