



Non-Consolidated Financial Statements

Tano T'enneh Limited Partnership

March 31, 2025

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Independent Auditor's Report

To the Partners of
Tano T'enneh Limited Partnership

Opinion

We have audited the non-consolidated financial statements of Tano T'enneh Limited Partnership (the "Partnership"), which comprise the non-consolidated balance sheet as at March 31, 2025, and the non-consolidated statements of income, partners' capital and cash flows for the year then ended, and notes to the non-consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the non-consolidated financial position of the Partnership as at March 31, 2025, and the non-consolidated results of its operations and its non-consolidated cash flows for the year then ended in accordance with the partners agreement dated August 21, 2025 (the "Agreement"), which stipulates that the non-consolidated financial statements are prepared in accordance with Canadian accounting standards for private enterprises.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the non-consolidated financial statements section of our report. We are independent of the Partnership in accordance with the ethical requirements that are relevant to our audit of the non-consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

We draw attention to the fact that the supplementary information included in Schedules 1 to 4 do not form part of the financial statements. We have not audited or reviewed this supplementary information and, accordingly, we do not express an opinion, a review conclusion or any other form of assurance on this supplementary information.

Emphasis of matter - Restated comparative information

We draw attention to Note 2 which explains that certain comparative information for the year ended March 31, 2024 has been restated. The non-consolidated financial statements of Tano T'enneh Limited Partnership for the year ended March 31, 2024 (prior to the restatement of comparative information described in Note 2 of the financial statements) were audited by another firm who expressed an unqualified opinion of those financial statements on November 12, 2024. Our opinion is not modified in respect of this matter.

Independent Auditor's Report (continued)

Emphasis of matter - basis of accounting and restriction of use

We draw attention to Note 3 to the financial statements which describes the basis of accounting. The non-consolidated financial statements are prepared to assist the Partnership in meeting the financial reporting requirements as determined by the Agreement. Our report is intended solely for the Partnership and its Partners and should not be used by parties other than the Partnership and its Partners. Our opinion is not modified in respect of this matter.

Responsibilities of management and those charged with governance for the non-consolidated financial statements

Management is responsible for the preparation and fair presentation of the non-consolidated financial statements in accordance with the partners agreement dated August 21, 2025 (the "Agreement"), which stipulates that the non-consolidated financial statements are prepared in accordance with Canadian accounting standards for private enterprises, and for such internal control as management determines is necessary to enable the preparation of non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, management is responsible for assessing the Partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Partnership or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Partnership's financial reporting process.

Auditor's responsibilities for the audit of the non-consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the non-consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these non-consolidated financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the non-consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Partnership's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Independent Auditor's Report (continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Partnership's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the non-consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Partnership to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the non-consolidated financial statements, including the disclosures, and whether the non-consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Prince George, Canada
August 22, 2025

Doane Grant Thornton LLP

Chartered Professional Accountants

Tano T'enneh Limited Partnership

Non-Consolidated Statement of Income

Year ended March 31	2025	2024
Revenue		
Forestry	\$ 7,895,841	\$ 7,078,361
Equity earnings in LTN Contracting Ltd.	2,519,423	1,201,094
Contract	1,204,568	-
Hall and internet cafe	951,036	840,270
Interest	732,953	599,019
Equity earnings in Lhai Ventures Limited Partnership	(184,615)	641,660
Province of BC	-	270,000
Equity earnings in Shas Resources Limited Partnership	-	1,785
	<u>13,119,206</u>	<u>10,632,189</u>
Cost of sales		
Wages and benefits	537,775	647,079
Materials and supplies	218,667	228,046
Equipment rental	18,402	14,226
	<u>774,844</u>	<u>889,351</u>
Gross profit	<u>12,344,362</u>	<u>9,742,838</u>
General and administrative expenses		
Advertising	32,601	13,646
Amortization	311,952	225,161
Automotive	4,017	1,735
Bank charges	9,838	5,468
Computer expense	14,859	-
Consulting fees	366,668	176,753
Donations	549,409	-
Honoraria	151,832	91,500
Insurance, licenses and dues	31,326	44,105
Office	17,828	16,051
Professional fees	496,837	55,693
Property taxes	89,551	137,279
Repairs and maintenance	115,928	41,223
Supplies	21,720	-
Telephone and utilities	79,325	66,198
Travel	10,124	1,322
Wages and benefits	823,974	174,149
	<u>3,127,789</u>	<u>1,050,283</u>
Income before other item	9,216,573	8,692,555
Other item		
Impairment loss	-	(3,885)
Net income	<u>\$ 9,216,573</u>	<u>\$ 8,688,670</u>

Tano T'enneh Limited Partnership

Non-Consolidated Statement of Partners' Capital

Year ended March 31

	Lheidli T'enneh Band	Tano T'enneh General Partner Corporation	Total 2025	Total 2024 Restated
Balance, beginning of year				
As previously stated	\$ 33,845,646	\$ (26,249)	\$ 33,819,397	\$ 25,326,132
Prior period restatement (Note 2)	<u>1,491,860</u>	<u>184</u>	<u>1,492,044</u>	<u>1,492,044</u>
As restated	35,337,506	(26,065)	35,311,441	26,818,176
Share of net income	9,215,651	922	9,216,573	8,688,670
Drawings	<u>(363,274)</u>	<u>(9,650)</u>	<u>(372,924)</u>	<u>(195,405)</u>
Balance, end of year	<u>44,189,883</u>	<u>(34,793)</u>	<u>44,155,090</u>	<u>35,311,441</u>
Partnership units included in Partners' capital	<u>\$ 2,229,142</u>	<u>\$ 1</u>	<u>\$ 2,229,143</u>	<u>\$ -</u>

Tano T'enneh Limited Partnership Non-Consolidated Balance Sheet

March 31

2025

2024
Restated**Assets**

Current


Cash	\$ 4,702,206	\$ 993,629
Short term investment (Note 4)	13,300,000	12,773,521
Accounts receivable	2,770,475	2,035,789
Deposits	3,648	3,648
Current portion of due from related parties (Note 7)	<u>148,958</u>	<u>144,129</u>
	20,925,287	15,950,716
Investments in subsidiaries and joint arrangements (Note 5)	9,108,338	6,588,915
Investments under significant influence (Note 6)	766,780	951,395
Due from related parties (Note 7)	6,923,903	5,896,661
Property, plant and equipment (Note 8)	6,804,837	6,654,439
Forest licenses (Note 9)	<u>1,668,200</u>	<u>-</u>
	\$ 46,197,345	\$ 36,042,126

Liabilities

Current

Accounts payable and accrued liabilities	\$ 169,484	\$ 642,852
Government remittances payable	120,377	82,659
Current portion of long-term debt (Note 10)	<u>175,600</u>	<u>-</u>
	465,461	725,511
Due to related parties (Note 7)	5,174	5,174
Long-term debt (Note 10)	<u>1,571,620</u>	<u>-</u>
	2,042,255	730,685
Partners' capital		
Partners' capital	<u>44,155,090</u>	<u>35,311,441</u>
	\$ 46,197,345	\$ 36,042,126

On behalf of the Partners

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Tano T'enneh Limited Partnership

Non-Consolidated Statement of Cash Flows

Year ended March 31

2025

2024

Increase (decrease) in cash

Operating

Net income	\$ 9,216,573	\$ 8,688,670
Items not affecting cash		
Amortization	311,952	225,161
Equity earnings in LTN Contracting Ltd	(2,519,423)	(1,199,086)
Equity earnings in Lhai Ventures LP	184,615	(641,660)
Equity earnings in Shas Resources LP	-	(1,785)
Impairment of related party receivables	-	3,885
Bank charges funded via note payable	(8,780)	-
	<u>7,184,937</u>	<u>7,075,185</u>
Change in non-cash working capital items		
Short term investment	(526,479)	(4,754,288)
Accounts receivable	(734,686)	(474,472)
Accounts payable and accrued liabilities	(473,376)	(2,265,641)
Government remittances	37,718	18,583
	<u>5,488,114</u>	<u>(400,633)</u>

Financing

Partners' drawings	(372,924)	(195,405)
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Investing

Purchase of investments in subsidiaries and joint arrangements	(1,176,200)	-
Advances to related parties	144,139	782,452
Purchase of property, plant and equipment	(374,552)	(163,528)
	<u>(1,406,613)</u>	<u>618,924</u>

Increase in cash 3,708,577 22,886

Cash, beginning of year

 Beginning of year 993,629 970,743

 End of year \$ 4,702,206 \$ 993,629

Supplemental cash flow information

During the year the partnership acquired a forest license in the amount of \$1,756,000, of which \$1,747,220 was financed by way of note payable. The net amount of \$8,780 are transaction costs that are reflected as a non cash item.

Tano T'enneh Limited Partnership

Notes to the Non-Consolidated Financial Statements

March 31, 2025

1. Nature of operations

Tano T'enneh Limited Partnership is a limited partnership between Lheidli T'enneh Band and Tano T'enneh General Partner Corporation, providing support activities for Lheidli T'enneh Band's forestry and resource territory for the benefit of the Band and its members.

2. Restatement of prior year figures

During the year the Partnership identified that its investment in LTN Contracting Ltd. should have been remeasured at its fair value at the time that it acquired all issued shares of LTN Contracting Ltd. in fiscal year 2022. This remeasurement results in an increase to the investment in LTN Contracting Ltd. and to the Partnership's accumulated surplus in the amount of \$1,492,044.

As a result of this adjustment, the following changes have been made to the following March 31, 2024 financial statement items:

	<u>Previously reported</u>	<u>Adjustment</u>	<u>As restated</u>
Non-Consolidated Balance Sheet			
As at March 31, 2025			
Investments	\$ 6,048,266	\$ 1,492,044	\$ 7,540,310
Partner' surplus	\$ 31,590,254	\$ 1,492,044	\$ 33,082,298

3. Basis of accounting and significant accounting policies

These non-consolidated financial statements have been prepared to assist the Partnership in meeting the financial reporting requirements of the Partners as stipulated in the Agreement dated August 21, 2025. In accordance with the Agreement the financial statements are prepared in accordance with the Canadian accounting standards for private enterprises. As such, the basis of accounting used differs from International Financial Reporting Standards, the financial reporting framework applicable to the general purpose financial statements of the Partnership.

Limited partnership agreement

Lheidli T'enneh First Nation ('the Limited Partner') holds 99.99% of the Partnership units, and is allocated their respective share of net income or loss of the Partnership based on these holdings.

Tano T'enneh General Partner Corporation, (the 'General Partner'), acts as the General Partner and holds 0.01% of the Partnership units and is allocated their respective share of net income or loss of the Partnership based on these holdings.

These financial statements pertain to the partnership carried on under the name of Tano T'enneh Limited Partnership and accordingly do not include all the assets, liabilities, revenue and expenses of the individual partners.

Tano T'enneh Limited Partnership

Notes to the Non-Consolidated Financial Statements

March 31, 2025

3. Basis of accounting and significant accounting policies (continued)

Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for private enterprises requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty. The effect of changes in such estimates on the financial statements in future periods could be significant. Accounts specifically affected by estimates in these financial statements are accounts receivable, property, plant and equipment, forest licenses and accounts payable and accrued liabilities.

Financial instruments

The Partnership considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. The Partnership accounts for the following as financial instruments:

- Cash
- Accounts receivable
- Deposits
- Due from/to related parties
- Accounts payable and accrued liabilities
- Long-term debt

Financial instruments in arm's length transactions

Initial measurement

The Partnership initially measures financial assets and financial liabilities originating, acquired, issued or assumed in arm's length transactions at fair value.

Subsequent measurement

The Partnership subsequently measures these financial assets and financial liabilities at amortized cost.

Impairment

Financial assets measured at cost or amortized cost are tested for impairment when indicators of impairment exist at the end of the reporting period. Previously recognized impairment losses are reversed to the extent of the improvement provided the financial asset is not carried at an amount, at the date of the reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in net income.

Tano T'enneh Limited Partnership

Notes to the Non-Consolidated Financial Statements

March 31, 2025

3. Basis of accounting and significant accounting policies (continued)

Financial instruments (continued)

Financial instruments in related party transactions

Initial measurement

Financial assets and financial liabilities in related party transactions are initially measured the exchange amount, being the amount agreed upon by parties involved.

Gains or losses arising on initial measurement differences are generally recognized in net income when the transaction is in the normal course of operations, and in equity when the transaction is not in the normal course of operations, subject to certain exceptions.

Subsequent measurement

Financial assets and financial liabilities recognized in related party transactions are subsequently measured based on how the Partnership initially measured the instrument.

Property, plant and equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated amortization and impairment losses.

Property, plant and equipment are amortized on the basis of their useful life using the following methods and rates:

Buildings	4% Declining balance
Office equipment	20% Declining balance
Computer equipment	5% Declining balance

Forest licenses

Forest licenses, which are renewable or replaceable, are recorded at historical cost, less accumulated amortization and impairment losses. Forest licenses are amortized on a straight-line basis over their expected useful life of 20 years. The amortization method and estimated useful lives are reviewed annually.

Tano T'enneh Limited Partnership

Notes to the Non-Consolidated Financial Statements

March 31, 2025

3. Basis of accounting and significant accounting policies (continued)

Investments

The Partnership accounts for its investments in subsidiaries and entities subject to joint control using the equity method.

The Partnership accounts for investments in entities to which it exerts significant influence using the equity method.

The equity method is a basis of accounting for investments whereby the investment is initially recorded at cost and the carrying value, adjusted thereafter to include the investor's pro-rata share of post-acquisition earnings of the investee, as well as changes in accounting policies, corrections of prior period errors and capital transactions. Profit distributions received or receivable from an investee reduce the carrying value of the investment.

A Partnership's share in losses in excess of the carrying amount of the investment are recorded if the Partnership has guaranteed the obligations of the investee; or, the Partnership is otherwise committed to provide further financial support to the investee; or, the investee seems assured of imminently returning to profitability.

Revenue recognition

Contract revenue relating to forestry and economic development is recognized when pervasive evidence of an arrangement exists, amounts are determinable and collection is reasonably assured.

Revenue from the Community Hall Internet Cafe and Uda Dune Baiyoh (House of Ancestors) is recognized when goods are delivered and services are rendered and reasonable assurance exists regarding the consideration to be received and ultimate collection.

Interest income is recognized on an accrual basis when it is earned.

Pension expense and obligation

The Partnership offers a defined contribution pension plan to employees. An expense is recorded in the period when the Partnership is obligated to make contributions for services rendered by the employee. Any unpaid contributions are included in accounts payable and accrued liabilities on the balance sheet.

Impairment of long-lived assets

The Partnership tests long-lived assets for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value, which is estimated as the expected future cash flows discounted at a rate commensurate with the risks associated with the recovery of the asset.

Tano T'enneh Limited Partnership

Notes to the Non-Consolidated Financial Statements

March 31, 2025

4. Short term investment	2025	2024
Variable rate GIC held with CIBC, at cost, with an interest rate of prime less 2.20% per annum, maturing March 2025	\$ -	\$ 12,773,521
GIC held with CIBC, at cost, with an interest rate of 4.70% per annum, maturing on July 18, 2025	1,500,000	-
GIC held with CIBC, at cost, with an interest rate of 4.70% per annum, maturing on July 18, 2025	2,000,000	-
GIC held with CIBC, at cost, with an interest rate of 4.70% per annum, maturing on July 18, 2025	1,000,000	-
GIC held with CIBC, at cost, with an interest rate of 4.20% per annum, maturing on August 5, 2025	1,500,000	-
GIC held with CIBC, at cost, with an interest rate of 4.20% per annum, maturing on August 5, 2025	1,000,000	-
GIC held with CIBC, at cost, with an interest rate of 4.20% per annum, maturing on August 22, 2025	1,500,000	-
GIC held with CIBC, at cost, with an interest rate of 3.90% per annum, maturing on September 19, 2025	2,000,000	-
GIC held with CIBC, at cost, with an interest rate of 3.75% per annum, maturing on October 24, 2025	1,800,000	-
GIC held with CIBC, at cost, with an interest rate of 3.75% per annum, maturing on November 13, 2025	1,000,000	-
	<u>\$ 13,300,000</u>	<u>\$ 12,773,521</u>

5. Investments in subsidiaries and joint arrangements	2025	2024 Restated
Investment in LTN Contracting Ltd. (100%)		
Shares, at cost	\$ 3,993,209	\$ 3,993,209
Share of equity in retained earnings since date of acquisition	5,093,255	2,573,832
	<u>9,086,464</u>	<u>6,567,041</u>
Investment in LTN Environmental Consulting LP (51%)		
Share of equity in retained earnings since date of acquisition	21,874	21,874
	<u>21,874</u>	<u>21,874</u>
	<u>\$ 9,108,338</u>	<u>\$ 6,588,915</u>

Tano T'enneh Limited Partnership

Notes to the Non-Consolidated Financial Statements

March 31, 2025

6. Investments under significant influence	2025	2024
Investment in Shas Resources Limited Partnership (12.5%)		
Share of equity in retained earnings since date of acquisition	\$ 25,849	\$ 25,849
Impairment allowance to reflect carrying amount	<u>(25,849)</u>	<u>(25,849)</u>
	-	-
Investment in Lhai Ventures Limited Partnership (22.5%)		
Share of equity in retained earnings since date of acquisition	<u>766,780</u>	<u>951,395</u>
	<u>\$ 766,780</u>	<u>\$ 951,395</u>

7. Due from/to related parties	2025	2024
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(a) The Partnership has the following related parties:

- Lheit Lit'en Development Corp, 100% ownership
- Tano Fuel Ltd., 12.5% ownership
- LTN Contracting Ltd., related by virtue of common ownership
- Lhai Ventures LP, 22.5% ownership
- Tano Fuel Ltd., 51% ownership
- Bundada Limited Partnership, 51% ownership
- Nilhts'i Limited Partnership, related by virtue of common ownership
- Bundada Limited Partnership, related by virtue of common ownership

(b) Transactions

During the year, the partnership entered into the following transactions with related parties. These transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.

Revenue		
Lhai Ventures LP - Contract revenue	\$ 3,484	\$ 466
Lheidli T'enneh Band - Hall and internet cafe	417,062	232,364
LTN Contracting Ltd - Hall and internet cafe	3,049	2,957
LTN Environmental Consulting LP- Contract revenue	28,873	-
Expenses		
LTN Contracting Ltd - consulting fees	\$ 21,347	\$ 30,542
Lheidli T'enneh band - donation	549,409	-
Tano Fuel Ltd. - automotive	<u>5,354</u>	<u>813</u>
	<u>\$ 576,110</u>	<u>\$ 31,355</u>

Tano T'enneh Limited Partnership

Notes to the Non-Consolidated Financial Statements

March 31, 2025

7. Due from/to related parties (continued)

(c) Due from related parties			
Lheit Lit'en Development Corp	\$	2,182,336	\$ 2,182,336
LTN Contracting Ltd.		3,708,550	3,852,679
Tano Fuel Ltd.		5,775	5,775
Bundada Limited Partnership		200	-
Nilhts'i Limited Partnership		<u>1,176,000</u>	<u>-</u>
		7,072,861	6,040,790
Less current portion		<u>148,958</u>	<u>144,129</u>
		\$ 6,923,903	\$ 5,896,661

The balances due from related parties are unsecured, non-interest bearing with no specific terms of repayment, with the exception of the amount due from LTN Contracting Ltd.

Of the amount due from LTN Contracting Ltd. \$2,229,514 is repayable at \$18,358 per month, including interest at 3.3% per annum. The remaining balance is non-interest bearing with no specific terms of repayments.

(d) Due to related parties			
Tano Fuel Ltd.	\$	23	\$ 23
Lhai Ventures LP		<u>5,151</u>	<u>5,151</u>
		\$ 5,174	\$ 5,174

8. Property, plant and equipment

	2025		2024	
Cost	Accumulated Amortization	Net Book Value	Net Book Value	
Land	\$ 2,138,751	\$ -	\$ 2,138,751	\$ 1,910,196
Buildings	5,765,979	1,285,681	4,480,298	4,590,857
Office equipment	504,568	337,584	166,984	151,678
Computer equipment	<u>22,725</u>	<u>3,921</u>	<u>18,804</u>	<u>1,708</u>
	\$ 8,432,023	\$ 1,627,186	\$ 6,804,837	\$ 6,654,439

9. Forest licenses

	2025		2024	
Cost	Accumulated Amortization	Net Book Value	Net Book Value	
Non-renewable license	\$ 1,560,000	\$ 1,560,000	\$ -	\$ -
Community forest license	<u>1,966,000</u>	<u>297,800</u>	<u>1,668,200</u>	<u>-</u>
	\$ 3,526,000	\$ 1,857,800	\$ 1,668,200	\$ -

Tano T'enneh Limited Partnership

Notes to the Non-Consolidated Financial Statements

March 31, 2025

9. Forest licenses (continued)

10. Long-term debt	<u>2025</u>	<u>2024</u>
Loan, bearing no interest, repayable in quarterly instalments of \$43,900. Each instalment shall be set off against the Quarterly Volume Fee (as defined in the Management Agreement Dated January 1, 2024, between the Partnership and Carrier Lumber Ltd.) that would otherwise be payable to the Partnership pursuant to the Management Agreement. The loan is secured by a letter of credit naming the lender as sole beneficiary and matures on April 10, 2034.	\$ 1,747,220	\$ -
Less current portion	<u>175,600</u>	<u>-</u>
Due beyond one year	<u>\$ 1,571,620</u>	<u>\$ -</u>

The loan was entered into on March 17, 2025, concurrent with the purchase by the Partnership from the Lender of Forest License A99544 at a cost of \$1,747,220. Effective January 1, 2024, a Tenure Management Agreement was entered into between the Partnership and the Lender, whereby the Lender was granted the exclusive right to manage and harvest the allowable annual cut under the tenure in consideration for payment of certain set fees including the Quarterly Volume Fee and performance of certain obligations. The term of the Tenure Management Agreement extends to December 31, 2034.

Estimated principal repayments are as follows:

2026	\$ 175,600
2027	175,600
2028	175,600
2029	175,600
2030	175,600
Subsequent years	<u>869,220</u>
	<u>\$ 1,747,220</u>

11. Economic dependence

Tano T'enneh Limited Partnership generates the majority of its forestry revenues from an agreement with Canadian Forest Products Ltd., the agreement is in effect until 2034. If the agreement is not renewed after this date operations of the Partnership will be reduced.

12. Financial instruments

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

Tano T'enneh Limited Partnership

Notes to the Non-Consolidated Financial Statements

March 31, 2025

12. Financial instruments (continued)

(a) Credit risk

The Partnership does have a credit risk in accounts receivable of \$2,770,475 (2024 - \$2,035,789). Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Partnership's main credit risks relate to its accounts receivable. The entity provides credit to its customers in the normal course of its operations.

Concentration of credit risk

The Partnership is exposed to concentration risk as one customer comprises 73% of the Partnership's accounts receivable at year-end. The Partnership mitigates this risk by regularly monitoring aging accounts receivable and making inquiries for accounts receivable more than 91 days old.

(b) Liquidity risk

The Partnership does have a liquidity risk in accounts payable and accrued liabilities, and government remittances payable of \$289,861 (2024 - \$725,511) Liquidity risk is the risk that the Partnership will encounter difficulty in meeting the obligations associated with its financial liabilities. The Partnership is exposed to this risk mainly in respect of its accounts payable and accrued liabilities and long-term debt.

Tano T'enneh Limited Partnership

Schedules to the Non-Consolidated Financial Statements

(Unaudited)

Year ended March 31

Schedule 1 - Uda Dune Baiyoh (House of Ancestors)

	2025	2024
Sales	<u>\$ 752,758</u>	<u>\$ 913,807</u>
Cost of sales		
Wages and benefits	398,547	472,764
Materials and supplies	183,679	181,576
Equipment rental	<u>10,450</u>	<u>7,007</u>
	<u>592,676</u>	<u>661,347</u>
Gross profit	<u>160,082</u>	<u>252,460</u>
Expenses		
Advertising	10,246	5,792
Amortization	136,802	133,585
Bank charges	13	2,765
Insurance, licenses and fees	14,683	1,423
Office	1,991	2,564
Repairs and maintenance	105,156	31,335
Telephone and utilities	<u>31,597</u>	<u>27,983</u>
	<u>300,488</u>	<u>205,447</u>
Net (loss) income	<u>\$ (140,406)</u>	<u>\$ 47,013</u>

Tano T'enneh Limited Partnership

Schedules to the Non-Consolidated Financial Statements

(Unaudited)

Year ended March 31

Schedule 2 - Community Hall Internet Cafe

	2025	2024
Sales	<u>\$ 198,278</u>	<u>\$ 196,463</u>
Cost of sales		
Wages and benefits	139,228	174,314
Materials and supplies	34,988	46,471
Equipment rental	<u>7,952</u>	<u>7,219</u>
	<u>182,168</u>	<u>228,004</u>
Gross profit (loss)	<u>16,110</u>	<u>(31,541)</u>
Expenses		
Advertising	2,989	4,910
Bank charges	681	1,014
Insurance, licenses and fees	125	1,840
Office	495	6,944
Repairs and maintenance	3,341	9,110
Telephone and utilities	<u>13,505</u>	<u>21,506</u>
	<u>21,136</u>	<u>45,324</u>
Net loss	<u>\$ (5,026)</u>	<u>\$ (76,865)</u>

Tano T'enneh Limited Partnership
Schedules to the Non-Consolidated Financial Statements
(Unaudited)
Year ended March 31

Schedule 3 - Investments in other entities

	2025	2024
Revenue		
Shas Resources LP	\$ -	\$ 1,785
LTN Contracting Ltd.	2,519,423	1,201,094
Lhai Ventures LP	(184,615)	641,660
	<u>\$ 2,334,808</u>	<u>\$ 1,844,539</u>

Tano T'enneh Limited Partnership

Schedules to the Non-Consolidated Financial Statements

(Unaudited)

Year ended March 31

Schedule 4 - Economic Development

	2025	2024
Revenue	<u>\$ 1,204,567</u>	<u>\$ -</u>
Expenses		
Advertising	76	-
Consulting fees	137,304	-
Honoraria	81,632	-
Insurance, licenses and fees	379	-
Office	794	-
Professional fees	393,643	-
Repairs and maintenance	3,592	-
Supplies	961	-
Telephone and utilities	1,889	-
Travel	5,521	-
Wages and benefits	<u>553,774</u>	<u>-</u>
	<u>1,179,565</u>	<u>-</u>
Net income	<u>\$ 25,002</u>	<u>\$ -</u>
