

**TANO T'ENNEH  
LIMITED PARTNERSHIP  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2019  
(Unaudited - See Notice to Reader)**

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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, 2019, 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.

October 2, 2019  
Prince George, British Columbia

*Brent Barsey & Company Inc.*  
Chartered Professional Accountants

**TANO T'ENNEH LIMITED PARTNERSHIP**  
**BALANCE SHEET**  
**AS AT MARCH 31, 2019**  
**(Unaudited - See Notice to Reader)**

	2019	2018
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 166,832	\$ 292,841
Accounts receivable	2,057,213	1,486,085
Temporary investments	<u>7,023,283</u>	<u>5,001,928</u>
	9,247,328	6,780,854
<b>DUE FROM RELATED PARTIES (Note 2)</b>	<b>2,455,898</b>	<b>2,455,898</b>
<b>INVESTMENTS (Note 3)</b>	<b>766,657</b>	<b>764,337</b>
<b>PROPERTY, PLANT AND EQUIPMENT (Note 4)</b>	<b><u>4,359,489</u></b>	<b><u>2,206,349</u></b>
	<b><u>\$ 16,829,372</u></b>	<b><u>\$ 12,207,438</u></b>
<b><u>LIABILITIES</u></b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 66,785	\$ 231,404
Goods and services tax payable	<u>57,698</u>	<u>-</u>
	124,483	231,404
<b>ACCRUED SILVICULTURE LIABILITIES</b>	<u>-</u>	<u>3,784</u>
	<b><u>124,483</u></b>	<b><u>235,188</u></b>
<b><u>PARTNERS' CAPITAL</u></b>		
<b>PARTNERSHIP UNITS</b>	<b>2,229,143</b>	<b>2,229,143</b>
<b>PARTNERS' CAPITAL</b>	<b><u>14,475,746</u></b>	<b><u>9,743,107</u></b>
	<b><u>16,704,889</u></b>	<b><u>11,972,250</u></b>
	<b><u>\$ 16,829,372</u></b>	<b><u>\$ 12,207,438</u></b>

**TANO T'ENNEH LIMITED PARTNERSHIP**  
**STATEMENT OF INCOME**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
**(Unaudited - See Notice to Reader)**

	2019	2018
<b>REVENUE</b>		
Contract	\$ 3,901,362	\$ 1,827,558
Management fees	<u>943,593</u>	<u>1,021,365</u>
	<u>4,844,955</u>	<u>2,848,923</u>
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>		
Administration	-	19,654
Bank charges and interest	830	106
Consulting fees	64,450	25,948
Directors fees	102,000	-
Professional fees	<u>128,438</u>	<u>78,756</u>
	<u>295,718</u>	<u>124,464</u>
<b>INCOME BEFORE OTHER (CHARGES) INCOME</b>	<u>4,549,237</u>	<u>2,724,459</u>
<b>OTHER (CHARGES) INCOME</b>		
Loss from Uda Dune Baiyoh - Schedule	(168,052)	(86,828)
Loss from limited partnership	(2,831)	(3,582)
Interest	134,682	77,183
Rent	-	4,000
Silviculture	<u>3,783</u>	<u>(2,631)</u>
	<u>(32,418)</u>	<u>(11,858)</u>
<b>NET INCOME</b>	<u>\$ 4,516,819</u>	<u>\$ 2,712,601</u>

**TANO T'ENNEH LIMITED PARTNERSHIP**  
**STATEMENT OF PARTNERS' CAPITAL**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
**(Unaudited - See Notice to Reader)**

	Lheidli T'enneh Band	Tano T'enneh General Partner Corporation	2019 Total	2018 Total
<b>PARTNERS' CAPITAL, BEGINNING OF YEAR</b>	\$ 9,742,118	\$ 989	\$ 9,743,107	\$ 7,829,396
<b>CONTRIBUTIONS</b>	215,971	-	215,971	-
<b>WITHDRAWALS</b>	-	(151)	(151)	(798,890)
<b>NET INCOME</b>	<u>4,516,367</u>	<u>452</u>	<u>4,516,819</u>	<u>2,712,601</u>
<b>PARTNERS' CAPITAL END OF YEAR</b>	<u>\$ 14,474,456</u>	<u>\$ 1,290</u>	<u>\$ 14,475,746</u>	<u>\$ 9,743,107</u>

**TANO T'ENNEH LIMITED PARTNERSHIP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
**(Unaudited - See Notice to Reader)**

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

Tano T'enneh Limited Partnership was formed under the Partnership Act 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**

	2019	2018
Chunzoolh Forest Products Ltd.	\$ 1,833,917	\$ 1,833,917
Lheit Lit'en Development Corporation	<u>621,981</u>	<u>621,981</u>
	<u>\$ 2,455,898</u>	<u>\$ 2,455,898</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, as represented by Chief and Council, on behalf of and for the benefit of the membership.

**3. INVESTMENTS**

	2019	2018
LTN Contracting Ltd. (50%)		
Shares	\$ 120	\$ 120
Advances to Equity	631,582	631,582
	<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
Deficiency	<u>(20,852)</u>	<u>(18,021)</u>
	<u>(20,839)</u>	<u>(18,008)</u>
Balance forward	<u>\$ 761,506</u>	<u>\$ 764,337</u>

**TANO T'ENNEH LIMITED PARTNERSHIP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
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**3. INVESTMENTS, continued**

	2019	2018
Balance forward	<u>\$ 761,506</u>	<u>\$ 764,337</u>
LTN Environmental Consulting General Partner Corporation (51%)		
Shares	51	-
Equity	<u>-</u>	<u>-</u>
	<u>51</u>	<u>-</u>
LTN Environmental Consulting Limited Partnership (51%)		
Partnership units	5,100	-
Equity	<u>-</u>	<u>-</u>
	<u>5,100</u>	<u>-</u>
	<u>\$ 766,657</u>	<u>\$ 764,337</u>

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, 2019:

<u>Assets</u>	<u>Liabilities</u>	<u>Revenue</u>	<u>Net Income</u>
<u>\$ 4,108,810</u>	<u>\$ 3,807,285</u>	<u>\$ 14,649,250</u>	<u>\$ -</u>

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, 2019:

<u>Assets</u>	<u>Liabilities</u>	<u>Revenue</u>	<u>Net Loss</u>
<u>\$ 180,668</u>	<u>\$ 347,390</u>	<u>\$ -</u>	<u>\$ (24,865)</u>

**TANO T'ENNEH LIMITED PARTNERSHIP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**4. PROPERTY, PLANT AND EQUIPMENT**

			2019	2018
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Building	\$ 3,416,081	\$ 146,714	\$ 3,269,367	\$ 1,378,523
Furniture and fixtures	<u>309,740</u>	<u>33,719</u>	<u>276,021</u>	<u>13,725</u>
	3,725,821	180,433	3,545,388	1,392,248
Land	<u>814,101</u>	-	<u>814,101</u>	<u>814,101</u>
	<u>\$ 4,539,922</u>	<u>\$ 180,433</u>	<u>\$ 4,359,489</u>	<u>\$ 2,206,349</u>



**TANO T'ENNEH LIMITED PARTNERSHIP**  
**UDA DUNE BAIYOH (HOUSE OF ANCESTORS)**  
**SCHEDULE OF REVENUE, EXPENSES AND LOSS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
**(Unaudited - See Notice to Reader)**

**SCHEDULE**

	2019	2018
<b>REVENUE</b>		
Revenue	\$ 305,799	\$ -
Donations	<u>20,480</u>	<u>-</u>
	<u>326,279</u>	<u>-</u>
<b>DIRECT COSTS</b>		
Equipment rental	7,373	-
Materials and supplies	80,936	-
Repairs and maintenance	10,604	-
Wages and benefits	<u>158,147</u>	<u>-</u>
	<u>257,060</u>	<u>-</u>
<b>GROSS MARGIN</b>	<u>69,219</u>	<u>-</u>
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>		
Advertising	1,322	-
Amortization	127,049	41,521
Consulting fees	12,304	-
Insurance, licenses and fees	13,624	1,425
Office	13,978	1,459
Property taxes	37,515	26,093
Telephone and utilities	<u>31,479</u>	<u>16,330</u>
	<u>237,271</u>	<u>86,828</u>
<b>LOSS</b>	<u>\$ (168,052)</u>	<u>\$ (86,828)</u>