Doane Grant Thornton

Financial Statements

Sk'atsin Resources Limited Liability Partnership

March 31, 2024

(In Canadian Dollars)

Contents

(In Canadian Dollars)

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EXHIBIT G

Doane Grant Thornton LLP
Suite 200
206 Seymour Street
Kamloops, BC
V2C 6P5

T+1 250 374 5577
F+1 250 374 5573
www.doanegrantthornton.ca

Independent Auditor's Report

To the Partners of
Sk'atsin Resources Limited Liability Partnership

Qualified opinion

We have audited the financial statements of Sk'atsin Resources Limited Liability Partnership (the "Partnership"), which comprise the statement of financial position as at March 31, 2024, and the statements of partners' capital, income and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for qualified opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Partnership as at March 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS accounting standards.

Basis for qualified opinion

The Partnership's financial statements include investment in partnerships as at March 31, 2024 of which $88,766 relates to the Partnership's investment in Sk'atsin-Infracon Site Services Limited Partnership and $Nil relates to Sk'atsin Silvatech LLP, partnerships accounted for by the equity method. Additionally, included in net income for the year ended March 31, 2024 is income of $88,194 from Sk'atsin-Infracon Site Services LP and a loss of $40,600 from Sk'atsin Silvatech LLP. We were unable to obtain sufficient appropriate audit evidence for the completeness or occurrence of these balances as management was unable to provide appropriate supporting documentation. Consequently, we were not able to determine whether any adjustments might be necessary to income from Sk'atsin-Infracon Site Services Limited Partnership or Sk'atsin Silvatech LLP, net income and cash flows for the year ended March 31, 2024, net assets as at April 1, 2023 and March 31, 2024 and investment in partnerships as at March 31, 2024.

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 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 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 qualified opinion.

Other matter

We draw attention to the fact the supplementary information included in Schedules 1 and 2 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, review conclusion or any other form of assurance on this supplementary information.

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Independent Auditor's Report (continued)

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 financial statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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.

- 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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Independent Auditor's Report (continued)

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Partnership to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Doane Grant Thornton LLP

Kamloops, Canada
November 28, 2024

Chartered Professional Accountants

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Sk'atsin Resources Limited Liability Partnership
Statement of Financial Position

(In Canadian Dollars)

March 31	2024	2023
Assets		
Current		
Cash	**$ 4,251,263**	$ 6,278,101
Accounts receivable (Note G5)	**3,016,003**	612,308
Holdbacks receivable (Note G6)	**80,170**	-
Prepaid expenses	**138,574**	61,524
Total current assets	**7,486,010**	6,951,933
Investments in limited liability partnerships (Note G8)	**88,766**	572
Due from related company (Note G7)	**159,309**	159,309
Property and equipment (Note G9)	**1,527,840**	354,441
Right-of-use assets (Note G10)	**570,093**	-
Total assets	**$ 9,832,018**	$ 7,466,255
Liabilities		
Current		
Accounts payable	**$ 279,183**	$ 147,489
Salaries payable	**204,346**	132,450
Goods and services tax payable	**121,342**	51,533
Current portion of long-term debt (Note G11)	**218,876**	23,785
Current portion of lease liabilities (Note G10)	**231,819**	-
Current portion of silviculture obligation (Note G12)	**47,355**	81,000
Total current liabilities	**1,102,921**	436,257
Long-term debt (Note G11)	**799,500**	32,192
Silviculture obligation (Note G12)	**139,989**	142,901
Lease liabilities (Note G10)	**312,080**	-
	2,354,490	611,350
Partners' capital		
Partners' capital	**7,477,528**	6,854,905
Total liabilities and parnters' capital	**$ 9,832,018**	$ 7,466,255

On behalf of the Partners

_____ Partner

_____ Partner

See accompanying notes to the financial statements.

Sk'atsin Resources Limited Liability Partnership
Statement of Partners' Capital

(In Canadian Dollars)

Year ended March 31 **2024**

	Balance, beginning of year	**Share of net income**	**Withdawals**	**Balance, end of year**
Neskonlith Indian Band	$ 6,769,591	$ 618,393	$ -	**$ 7,387,984**
Sk'atsin Resources Ltd.	85,314	6,246	(2,016)	**89,544**
	$ 6,854,905	**$ 624,639**	**$ (2,016)**	**$ 7,477,528**

Year ended March 31 2023

	Balance, beginning of year	Share of net income	Withdawals	Balance, end of year
Neskonlith Indian Band	$ 5,554,846	$ 1,214,745	$ -	$ 6,769,591
Sk'atsin Resources Ltd.	75,501	12,270	(2,457)	85,314
	$ 5,630,347	$ 1,227,015	$ (2,457)	$ 6,854,905

See accompanying notes to the financial statements.

Sk'atsin Resources Limited Liability Partnership
Statement of Income

(In Canadian Dollars)

Year ended March 31	2024	2023
Revenue		
Consulting and contracts	**$ 2,721,052**	$ 2,658,318
Logging	**-**	651,614
Firefighting services	**1,313,377**	32,925
Government grants	**750,000**	271,581
	4,784,429	3,614,438
Expenses		
Advertising and promotion	**14,659**	5,660
Amortization	**331,736**	33,106
Business taxes, licenses and memberships	**246**	47,218
Donations	**86,750**	1,000
Equipment rental	**376,765**	296,964
Freight	**12,481**	-
Fuel	**196,162**	77,043
Hauling	**57,332**	23,754
Honoraria	**11,159**	5,783
Insurance	**33,660**	6,530
Interest and bank charges	**7,383**	2,269
Interest on lease liabilities	**16,681**	-
Interest on long-term debt	**28,371**	2,777
Meals and entertainment	**8,481**	-
Meetings	**4,863**	7,400
Office	**20,288**	19,449
Professional fees	**116,322**	41,589
Rent	**21,840**	30,185
Repairs and maintenance	**99,310**	7,871
Salaries and related benefits	**2,516,156**	1,055,082
Subcontract	**90,259**	656,706
Supplies	**144,722**	20,999
Telephone	**2,220**	3,344
Training	**44,161**	13,725
Travel	**19,298**	55,863
Utilities	**1,444**	1,612
Vehicle	**117,227**	10,371
	4,379,976	2,426,300
Income before other income (item)	**404,453**	1,188,138
Other income (item)		
Share of profit (loss) from equity accounted investments (Note G8)	**47,594**	(33,000)
Interest income	**172,592**	71,877
	220,186	38,877
Net income	**$ 624,639**	$ 1,227,015

See accompanying notes to the financial statements.

Sk'atsin Resources Limited Liability Partnership
Statement of Cash Flows

(In Canadian Dollars)

Year ended March 31	2024	2023
Increase (decrease) in cash		
Operating		
Net income	**$ 624,639**	$ 1,227,015
Items not affecting cash		
Amortization	**331,736**	33,106
Share of profit (loss) from equity accounted investments	**(47,594)**	33,000
	908,781	1,293,121
Change in non-cash working capital items		
Accounts receivable	**(2,403,695)**	(285,627)
Holdbacks receivable	**(80,170)**	-
Prepaid expenses	**(77,050)**	(58,139)
Accounts payable	**131,693**	99,201
Salaries payable	**71,896**	80,455
Goods and services tax	**69,809**	59,699
Silviculture obligation	**(36,557)**	(12,088)
	(1,415,293)	1,176,622
Financing		
Repayment of long-term debt	**(90,989)**	(22,945)
Proceeds of long-term debt	**1,053,388**	-
Repayment of lease liabilities	**(153,521)**	-
Partners' drawings	**(2,016)**	(2,457)
	806,862	(25,402)
Investing		
Contributions to limited liability partnerships	**(40,600)**	(33,000)
Purchase of property and equipment	**(1,377,807)**	(117,030)
	(1,418,407)	(150,030)
(Decrease) increase in cash	**(2,026,838)**	1,001,190
Cash		
Beginning of year	**6,278,101**	5,276,911
End of year	**$ 4,251,263**	$ 6,278,101
Supplemental cash flow information		
Interest paid	**$ 58,736**	$ 5,046
Interest received	**$ 172,592**	$ 71,877

See accompanying notes to the financial statements.

G1. Reporting entity

Sk'atsin Resources Limited Liability Partnership (the "Partnership") is domiciled in Chase, BC, Canada and has a registered office at 740 Chief Neskonlith Drive, Chase, BC. The Partnership is engaged in logging, fuel management, firefighting and various other contracting operations. The Partnership is controlled by Neskonlith Indian Band (99%). These financial statements contain all of the assets, liabilities, and partners' equity for the Partnership. Net income of the Partnership is allocated to the respective Partners annually.

G2. Statement of compliance

The financial statements of the Partnership have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). They have been prepared under the assumption the Partnership operates on a going concern basis.

The financial statements for the year ended March 31, 2024 (including comparatives) were approved and authorized for issue by the management committee on November 28, 2024.

G3. Future changes to accounting standards

A number of new standards, and amendments to standards and interpretations, are not yet effective for the periods ended March 31, 2024 and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements.

G4. Material accounting policies

Basis of preparation

The financial statements have been prepared on an accrual basis under the historical cost convention except for equity instruments that are initially measured at cost and subsequently increased or decreased to recognize the investor's share of the investee's equity and silviculture obligations are measured at the present value of expected future cash flows. Monetary amounts are expressed in Canadian dollars (CAD), the Partnership's functional and presentation currency.

G4. Material accounting policies (continued)

Significant management judgement in applying accounting policies and estimation uncertainty

Information about estimates and assumptions that may have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Impairment of non-financial assets
In assessing impairment, management estimates the recoverable amount of each asset or cash generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate. For the year ending March 31, 2024, the Partnership has not recognised an impairment loss.

Useful lives and residual values of depreciable assets
Management reviews its estimate of the useful lives and residual values of depreciable assets at each reporting date, based on the expected utility of the assets.

Silviculture obligation
Management’s estimate of the silviculture obligation is based on a number of critical underlying assumptions such as standard rates of inflation, discount rate and anticipation of future expenses. Variation in these assumptions may significantly impact the obligation amount.

Revenue recognition - contract services
The Partnership provides various services as required by counterparties. These services are performed in completion of the work that is specified in the arrangements and constitute a single performance obligation.

Investments in limited liability partnerships

The Partnership recognizes its investments in limited liability partnerships (partnership interest) 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. 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.

G4. Material accounting policies (continued)

Property and equipment

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

The following rates applied on a declining balance basis will apply the cost over the estimated useful lives of property and equipment:

Buildings	4%
Equipment	20%
Automotive	30%
Furniture and fixtures	20%
Computer equipment	55%

The Partnership regularly reviews its property and equipment to eliminate obsolete items. Government grants are treated as a reduction to property and equipment cost.

Property and equipment acquired during the year but not available for use are not amortized until they are available for use.

Leases

The Partnership assesses whether a contract is, or contains a lease, at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for considerations.

The Partnership recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee. Except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Partnership recognizes the lease payments as an operating expense on a straight-line bases over the term of the lease, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

At the inception of the lease, the right-of-use assets are initially measured at cost, which is the lease obligation plus any other initial direct costs. The right-of-use assets are amortized on a straight-line basis over the term of the lease, adjusted for impairment losses, if any.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Partnership uses its incremental borrowing rate.

The Partnership remeasures the lease liability and makes a corresponding adjustment to the related right-of-use asset whenever there is a modification to the lease contract, change of lease term or change in the lease payment or interest rate.

The Partnership has elected to apply a practical expedient to apply a single discount rate to portfolios of leases, where leases have similar terms and relate to similar classes of underlying assets in a similar economic environment.

G4. Material accounting policies (continued)

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 carrying value.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Revenue

Revenue arises mainly from consulting, contracts, firefighting, grants and the sale of logs.

To determine whether to recognize revenue the Partnership follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognizing revenue when/as performance obligation(s) are satisfied

Revenue is recognized either at a point in time or over time, when the Partnership satisfies performance obligations by transferring the promised goods or services to its customers.

Consulting, contract and firefighting services

Performance obligations arising from contracts with customers require the Partnership to provide labour hours and other direct expenses as requested. Each individual contract requires the Partnership to perform various jobs as the need arises and as requested by the customer.

Revenue is recognized as the performance obligation is satisfied over time for each job when the contract ensures the Partnership is entitled to payment for its performance to date throughout the expected period of the respective job completion.

Revenue for contracts is recognized on a time-and-materials basis as services are provided and/or materials are delivered (output method) and costs are expensed as incurred. Amounts remaining unbilled at the end of the reporting period are presented in the statement of financial position as accounts receivable if only the passage of time is required before payment of these amounts will be due or as contract assets if payment is conditional on future performance.

G4. Material accounting policies (continued)

Revenue (continued)

Logging revenue

Logging contract administration is recognized on a monthly basis as the logs harvested under the contracts cross the scale at the mill, at which point performance obligations have been satisfied.

Interest revenue

Interest revenue is recognized on a monthly basis, according to the existing agreements.

Government grants

Government grants for acquiring fixed assets and related to future expenses are recorded as deferred government assistance and is amortized on the same basis and according to the same rates as the related fixed assets or to income as eligible expenditures are incurred. Government grants for acquiring fixed assets and current expenses is recorded as income.

Silviculture obligation

Forestry legislation in British Columbia requires the Partnership to incur the cost of silviculture for its forest licenses once harvesting is complete. Accordingly, the Partnership records the fair value of the costs of silviculture in the period in which the timber is cut. The actual costs that will be incurred at the time of treatment may vary based on, among other things, the current cost at the time the activities are carried out.

Provisions are measured at the expected value of future cash flows, discounted to their present value and determined according to the probability of alternative estimates of cash flows occurring. The measurement under IAS 37, Provisions, Contingent Liabilities and Contingent Assets, is based on best estimates and can be based on internal or external costs, depending upon which is most likely. Significant judgments and estimates are involved in forming expectations of future activities and the amount and timing of the associated cash flows. Those expectations are formed based on existing regulatory requirements and the expertise of Registered Professional Foresters employed by the Partnership. Examples of considerations include the specifics of the areas logged and the treatment prescribed for those areas, as well as the timing and success rates of the planned silviculture activities.

Cash flows reflect the risks specific to the decommissioning provision. As such, the discount rate reflects the current risk-free rate given that risks are incorporated into the future cash flow estimates. Adjustments are made to decommissioning provisions each period for changes in the estimated timing or amount of cash flows, changes in the discount rate and the unwinding of the discount.

In periods subsequent to the initial measurement, revisions to fair value calculations are recognized as silviculture costs in the Statement of Income as they occur.

G4. Material accounting policies (continued)

Financial instruments

Financial instruments comprise cash, accounts receivable, holdbacks receivable,due from related company, accounts payable and accrued liabilities, salaries payable, long-term debt and lease liabilities.

Financial instruments are classified and measured as follows:

- cash - amortized cost
- accounts receivable - amortized cost
- holdbacks receivable - amortized cost
- due from related company - amortized cost
- accounts payable and accrued liabilities - amortized cost
- salaries payable - amortized cost
- long-term debt - amortized cost
- lease liabilities - amortized cost

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Partnership becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognized when it is extinguished, discharged, cancelled, or expired.

G4. Material accounting policies (continued)

Financial instruments (continued)

Classification and measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets are classified into one of the following categories:
- amortized cost
- fair value through profit or loss (FVTPL), or
- fair value through other comprehensive income (FVOCI).

In the periods presented, the Partnership does not have any financial assets categorised as FVTPL or FVOCI.

The classification is determined by both:
- the Partnership's business model for managing the financial asset, and
- the contractual cash flow characteristics of the financial asset.

All revenue and expenses relating to the financial assets that are recognized in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Subsequent measurement of financial assets

Financial assets are measured at amortized cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows, and

- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortized cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

G4. Material accounting policies (continued)

Financial instruments (continued)

Impairment of financial assets

IFRS 9's impairment requirements use forward-looking information to recognize expected credit losses – the 'expected credit loss (ECL) model'. Instruments within the scope of the requirements include loans and other debt-type financial assets measured at amortized cost and FVOCI, trade receivables, contract assets recognized and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The Partnership considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and

- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognized for the first category (i.e. Stage 1) while 'lifetime expected credit losses' are recognized for the second category (i.e Stage 2).

Credit losses are measured as the present value of cash shortfalls from all possible default events, discounted at the effective interest rate of the financial asset. Loss allowances for financial assets at amortized cost are deducted from the gross carrying amount of the assets.

Trade and other receivables

The Partnership makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Partnership uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Partnership assesses impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due. Refer to Note G13 for a detailed analysis of how the impairment requirements of IFRS 9 are applied.

Where consistent with the provisioning horizon, the possible impact of climate risks on the determination of expected credit losses has been integrated.

G4. Material accounting policies (continued)

Financial instruments (continued)

Classification and measurement of financial liabilities

The Partnership's financial liabilities include accounts payable and accrued liabilities, salaries payable, long-term debt and lease liabilities.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Partnership designated a financial liability at FVTPL.

Subsequently, financial liabilities are measured at amortized cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognized in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

G5. Accounts receivable

	2024	2023
Current	**$ 2,207,619**	$ 250,593
Past due 1 - 30 days	**329,559**	250,556
Past due 31 - 60 days	**472,670**	1,914
Past due 61 - 90 days	**-**	86,480
Past due > 91 days	**6,155**	22,765
	$ 3,016,003	$ 612,308

G6. Holdbacks receivable

Holdbacks receivable represents the balance of amounts withheld by customers that is equivalent to 10% of contract revenues recognized during the period and which are expected to be collected within 45 days. All projects are expected to be completed within one year. The Partnership has assessed all holdbacks as collectible.

G7. Due from related company

	2024	2023
1202453 B.C. Ltd., commonly controlled company, noninterest bearing, unsecured, no stated terms of repayment	**$ 159,309**	$ 159,309

G8. Investments in limited liability partnerships

	2024	2023
Sk'atsin-Infracon Site Services Limited Partnership (allocated 51% of income):		
Balance, beginning of year	**$ 572**	$ 572
Contributions during the year	**-**	-
Net income for the year	**88,194**	-
Balance, end of year	**$ 88,766**	$ 572
Sk'atsin Silvatech LLP (allocated 51% of income):		
Balance, beginning of year	**-**	-
Contributions during the year	**40,600**	33,000
Net loss for the year	**(40,600)**	(33,000)
Balance, end of year	**-**	-
Investments in limited liability partnerships	**$ 88,766**	$ 572

The Partnership holds a 51% participating interest and 50% voting interest in two jointly controlled entities: Sk'atsin-Infracon Site Services Limited Partnership and Sk'atsin Silvatech LLP. The remaining 49% interest and 50% voting share is held, in each arrangement, by single unrelated partners. Significant business decisions are made collectively.

Sk'atsin-Infracon Site Services Limited Partnership is a partnership domiciled in Canada. The Partnership is formed through a Limited Partnership Agreement between Sk'atsin Resources Limited Liability Partnership and 1144406 B.C. Ltd. Sk'atsin-Infracon's services include civil construction services including, but not limited to, crushing services to mining projects within the Neskonlith Traditional Territory.

Sk'atsin-Infracon was registered as a B.C. Limited Partnership on April 22, 2016, however, operations did not commence until July 2018. Its registered office is 740 Chief Neskonlith Drive, Chase, BC.

Financial information of Sk'atsin-Infracon Site Services Limited Partnership is as follows:

Cash	**$ 59,310**	$ 2,581
Other current assets	**220,132**	-
Current liabilities	**(105,371)**	(1,608)
Equity	**$ 174,071**	$ 973
Revenue	**$ 1,466,167**	$ -
Expenses	**(1,289,776)**	-
Net income	**$ 176,391**	$ -

G8. Investments in limited liability partnerships (continued)

Sk'atsin Silvatech LLP is a partnership domiciled in Canada. The Partnership is formed through a Limited Liability Partnership Agreement between Sk'atsin Resources Limited Liability Partnership and Silvatech Consulting Ltd. Sk'atsin Resources Limited Liability Partnership has a 50% voting interest in the Partnership. Silvatech's services include forestry and environmental related services to projects within the Neskonlith Traditional Territory.

Sk'atsin Silvatech LLP was registered as a B.C. Limited Liability Partnership on March 13, 2019 and commenced operations in April 2019. Its registered office is 740 Chief Neskonlith Drive, Chase, BC.

During the year ended March 31, 2024, the partners of Sk'atsin Silvatech LLP, have wound down operations of the partnership and dissolved the partnership.

Financial information of Sk'atsin Silvatech LLP is as follows:

Current assets	**$ -**	$ 85,109
Equipment	**-**	49,026
Current liabilities	**-**	(333,042)
Long term debt	**-**	-
Equity	**$ -**	$ (198,907)
Revenue	**$ 31,729**	$ 102,453
Expenses	**(131,571)**	(147,587)
Net income	**$ (99,842)**	$ (45,134)

G9. Equipment

	Building	Equipment	Automotive	Furniture and fixtures	Computer equipment	Total
Cost						
Balance March 31, 2023	$ 291,327	$ 151,615	$ 161,991	$ 3,168	$ 28,708	$ 636,809
Additions	-	256,126	1,121,680	-	-	1,377,806
Balance March 31, 2024	**291,327**	**407,741**	**1,283,671**	**3,168**	**28,708**	**2,014,615**
Accumulated amortization						
Balance March 31, 2023	$ 84,601	$ 31,100	$ 136,816	$ 2,690	$ 27,161	282,368
Amortization	8,269	47,536	147,656	95	851	204,407
Balance at March 31, 2024	**92,870**	**78,636**	**284,472**	**2,785**	**28,012**	**486,775**
Carrying amount at March 31, 2024	**$ 198,457**	**$ 329,105**	**$ 999,199**	**$ 383**	**$ 696**	**$ 1,527,840**

	Building	Equipment	Automotive	Furniture and fixtures	Computer equipment	Total
Cost						
Balance March 31, 2022	$ 291,327	$ 34,586	$ 161,991	$ 3,168	$ 28,708	$ 519,780
Additions	-	117,029	-	-	-	117,029
Balance March 31, 2023	**291,327**	**151,615**	**161,991**	**3,168**	**28,708**	**636,809**
Accumulated amortization						
Balance March 31, 2022	$ 75,987	$ 19,405	$ 126,033	$ 2,570	$ 25,270	249,265
Amortization	8,614	11,695	10,783	120	1,891	33,103
Balance March 31, 2023	**84,601**	**31,100**	**136,816**	**2,690**	**27,161**	**282,368**
Carrying amount at March 31, 2023	**$ 206,726**	**$ 120,515**	**$ 25,175**	**$ 478**	**$ 1,547**	**$ 354,441**

G10. Leases

Right-of-use assets

	Equipment	Automotive	Total
Cost			
Balance March 31, 2023	$ -	$ -	$ -
Additions	414,804	282,619	697,423
Disposals	-	-	-
Balance at March 31, 2024	**414,804**	**282,619**	**697,423**
Accumulated amortization			
Balance March 31, 2023	$ -	$ -	-
Amortization	88,077	39,253	127,330
Reversed on disposal	-	-	-
Balance at March 31, 2024	**88,077**	**39,253**	**127,330**
Carrying amount March 31, 2024	**$ 326,727**	**$ 243,366**	$ **570,093**

Lease liabilities
Lease liabilities are presented on the Statement of Financial Position as follows:

	2024
Current	$ 231,819
Non-current	312,080
	$ 543,899

The table below describes the nature of the Partnership's leasing activities by type of right-of-use asset recognized consolidated statement of financial position as at March 31, 2024.

Right of use assets leased	No of right-of-use assets leased	Range of remaining term	Average remaining lease term
Equipment	8	2-5 years	3 years

The lease liabilities are secured by the related underlying assets. Future lease payments at March 31, 2024 were as follows:

	Within 1 year	1-2 years	2-5 years	Total
March 31, 2024				
Lease payments	$ 254,236	$ 187,705	$ 143,473	$ 585,414
Finance Charges	22,417	10,820	8,279	41,516
Net present values	**$ 231,819**	**$ 176,885**	**$ 135,194**	**$ 543,899**

G11. Long-term debt	2024	2023
Royal Bank of Canada, demand loan bearing interest at 0% per annum, repayable in monthly payments of $596 including interest, due on demand. The loan is secured by a 2018 GMC Sierra 1500 with a carrying value of $6,132. The loan matures on May 28, 2024.	**$ 1,191**	$ 8,346
Neskonlith Indian Band, demand loan bearing interest at 6.81% per annum, repayable in monthly payments of $1,589 including interest, due on demand. The loan matures on December 3, 2025.	**31,321**	47,631
Ford Motor Credit Company, loan bearing interest at 7.99% per annum, repayable in monthly payments of $1,686 including interest, due on demand. The loan is secured by a 2023 Ford F350 with a carrying value of $87,026. The loan matures on July 25, 2028.	**73,921**	-
Ford Motor Credit Company, loan bearing interest at 8.99% per annum, repayable in monthly payments of $1,242 including interest, due on demand. The loan is secured by a 2023 Ford F150 with a carrying value of $58,024. The loan matures on July 29, 2028.	**66,980**	-
Ford Motor Credit Company, loan bearing interest at 4.99% per annum, repayable in monthly payments of $1,505 including interest, due on demand. The loan is secured by a 2023 Ford F350 with a carrying value of $93,321. The loan matures on May 26, 2028.	**64,486**	-
GM Financial, loan bearing interest at 5.99% per annum, repayable in monthly payments of $2,052 including interest, due on demand. The loan is secured by a 2024 GMC Sierra 3500 with a carrying value of $91,199. The loan matures on August 25, 2028.	**95,384**	-
Ford Motor Credit Company, loan bearing interest at 8.49% per annum, repayable in monthly payments of $2,367 including interest, due on demand. The loan is secured by a 2024 Ford F350 with a carrying value of $107,171. The loan matures on December 21, 2028.	**110,719**	-
Ford Motor Credit Company, loan bearing interest at 4.99% per annum, repayable in monthly payments of $1,501 including interest, due on demand. The loan is secured by a 2023 Ford F150 with a carrying value of $67,933. The loan matures on February 9, 2029.	**78,433**	-

G11. Long-term debt (continued)

	2024	2023
Ford Motor Credit Company, loan bearing interest at 3.99% per annum, repayable in monthly payments of $2,252 including interest, due on demand. The loan is secured by a 2023 Ford F350 with a carrying value of $112,591. The loan matures on February 16, 2029.	**120,470**	-
Ford Motor Credit Company, loan bearing interest at 6.99% per annum, repayable in monthly payments of $2,983 including interest, due on demand. The loan is secured by a 2024 Ford F350 with a carrying value of $144,343. The loan matures on February 9, 2029.	**148,602**	-
Caterpillar Financial Services Limited, loan bearing interest at 2% per annum, repayable in monthly payments of $2,383 including interest, due on demand. The loan is secured by a 2023 Caterpillar 259D compact truck loader with a carrying value of $97,245. The loan matures on November 10, 2027.	**101,027**	-
Caterpillar Financial Services Limited, loan bearing interest at 8.1% per annum, repayable in monthly payments of $3,381 including interest, due on demand. The loan is secured by a 2018 Caterpillar hydraulic excavator with a carrying value of $122,726. The loan matures on October 11, 2027.	**125,842**	-
	1,018,376	55,977
Less current portion	**218,876**	23,785
Due beyond one year	**$ 799,500**	$ 32,192

Estimated principal repayments are as follows:

2025	$ 218,876
2026	226,621
2027	226,233
2028	212,869
2029	133,777
	$ 1,018,376

G12. Silviculture obligation

As part of the Partnership's forest licence agreement with the Province of British Columbia, the Partnership is required to perform reforestation on areas logged under conditions set out in the Forest Act. The timing of the reforestation payments is based on the estimated period required to attain free to grow status in a given area, which is generally between 12 to 15 years. The Partnership's estimated cost of reforestation through the "free-to-grow" stage is as follows:

	2024	2023
Balance, beginning of the year	**$ 223,901**	$ 235,988
Expenditures incurred	**(36,557)**	(12,087)
	187,344	223,901
Current portion	**(47,355)**	(81,000)
	$ 139,989	$ 142,901

G13. Financial instruments

The Partnership is exposed to various risks in relation to its financial instruments. The following analysis provides information about the Partnership's risk exposure and concentration as of March 31, 2024.

(a) Credit risk

Credit risk analysis:
Credit risk is the risk that a counterparty fails to discharge an obligation to the Partnership. The Partnership is exposed to a credit risk from financial assets including accounts receivables and holdbacks receivable.

Credit risk management:
The credit risk is managed through the Partnership's credit risk management policies and procedures.

The Partnership only transacts with financial institutions that are reputable.

The Partnership continuously monitors the credit quality of customers based on reviewing timing of payments received. Where available, external credit ratings and/or reports on customers are obtained and used. The Partnership’s policy is to deal only with credit worthy counterparties. The credit terms range between 30 and 60 days. The credit terms for customers as negotiated with customers are subject to an internal approval process which considers the credit rating. The ongoing credit risks managed through regular review of ageing analysis, together with credit limits per customer.

Credit risk security:
Accounts receivable consists of a number of customers which minimizes risk of collection and the Partnership does not hold any security on accounts receivables at the reporting date.

G13.Financial instruments (continued)

Accounts receivable:
The Partnership applies the IFRS 9 simplified model of recognising lifetime expected credit losses for all trade receivables as these items do not have a significant financing component.

In measuring the expected credit losses, the accounts receivable have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the day past due.
The expected loss rates are based on the payment profile for invoices over the past 48 months before March 31, 2024 and March 31, 2023 respectively as well as the corresponding historical credit losses during that period. The Partnership has not experienced any allowances or losses in the past 48 months.

Accounts receivable are written off (i.e. derecognised) when there is no reasonable expectation of recovery. Failure to make payments within 180 days from the invoice date and failure to engage with the Partnership on alternative payment arrangement amongst other is considered indicators of no reasonable expectation of recovery.

(b) Liquidity risk

Liquidity risk analysis:
Liquidity risk is that the Partnership might be unable to meet its obligations. The Partnership manages its liquidity needs by monitoring scheduled payments for long-term silviculture obligation liabilities as well as forecast cash inflows and outflows due in day-to-day business.

Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 12-15 year silviculture obligation periods are identified annually. Net cash requirements are compared to available borrowing facilities and cash balances in order to determine headroom or any shortfalls.

The Partnership's available cash balances are expected to be sufficient over both the time periods mentioned above. The Partnership's objective is to maintain cash and accounts receivables to meet its liquidity requirements for 30-day periods at a minimum. This objective was met for the reporting period.

Funding for long-term liquidity needs is supported by cash balances and future cash flows from operations.

The Partnership considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources, accounts receivables and holdbacks receivable. The Partnership's existing cash resources and accounts receivables significantly exceed the current cash outflow requirements

G14. Capital Management

The Partnership considers its capital to be the balance maintained in its partners' equity accounts. The primary objective of the Partnership is to invest its capital in a manner that will allow it to continue as a going concern and comply with its stated objectives. Capital is invested under the direction of the Management Committee of the Partnership with the objective of providing a reasonable rate of return, minimizing risk and ensuring adequate liquid investments are on hand for current cash flow requirements.

The Partnership is not subject to any externally imposed capital requirements.

G15. Credit facilities

Under a line of credit arrangement with the Royal Bank of Canada, the Partnership may borrow up to $75,000 on such terms as the Partnership and the bank may mutually agree upon. This arrangement does not have a termination date and can be withdrawn at the bank's option. At March 31, 2024, the remaining unused portion of the credit line was $75,000. The line of credit is secured by a guarantee of $75,000 by the Neskonlith Indian Band.

G16. Related party transactions

The Partnership's related parties include its partners, jointly controlled entities and companies owned by key management as described below.

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

	2024	2023
Revenues - Neskonlith Indian Band (a partner of Sk'atsin Resources Limited Liability Partnership)	**$ 1,275,256**	$ 164,694
Expenses		
Neskonlith Indian Band (a partner of Sk'atsin Resources Limited Liability Partnership)	**$ 118,414**	$ 83,075
Grayco Contracting Ltd. (a company owned by a member of key management)	**171,654**	-
	$ 290,068	$ 83,075
Accounts receivable - Neskonlith Indian Band (a partner of Sk'atsin Resources Limited Liability Partnership)	**$ 1,173,966**	$ -
Accounts payable - Neskonlith Indian Band (a partner of Sk'atsin Resources Limited Liability Partnership)	**$ 46,747**	$ 49,052

Key management of the Partnership are the members of Sk'atsin Resources Limited Liability Partnerships' board of directors and non-executive directors. Key management personnel remuneration includes the following expenses:

Short-term employee benefits	**2024**	2023
Salaries including bonuses	**$ 161,538**	$ 70,781
Cell phone allowance	**1,950**	900
Total remuneration	**$ 163,488**	$ 71,681

Sk'atsin Resources Limited Liability Partnership
Combined Statement of Operations
Year ended March 31, 2024
(unaudited)

	Projects	Firefighting	Referral Fund	Fuel Management	Off Reserve logging	Administration	**Total**
REVENUES:							
Consulting and contracts	$ 964,706	$ -	$ 159,386	$ 1,198,470	$ -	$ 398,490	**$ 2,721,052**
Firefighting services	-	1,313,377	-	-	-	-	**1,313,377**
Government grants	750,000	-	-	-	-	-	**750,000**
Interest income	-	-	-	-	-	172,592	**172,592**
	1,714,706	1,313,377	159,386	1,198,470	-	571,082	**4,957,021**
EXPENSES:							
Advertising and promotion	1,273	-	-	516	-	12,870	**14,659**
Amortization	6,284	-	-	-	-	325,453	**331,736**
Business taxes, licenses and memberships	-	-	246	-	-	-	**246**
Donations	-	-	-	-	-	86,750	**86,750**
Equipment rental	91,013	151,679	-	134,073	-	-	**376,765**
Freight	9,802	230	-	2,450	-	-	**12,481**
Fuel	7,419	11,282	-	177,255	-	207	**196,162**
Hauling	57,332	-	-	-	-	-	**57,332**
Honoraria	-	-	-	-	-	11,159	**11,159**
Insurance	11,361	-	-	-	-	22,299	**33,660**
Interest and bank charges	3,018	-	-	-	-	4,365	**7,383**
Interest on lease liabilities	16,681	-	-	-	-	-	**16,681**
Interest on long-term debt	28,371	-	-	-	-	-	**28,371**
Meals and entertainment	1,126	6,576	-	541	-	238	**8,481**
Meetings	584	-	-	165	-	4,114	**4,863**
Office	463	-	-	68	-	19,755	**20,287**
Professional fees	(13,439)	-	-	-	-	129,760	**116,322**
Rent	2,088	-	-	-	-	19,752	**21,840**
Repairs and maintenance	96,764	-	-	2,546	-	-	**99,310**
Salaries and related benefits	124,539	380,739	45,626	1,542,836	-	422,416	**2,516,156**
Subcontract	86,733	-	-	1,605	-	1,920	**90,259**
Supplies	17,272	50,357	1,546	73,432	-	2,115	**144,722**
Telephone	-	51	-	45	-	2,124	**2,220**
Training	3,000	35,651	-	-	-	5,510	**44,161**
Travel	16,998	173	-	-	-	2,128	**19,298**
Utilities	-	-	-	-	-	1,444	**1,444**
Vehicle	31,947	25,207	-	60,072	-	-	**117,227**
	600,629	661,945	47,418	1,995,604	-	1,074,379	**4,379,975**
INCOME (LOSS) FROM OPERATIONS	**$ 1,114,077**	**$ 651,432**	**$ 111,968**	**$ (797,134)**	**$ -**	**$ (503,297)**	**$ 577,046**

Sk'atsin Resources Limited Liability Partnership
Combined Statement of Operations
Year ended March 31, 2023
(unaudited)

	Projects	Firefighting	Referral Fund	Fuel Management	Off Reserve logging	Administration	**Total**
REVENUES:							
Consulting and contracts	1,330,111	-	271,581	1,051,691	-	4,935	**2,658,318**
Logging	-	-	-	-	651,614	-	**651,614**
Firefighting services	-	32,925	-	-	-	-	**32,925**
Government grants	271,581	-	-	-	-	-	**271,581**
Interest income	-	-	-	-	-	71,877	**71,877**
	1,601,692	32,925	271,581	1,051,691	651,614	76,812	**3,686,315**
EXPENSES:				-			
Advertising and promotion	2,026	-	-	-	-	3,634	**5,660**
Amortization	-	-	-	-	-	33,106	**33,106**
Business taxes, licenses and memberships	46,982	-	236	-	-	-	**47,218**
Donations	-	-	-	-	-	1,000	**1,000**
Equipment rental	264,348	-	-	32,616	-	-	**296,964**
Fuel	51,390	-	-	25,425	-	228	**77,043**
Hauling	23,754	-	-	-	-	-	**23,754**
Honoraria	1,590	-	-	-	-	4,193	**5,783**
Insurance	6,430	-	-	-	-	100	**6,530**
Interest and bank charges	2,119	-	-	-	-	150	**2,269**
Interest on long-term debt	-	-	-	-	-	2,777	**2,777**
Meetings	4,000	-	-	41	-	3,359	**7,400**
Office	10,486	-	-	-	-	8,962	**19,448**
Professional fees	-	-	-	-	-	41,589	**41,589**
Rent	15,283	-	-	-	8,318	6,584	**30,185**
Repairs and maintenance	(4,767)	-	-	281	-	12,357	**7,871**
Salaries and related benefits	752,159	-	-	219,766	-	83,157	**1,055,082**
Subcontract	442,145	28,271	-	194,144	-	(7,854)	**656,706**
Supplies	16,790	-	-	4,036	-	173	**20,999**
Telephone	2,634	-	-	-	-	710	**3,344**
Training	10,645	-	-	1,700	1,380	-	**13,725**
Travel	53,652	-	1,323	-	-	888	**55,863**
Utilities	738	-	-	-	-	874	**1,612**
Vehicle	10,371	-	-	-	-	-	**10,371**
	1,712,775	28,271	1,559	478,009	9,698	195,987	**2,426,299**
INCOME (LOSS) FROM OPERATIONS	**$ (111,083)**	**$ 4,654**	**$ 270,022**	**$ 573,682**	**$ 641,916**	**$ (119,175)**	**$ 1,260,016**