Northern Vision Development Limited Partnership

2015 Semi Annual Report to Unitholders

As at and for the six month period ending June 30, 2015

Toward a Stronger Future

NORTHERN VISION DEVELOPMENT LIMITED PARTNERSHIP
2015 SEMI ANNUAL REPORT TO UNITHOLDERS

We are pleased to provide unitholders with this report on the activities of Northern Vision Development Limited Partnership ("NVD" or "the Partnership") for the first six months of 2015. Included herewith are financial statements as at and for the period ended June 30, 2015, along with the appropriate comparable results. Current period results have been prepared by management and are not audited. Comparable numbers, when presented for the year ended December 31, 2014, were audited by Deloitte LLP.

Northern Vision Development Limited Partnership

NVD, a private real estate partnership, was established in February 2004 with a mandate to acquire properties with strong growth prospects located in Whitehorse, Yukon. Since inception, the Partnership has acquired, and partially developed or sold, a diverse base of commercial, residential, industrial and hotel properties that provide regular cash flow and capital appreciation for unitholders. NVD is managed by its general partner, Northern Vision Development Corp., a private company based in Whitehorse and formed under the laws of the Yukon. The operations of the Partnership are overseen by a board of directors comprised of individuals with a diverse mix of skill sets and experience. The Partnership has no fixed term and has a mandate to pay out distributions to its unitholders based on Available Funds from Operations.

At the end of the reporting period there were 21,029,970 Limited Partner Units outstanding with no options or purchase warrants issued. In addition a total of $4 million in Convertible Debentures were outstanding with conversion privileges for an additional 2,051,282 Units based on the June 30, 2015 estimated NAV per unit value, bringing the fully diluted number of units outstanding to 23,081,252. No distributions were made during the six month reporting period.

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As at June 30, 2015, management estimated Basic Net Asset Value ("NAV") per LP unit to be $2.19 based on an update to the comprehensive valuation of NVD assets conducted by BDO LLP as of December 31, 2014. At December 31, 2014 BDO LLP estimated the midpoint of their range of values for NAV per Unit to be $1.98. Therefore management estimates Basic NAV per Unit has increased by 10.6% over the past six months driven primarily by a substantial improvement in the performance of its key hotel assets. On a fully diluted basis, NAV per unit is estimated to be $2.17.

As at June 30, 2015 NAV is estimated at $2.19 per unit

Overview

The first half of 2015 has been very encouraging for the Partnership. The Hotels Division delivered very satisfactory results which have delivered strong year over year growth in Net Operating Income. In addition, both leasing and sales activities are picking up, allowing the Rental Division results to improve and meet expectations. The result has been improved cash flow which supports NVD's efforts to reduce debt, particularly convertible debt obligations, and to return to regular distributions to unitholders in the medium term.

Operational and Financial Performance: Highlights included success in leasing space in ***NVD Place***, where 6,400 sf were leased to the *Yukon Territorial Government – Education Department* with occupancy at the end of September. Another two units in this facility were leased, leaving one exterior and several interior vacant units. Associated with this leasing success, arrangements were concluded with First Nations Bank to draw down the remainder of the original loan facility negotiated to support the NVD Place project. A unit on the second floor of ***Waterfront Station*** was leased to Victoria Gold Corp, leaving one premise on the main floor, one on the second and two on the third floor as the only vacant units remaining in that complex. At the end of the second quarter, one of the Trade Centre 1 Condos was sold, and at the writing of this report the other NVD Condo in that project was leased. Much of the recently created vacancy in Yukon Center Mall, due to the move of Warehouse One to NVD Place, has been leased, including a standard lease with Liberty Tax and a short term lease with Elections Canada. The River's Reach condos, two owned directly by NVD, and three owned through a Joint Venture with Ketza Group in which NVD holds a 90% interest, are all leased. Overall leasing and sales efforts are meeting with increased success following an extended period of softness in the Whitehorse and broader Yukon markets.

The Whitehorse-based hotels owned by NVD produced strong operating results for the first six months of the year. NVD's Hotel Division, including its 50% interest in the Downtown Hotel in Dawson City, produced first half revenues of $5.80 million as compared to $5.66 million in the first half of 2014, an increase of 2.6%. The primary driver of this increase was Average Daily Rate ("ADR") growth achieved during the period, particularly at the Coast High Country Inn. Hotel Division direct expenses declined 9.7% to $4.5 million from $5.0 million for the first six months of 2014. This was driven by a variety of factors including changes made to the management and maintenance teams in the last half of 2014, reduction in commodity prices on energy inputs, and planned savings in other areas. As a result, margin contribution from the Hotel Division is $628,000 ahead of the first six months of last year, an improvement of 96% which is both welcome news, and well ahead of expectations.

Although Amortization (+$55,000) and Interest Expenses (+$110,000) are up significantly compared to the first half of 2014, overhead expenses as a whole increased by a lesser amount than the sum of these two items. This is a result of the Board of Directors accepting a reduction in their fees, senior management accepting salary reductions offset by the costs of new hires made during 2014 and in the first half of 2015, and a reduction of marketing expenses by half, largely driven by the inclusion of costs related to the tenth year anniversary celebrations in 2014. Bad debts related to uncollectable rental fees contributed an increase in overhead costs of $27,000.

Filling of vacancies and full year operation of NVD Place resulted in rental income being up by more than $140,000 for the first six months of 2015 while costs for rentals is down due to carrying less vacant space. Gains on sales and interest income also outpaced last year's results for the first half of the year. The combination of all of the foregoing meant that Total Comprehensive Income was $64,000 in the first six months of 2015 as contrasted to a loss in excess of half a million dollars in the same period in 2014. The fortunes of the partnership have turned around.

Financing No new financing arrangements were made during the first six months of 2015 other than confirmation of plans to draw down the remainder of the NVD Place loan which will occur in the second half of 2015 in support of the fit up activities for the new leased space. Regular payments were made on the Partnership's long term debt. In July, 2015 the Partnership notified its convertible debenture holders of its intention to redeem $1 million in convertible debt on August 31, 2015. The Convertible Debt holders have the right to convert their debentures in advance of that date should they wish to do so. It is the intention of the Partnership to pay down the balance of this convertible debt as soon as possible, through the use of a combination of cash flow from operations, and potentially new commercial debt arrangements at lower interest rates.

The Partnership continues to have access to a revolving loan facility with Scotiabank of $500,000, but did not access this facility in the first seven months of 2015.

During the first half of 2015, the board and management initiated discussions aimed at supporting either an informal or formal liquidity event for unitholders who have expressed interest in selling some of their units. The rapidly changing performance environment complicated these efforts. With a clear picture now in place for improved performance of the Partnership, board and management will continue these efforts in the second half of 2015. Further communication regarding this effort will occur if it reaches a formal stage.

Estimated Net Asset Value Management estimates the Net Asset Value ("NAV") of the Partnership is $2.19 per unit at June 30, 2015 up 10.6% from $1.98 (the midpoint of NAV per unit estimated at December 31, 2014 in a valuation authored by BDO LLP). On a fully diluted basis the NAV per unit is $2.17 after consideration of the potential conversion of Convertible Debt units which qualify for conversion at a price of $1.95 per unit. The increase in management's NAV estimate per unit is driven by the significant improvement in income performance within the Hotel Division and the assumption that CAP rates have remained relatively constant since the last formal estimate was undertaken in December 2014.

NVD Place has seen significant improvement in occupancy, led by a lease to Yukon Territorial Government

Highlights for the Period

As noted the Partnership is witnessing a strong turn around driven by improvements in the Hotel Division and supported by improvement in the Rental Division.

Operational Highlights for the Period

- 9,300 square feet were leased in NVD Place representing approximately 20% of the premises, bringing total leased space in that project to over 75%;
- A new lease in the Edgewater Hotel with Tonimoes Restaurants Inc. ("Tonimoes") commenced in May 2015;
- NVD was named the ***Top Large Business*** in the northern territories at the ***UpHere Magazine Frozen Globe Awards*** in April 2015 and was a finalist in the category of best marketed company;
- The Property Improvement Program at the High Country Inn and the Design Excellence Program at the Best Western Gold Rush Inn both resulted in attractive renovation upgrades to the two lead hotel properties and likely contributed to improved ADRs;
- Denny Kobayashi, a long time senior government employee with the Yukon Government's Tourism and Culture Department joined NVD as Senior VP, Business Development; *and*
- Work commenced on new tenant fit up for major spaces for Yukon Education (NVD Place) and Victoria Gold (Waterfront Station), both of which will be completed in September 2015.

Financial Highlights for the Period

- Net Income of $64,000 improved by more than $600,000 for the first half of 2015 as contrasted to the same period in 2014 when a loss of $538,000 was recorded;
- As a result of strengthening income performance in core hotel properties, management's estimate of $2.19 NAV per unit has increased by more than 10% over the last six months;
- Subsequent to the end of the quarter, NVD notified Convertible Debenture Holders of its plan to redeem $1 million out of the $4 million outstanding on August 31, 2015;
- Net Book Value of total assets of the Partnership declined by 2.0% since December 31, 2014, from $57.1 million to $56.0 million;
- Gross revenues of the Partnership for the six months period declined marginally from $7.1 million in 2013 to $7.0 million, however eliminating revenues associated with the sale of properties held for sale (one River's Reach unit in 2014), the remaining sustained revenues increased by 4.5% from $6.7 million $7.0 million for the first six months; *and*
- Gross Profit from operations was up 44% to $2.3 million for the first six months of 2015 (2014 - $1.6 million) reflecting the significant improvement in the Hotels Division, and to a lesser extent, some success in leasing activities and full year operation of NVD Place.

Net Income improved by more than $600,000

CEO's Letter to Unitholders

Dear Unitholders:

The first six months of 2015 saw a return to stronger performance for NVD. We realized a small profit contrasted to a significant loss for the same period in 2014. The primary driver of the turnaround was the Hotel Division, where improved revenues on the strength of Average Daily Rate ("ADR") growth and substantial reduction in expenses led to improved margin performance. Both the Rooms Division and the Food and Beverage Division contributed materially to this improvement, as did savings associated with management salaries, administrative expenses and energy input costs. With full year operations of NVD Place coupled with an improving leasing environment, the Rental Division also contributed to the overall improvement.

In this report we provide unitholders with a condensed summary of activities - combining the operations review with the CEO's letter to unitholders. Along with the Management Discussion and Analysis and the Financial Statements and Notes prepared by management, we feel this approach provides unitholders with an adequate snapshot of mid-year performance of the Partnership. Our Annual Report to Unitholders in December will provide a more comprehensive review.

Significant Events in the First Half of 2015

There were a number of significant events in the first half of 2015, but the most consequential was the consideration and rejection by the board of an offer to purchase several of our hotel properties in Whitehorse. While the offer had some merit, in the end the board believed that it did not offer unitholders enough value, particularly given the improving results that were projected by management and beginning to become apparent as the offer was considered. The good news is the offer did support our belief in the asset value of these properties and allowed us to do some important groundwork for future sales.

We also undertook a review of our board during the period. This resulted in a change voted on by the General Partner on July 28, 2015 which saw long term board members Trevor Harding, Stanley Noel and myself step down, and founder Rob Savin join the board. The result is a decrease in the size of the board to seven members.

Trevor Harding was a founding partner and board member since inception of the Partnership and was really the glue that put the whole project together. He has served on the board with distinction over the past eleven years and without him NVD would not exist. Stanley Noel served with distinction on the board since 2006 and over the past few years has chaired our Audit Committee. He represents one of our large shareholders, the Yukon Indian Development Corporation, and is sure to operate in close partnership with NVD moving forward. I have long believed that the CEO and board roles should be separated. The changes provided me with an opportunity to act on this long held belief. Of course I will continue in the role of CEO and will work closely with the board to ensure our second decade is even more successful than the first.

Rob Savin assisted us in the initial capital raising rounds for NVD and has been a close and observant unitholder throughout NVD's history. He has been fully engaged as an active unitholder of Limited Partnership and shareholder of the General Partner. The board welcomes Rob's involvement and anticipates that he will have plenty to add to the strategic discussions going forward. The balance of the board remains in place, with Piers McDonald continuing to serve as Chairman.

Financial Performance

As noted earlier in the report, the financial performance of the Partnership has improved. In this section I will reflect on what is expected for the balance of the year, based on the performance to date, and what that means to NVD.

We expect the year over year positive variances to continue for the balance of the year, however we anticipate that the quantum of the improvements will decline. This is because: (a) in May of last year we began to recognize rents from NVD Place and so the year over year variances will not be as significant on a monthly basis in the Rental Division going forward; (b) many of the changes that have given rise to the administrative savings in the Hotel Division were made in June 2014 and so the monthly year over year variances going forward will be more muted; (c) the variances related to energy commodity prices will be lower in the summer season when less energy is used; and (d) the improvements in Food and Beverage margins for the Hotel Division commenced in the third quarter of 2014, so once again the year over year variances will decline over the balance of 2015.

However with a $600,000 improvement already on the books on a year over year basis, we do expect Net Income for the full year in 2015 to exceed $1 million in 2015 versus the $200,000 recorded in 2014. With some moderate sales success, which is hard to predict with any level of certainty, we may move closer to $1.5 million in Net Income for the current year. As a result of these expectations, we expect to be able to do some or all of the following:

- Retire a meaningful portion of Convertible Debt in 2015 and meet our obligation to redeem all of this debt by August 2016;
- Return to regular distributions to unit holders in either 2015 or 2016; *and*
- Support early stage investment in new projects that take advantage of the tougher economic environment in order to promote further growth of NVD.

The improved performance are also reflected in asset values of NVD and these increased asset values are in evidence in management's estimate of NAV, which we believe has grown by over 10% from December 31, 2014 to $2.19 NAV per unit.

Hotel Performance

The improvements in the Hotel Division were summarized earlier. I provide some additional detail on the individual properties here.

The ***Coast High Country Inn*** has led the way with operating margin that was $326,000 better than last year for the first six months. Most of this performance gain comes from improved Rooms margin (+$147,000) and improved Food and Beverage margin (+$125,000). Overhead and other services contributed $54,000 to the improvement with energy savings being $30,000 of that amount, and administrative costs contributing a further $16,000 in year over year positive variance. There were a few items such as taxes and maintenance costs that partially offset those savings. This pace of improvement puts the Coast High Country Inn in position to deliver record results for NVD in 2015 with operating margin for the property expected to push up towards $1 million.

The ***Edgewater Hotel*** also made a substantial contribution to Hotel Division improvement. Overall Operating Margin for the first six months was up $173,000 on a year over year basis, and here again both Rooms and Food and Beverage were contributors. Room margin was up for the period by $59,000 with increased revenue and decreased cost being equal contributors. Food and Beverage losses incurred in 2014 were avoided in 2015 creating a positive variance of $43,000 for that segment.

With the new Tonimoes lease in place late in the period, leasing income was up year over year by $14,000. Overhead savings contributed $57,000 to the positive variance, led by energy savings (+38,000) and administrative costs and maintenance (+18,000). The Edgewater produced very disappointing results in 2014, but is on track to move towards the original expectations in 2015.

The ***Best Western Gold Rush Inn*** has been a consistent performer and 2015 is no exception. Food and Beverage margin has been an important part of improved results, contributing $64,000 in positive year over year variance for the first six months out of a total operating margin performance gain of $119,000 for the period. Room's margin for the first six months is up $7,000 over last year and commercial rents have contributed a $3,000 positive variance. Overhead savings contributed a $45,000 positive variance year over year, led by repairs and maintenance, administrative and energy savings in that order. The property is on track to deliver record performance this year, and may exceed operating margin of $2.0 million for the first time, although this remains a stretch goal.

The **Downtown Hotel** in Dawson has also experienced improvements although they have been a little more muted. Reporting on a 100% basis (NVD owns 50%) the property has seen a $37,000 operating margin improvement for the first six months, with the Rooms Division being the key driver. Revenues are up for Rooms by more than $100,000 year over year and Rooms margins have improved by $82,000. Food and Beverage performance is up only marginally, and administrative costs are up substantially led by a repairs and maintenance negative variance of $32,000. Marketing costs are up a further $15,000. The repairs and maintenance and marketing programs are necessary investments to ensure the Downtown Hotel performance aligns with expectations and begins to match that of our Whitehorse properties in the years to come. The Rooms revenue and margin performance numbers are also good indicators that this property is on its way to meeting expectations in the future.

The Hotel Division is not only significantly ahead of last year's performance for the first six months, it is also $150,000 ahead of a very aggressive budget expectation. The budget expectations led the board to make the decision not to sell our key hotels earlier this year, and so the ahead-of-budget performance is welcome news and supports the decision to wait for improved performance and higher asset values. Overall margin contribution from this Division for the first six months is up 97% on a year over year basis and while that pace of improvement will slow in the second half of the year, it ensures that record performance will be posted by the Division in 2015.

We track revenue performance closely for each hotel on a monthly basis and compare it to our historical records in order to properly understand top line performance trends. I find this a good indicator of Division strength. Here are some of the statistics for the individual properties for the current year:

- The Best Western Gold Rush Inn has had its top monthly revenues for a specific month for four of the first six months of this year: February, March, April and June (as contrasted to those same months over the past nine years);
- The Coast High Country Inn ("CHCI") had its best monthly revenue for a particular month in April of this year, and second best months ever in January, February, March and June;
- From a Rooms perspective, the CHCI had its best months ever in April, May and June on a revenue basis, and second best month ever in March.

These trends show a top line strength in these properties despite the tough economy in Yukon. While the mining downturn has certainly had an impact on hotel activity, there is also no question that the tourism industry is showing strength, likely due to increased spending on destination marketing by the Yukon Territorial Government, continued low cost air access to the Yukon led by Air North, and a relatively weak Canadian dollar.

Going forward it is our intention to keep tight control on costs while continuing to build the appeal of the properties through undertaking improvements and marketing our advantages. We look forward to reporting on a record year for the Hotel Division in our 2015 Annual Report.

Rental Division

Rental Division margin contribution for the period was up on a year over year basis for the first six months. Overall margin improved by $151,000 or 17.2% as compared to the first six months of 2014. This was led by full year inclusion of the revenues from ***NVD Place*** and some success in leasing activities, although the full impact of the leasing success will not impact results until the fourth quarter of 2015 when both the Victoria Gold (***Waterfront Station***) and Yukon Education (***NVD Place***) tenants will be in place and paying rents.

As reported previously, and obvious to our investors, the Rental Division performance is dependent on reducing vacancies and maximizing rents achieved. For NVD, the issues in this division have been the amount of vacancies a result of delivering NVD Place and Waterfront Station into a soft leasing market. We have been focused on filling up these vacancies and at the time of writing this report, progress is being made.

Progress has been made on reducing vacancies, particularly in the two key properties noted. Portfolio vacancy is now down to 15% and discussions are under-way on a number of spaces in Yukon Centre Mall, Waterfront Station, Titanium Way 170, and NVD Place. We hope to have additional leasing success to report in our 2015 Annual Report. The Chart opposite provides a snapshot of portfolio vacancy.

	Leaseable Square Footage	Vacant Square Footage 2014	Leased Square Footage	Vacancy Percent
NVD Place	48,605	11,186	37,419	23.0%
Yukon Centre Mall	40,304	1,621	38,683	4.0%
Waterfront Station	27,161	6,830	20,332	25.1%
Spook Creek Station	10,107	-	10,107	0.0%
166 Titanium Way	7,606	2,625	4,981	34.5%
170 Titanium Way	5,345	2,641	2,704	49.4%
Nugget Beach	5,899	-	5,899	0.0%
Pizza hut/Marble Slab	4,413	-	4,413	0.0%
Gold Rush Inn	1,761	-	1,761	0.0%
Edgewater	6,400	-	6,400	0.0%
Carcross	1,384	-	1,384	0.0%
Trade Centre 1	960	-	960	0.0%
Subtotal Commercial	159,945	24,903	135,042	15.6%
Rivers Reach	5,602	-	5,602	0.0%
Total	165,547	24,903	140,644	15.0%

NVDLP Rental Portfolio Vacancy

Vacant units in Waterfront Station and Titanium Way 170 are available for both lease and sale. NVD Place, Yukon Centre Mall and 166 Titanium Way vacancies are available for lease only.

In late 2014 a large tenant, Warehouse One, moved from ***Yukon Centre Mall*** to ***NVD Place***. The vacancy created has been backfilled with a lease with Liberty Tax Services and a short term lease with Elections Canada during 2015. NVD management will continue to focus on leasing the remaining vacancies or selling condos when appropriate. At the writing of this report, one River's Reach unit is being considered for purchase. As well, a possible sale is emerging for a TW 170 condominium and one or two Titanium Way Business Park lots, although these sales all remain conditional at the writing of this report. Other leasing discussions are also underway.

With respect to risk, the continuing slow economy in Yukon is having a negative impact on some industries. Although most NVD tenants are making regular rent payments without difficulty, there is a risk, particularly in one industry segment, that issues may reach a critical stage in 2015. Management is keeping a careful eye on the tenants we have that are part of this industry segment, and we will be proactive in addressing any issues that might arise.

The Economy

Times remain challenging in Yukon. As previously reported the Yukon has been in a recession with GDP growth being negative in both 2013 and 2014. Recently the Conference Board of Canada revised its projections for the Yukon in 2015. They now predict a GDP decline of 3.4% for 2015 which would make the Yukon the only province or territory in Canada with three straight years of GDP decline.

Mining activity has slowed, but there are signs that plans are continuing to move ahead for some of the more advanced projects in the Yukon. We are encouraged by the decision by Victoria Gold to lease in Waterfront Station and have watched closely the growing presence of Selwyn Chihong in the Waterfront Business Centre in Waterfront Station. Investment is being made and it appears that some of these mining companies will have an increased appetite for space in the months and years ahead.

As noted, tourism numbers appear to be strengthening. The Yukon Territorial Government's Department of Tourism and Culture, along with Federal Government's Canadian Northern Economic Development Agency ("CanNor"), has invested in additional destination marketing activities, and air access continues to be very price competitive, making the Yukon an attractive destination. Our interpretation of the trends data available for the Yukon accommodation sector is that NVD is also experiencing market share gains as some operators are reporting declining occupancy and ADR. The risk to NVD with respect to the tourism economy is that the airlines will determine that their current pricing strategies are unsustainable and move to reduce capacity into the marketplace. Our defense will be to redouble marketing efforts and ensure that NVD Hotel Division product remains the accommodations of choice in the Yukon.

While the economic indicators remain discouraging, we have seen improvements in the leasing market and a slight uptick in purchase interest. The territorial government has responded to the weakness in the economy with capital spending projects which have lessened the negative impact of the economic downturn. We remain relatively optimistic in the short term and reasonably bullish about the long term prospects in the Yukon. At some point commodity pricing will make a turn upward and the Yukon mining industry should be well positioned to move forward at that time. NVD is well positioned to benefit when this shift occurs.

Governance and Liquidity

I commented earlier on the board changes made in July. The contribution from our board has been strategically advantageous for NVD, and we are hopeful that a renewed and refreshed board will build on the great work done in the past to ensure NVD is well positioned strategically to take full advantage of opportunities that present themselves.

Some investors have indicated they are seeking liquidity and as always unitholders can arrange for the private sale of their units at any time. We are hopeful that the improved performance of the Partnership, now reported, will support efforts to arrange a more formal liquidity event in the near term and both board and management will focus efforts on achieving this goal.

Our priorities remain to pay out, replace and/or extend the Convertible debentures should they not be converted, in order to allow NVD to return to a position where it can make regular distribution to unitholders. With a return to positive and material Available Funds from Operations ("AFFO"), the board will be in a position to consider distributions to unitholders, but competition for prioritizing the use of available cash will come from convertible debt redemption. After the October 2015 meeting of the board of directors, we will update unitholders on our plans in this area for 2015 and 2016.

As a result of the improved operating performance, our balance sheet has improved and cash flows have strengthened. This provides us with an opportunity to restructure commercial debt in order to improve weighted average cost of debt. This is assisted by a natural decrease in the weighted average cost of debt due to the impact of prime rate interest rate reductions and the fact that NVD has a component of variable rate debt in our mortgage portfolio. These factors are and will continue to contribute to improved operating performance.

Summary

I was pleased to accept ***UpHere Magazine's Frozen Globe Award*** presented to NVD as the Best Large Business in the northern territories at the Award Show held in Iqaluit in late April 2015. Last year NVD was recognized by this same award show as the best marketed company in northern Canada. These awards recognize the significant effort made by our employees who have ensured the Partnership enjoys a well-deserved reputation as a leading company in the North. Unitholders can be proud of how their company is viewed, and the important contributions it makes to life in both Whitehorse and the Yukon as a whole.

The first six months of 2015 provide encouragement that we are on the right track, and we will be sure to make every effort to achieve the best results possible for the balance of the year. I will close by thanking our unitholders for their ongoing and often vocal support of the Partnership. Your input is welcome, and is an important indicator or how we are doing in stewarding the investment on your behalf.

I look forward to providing you all with further updates this fall, and reporting to you again fully in the 2015 Annual Report to Unitholders.

With warm regards,
Northern Vision Development LP

Richard S. Thompson
Co-founder and CEO,
Northern Vision Development Limited Partnership

Management's Discussion and Analysis of the Financial Results

The financial statements of NVDLP, which are unaudited and prepared by management, as at and for the period ended June 30, 2015 are included with this Semi Annual Report. Management's Discussion and Analysis should be read in conjunction with the financial statements and related notes thereto. Some of the comparable results provided as part of the financial statements were prepared by management and audited by Deloitte LLP.

Statements Prepared Under ASPE

The Partnership's financial statements for the period ended June 30, 2015 continue to utilize Accounting Standards for Private Enterprise ("ASPE") which were adopted for the first time by the Partnership in 2011. The Partnership could move to the IFRS framework at a later time if desired.

Retention Awards

At June 30, 2015 a total of 12,434 Retention Awards ("RAs") with a value of approximately $25,613 were attributed but not issued to directors who elected to take the units in lieu of cash. (2014 - 11,942 RAs and $24,575). Senior employees by virtue of the same program are entitled to receive 125,000 units over a three period commencing December 31, 2014 with an estimated cost of $257,500 if fully vested. At June 30, 2015 - 21,667 units had vested of which 11,666 had been redeemed. A liability of $128,545 (2014 - $24,575) has been accrued for vested Retention Awards not redeemed.

Long Term Debt: At June 30, 2015 total long term debt was $22,355,785 a $658,981 reduction from the December 31, 2014 balance due to regularly scheduled repayments. No new debt was assumed in the period.

Short Term Debt: After some deliberation, management choose to amend the construction financing at NVD Place. At the time of writing the partnership has requested the bank release the remaining holdback of $640,000 at which time the construction mortgage will convert to a mortgage with a term of not less than 5 years. This will result in the total debt of $6,400,000 on this property. While the debt is shown as short-term at June 30, 2016 the bank has taken 3 principal payments totaling $24,000 since April and has indicated in writing that the balance will be converted to a mortgage in the upcoming period.

A $750,000 loan (50% or $375,000 attributable to the Partnership) was advanced in June 2014 with interest only payments and secured by the Downtown Hotel in Dawson. A Phase II Environmental Study is underway and once this is in place management will move to replace this short term debt with a standard commercial term facility.

The Partnership holds a $1.2 million loan portfolio with third parties related to various sales of Titanium Way lots. Management has sought to monetize some of the value of this portfolio by using it as security for a short-term debt facility with Scotiabank of $550,000. This facility was not used in the period.

Weighted Average Cost of Debt: At June 30, 2015 weighted average cost of long term debt decreased to 3.92% (4.32% at December 31, 2014). During the period the partnership was able to negotiate a 25 basis point reduction in the cost of its variable debt. The long term debt to equity ratio at June 30, 2015 decreased to 1.04 to 1 (December 31, 2014 – 1.11 to 1).

Including the short term construction loan associated with the NVD Place project, NVDLP's loan portfolio includes 60% fixed rate and 40% variable rate loans (50% variable and 50% fixed at December 31, 2014 without the short term loan).

The Partnership will continue to seek opportunities to rebalance the portfolio to a higher percentage of fixed rate mortgages if it is prudent to do so. This strategy has resulted in the loan portfolio shifting its variable composition of its long term debt from 86% to 40% in the last 4 years.

Currently, the Partnership is exposed to interest rate risk with each 1% rise in its variable interest rates responsible for an annual increase of $112,661 in interest expense.

Subsequent to the period end, the Partnership's variable loans received a further 15 basis point reduction from 3.85% to 3.70%, lowering the weighted cost of debt to 3.86%.

Working Capital

Accounts Receivable decreased by 49% during the first six months of 2015 from $1,382,212 to $690,972. The variance is due to significant proceeds from a property sale due at year end and received in January 2015.

Accounts payable and accrued liabilities totaled $1,206,440 at June 30, 2015 ($1,689,831 – 2014). The decrease reflects the lack of significant development expenditures in the period; for the first time in several years. At June 30, 2014 the respective balance was $3,026,382.

Development Activities

Properties held for sale consist of six lots in the Titanium Way Business Park. Property under Development are the remaining Waterfront Place lands. The only expenses incurred in the period were property taxes.

Operating Activities

Revenues: While overall revenues for the period ended June 30, 2015 decreased by 1.4% to $7.0 million versus $7.1 million for the first six months of 2014, the Partnership is pleased that hotel revenues increased by 2.6% (from $5,656,174 to $5,800,847) and Property revenues increased by 13.6% ($1,192,191 from $1,049,811) due to operation of NVD Place for the full period. The negative variance was due to the inclusion of a non-sustaining revenue from a development property sale in 2014. This period marks the first time that all hotel properties currently owned by the Partnership were operational in both reporting periods.

Gross Profit and Direct Expenses: Direct Expenses were down for the period by 14.73% to $4.683 million (2014 - $5.492 million). $316,875 of this variance was due to a lack of a comparable development property sale in the period.

The majority of the balance ($483,716) was found in the Hotel Division. Management has focused in the period on finding efficiencies and highlights include over $200,000 in savings in Food and Beverage operations while increasing respective revenues by $63,000. The Partnership was also able to reduce Hotel administration costs by $50,000 and benefit from lower energy prices to the amount of $87,167. With the increase in revenues and the significant reduction in expenses, the hotel division was able to increase its contribution by $628,390 to $1,286,013 for the six month period.

Property management expenses remained relatively constant ($168,218 to $176,649) even though the previous year only reported one month of NVD place expenses. The added expense of the vacant units in this period ($69,999 compared to $11,674) was balanced by reduction in the vacant unit expenses at Waterfront Station. Looking forward to the acquisition of new leases at NVD Place in the upcoming period; management is looking to see significant reductions in this expense.

Overall Gross Profit was $2.3 million, 43.7% higher than the $1.6 million result from 2014.

Expenses: Amortization increased to $924,946 for the first six months of 2015 from $870,413 for the comparable period in 2014 driven by the inclusion of full year depreciation related to NVD Place ($134,424 from $21,798). Interest expense was up by 17% to $763,640. While no new debt was incurred in the period; the increase is due to all the interest related to NVD Place being expensed in the period. $131,946 related to NVD Place was capitalized in the first six months of 2014 when construction was still underway. Total interest pursuant to bank financed debt instruments was 589,283 (2014 - $446,587) and Convertible Debentures $133,890 (2014 - $137,189). Management is looking to reduce this expense in the upcoming period with the planned redemption of some, and possible replacement at lower interest rate of the balance of the convertible debentures.

Board Costs: Board costs decreased by $56,146 for the period from $121,881 to $65,735 reflecting the decision to reduce board remuneration by 40% from 2014 levels in early 2015 as well as due to a reduction in some travel expenses incurred. Looking forward, further reduction in this cost will be achieved due to a decrease in board size in July 2015.

Salaries: At $383,377, salaries were up by $12,614 for the first six months of 2015 from $370,763 in 2014. Base salaries were lower by $51,958 for the period but were matched by accruals for the retention awards ($27,268) for the first time, and inability to capitalize development salaries in the period (2014 - $28,117) with the difference being due to changes in amounts allocated to the hotels.

Office Costs: The Partnership's office expenses decreased slightly in the period by 7% to $93,105 from $100,771 reflecting a reduction in overheads related to IT assets and property expenses.

Professional Fees increased by 91% to $51,482 from $27,016 in the previous period. This is attributable to fees incurred undertake a valuation on the Partnership's assets in the period based on the December 31, 2015 audited financial statements. A third party valuation had not been undertaken in some time, and it was deemed in the interest of unitholders to request a professional third party update. There were also some additional legal expenses related to bad debts and an increase in audit fees incurred.

For the first time in over five years, the partnership has had to formally recognize a bad debt. $26,683 was written off in the period after management exhausted all options in trying to recover outstanding rents owed from a tenant.

As a consequence of the foregoing Expenses increased by $142,101 for the first six months of 2015 to $2.2 million for the six months ended June 30, 2014, with depreciation and interest cost being the primary drivers.

Loss from Operations: The partnership was able to improve its margin from operations by $564,351 for the six month period, recording a loss of $38,691 compared to a loss of $603,402 in 2014.

Sales Activities and Income

Interest Income: The partnership has entered into loans associated with Vendor Take Back financing on Titanium Way lot sales, tenant fit up (particularly for the Waterfront Station Project) and with partners with whom NVDLP operates Joint Ventures. These loans are at interest rates that are higher than the Partnership's borrowing costs. $79,238 was received in the period (2014 - $58,873). The increase reflects the first full period of reporting for loans related to NVD Place.

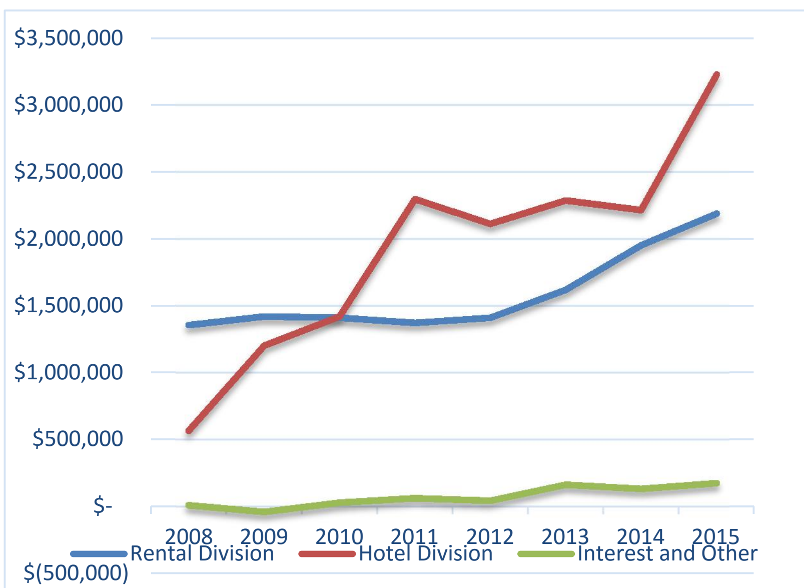
Gain on disposal of property and Equipment: In the period the partnership sold a commercial property for $205,034 and recorded a gain of $23,355. The property was acquired as consideration for a Titanium Way Business Park lot sale in 2007 and was not part of core commercial holdings.

Net Income: With a net income of $63,902 for the period, the partnership is pleased to see a $602,042 improvement in its performance for the first six months of 2015. This improvement has stemmed from a comprehensive review of expenses and operations that began in 2014 and is ongoing. It is anticipated this focus will continue to increase the profitability of our sustained operations in the upcoming period.

Risk

As noted elsewhere in this report, the Yukon is in the third year of a recession, with the current year now anticipated to see the strongest GDP decline during this period. Management has some concern about a specific industry that is more broadly impacted by the economic downturn than most of NVDs tenants and has put specific programs in place to watch for danger signals in order to allow NVD to proactively deal with the inability to pay rents on an ongoing basis. At the writing of this report we have entered into discussions with two such tenants and have resolved issues with a third. Management does not believe there will be widespread impact from the economic downturn as there are signs that the worst period is now in the past, however there is some risk to income with respect to these economic pressures.

MARGIN FROM KEY DIVISIONS:



The graph opposite provides a summary of margin contribution from each of NVDs key revenue areas for the past eight years. Note that 2015 results are based on actual for seven months, and estimate for the balance of the year, while all other results are audited actual results for the year.

The significant growth in top line at the hotel division is evident, as is the steady growth in the last few years in the Rental division since the introduction of Waterfront Station in 2012 and NVD Place in 2014.

It is NVDs intent to manage the size of its loan portfolio down, so anticipate the revenues from Interest and Other sources to begin to decline going forward. Margins from these combined sustained revenue sources are expected to be in excess of $5.5 million in 2015 (exceeding $5.0 million for the first time) which bodes well as a basis for sustained distributions once retirement of Convertible Debt has been addressed.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of the Northern Vision Development Limited Partnership and all the information in this annual report are the responsibility of management and have been approved by the Board of Directors.

These financial statements have been prepared by management in accordance with Canadian Accounting Standards for Private Enterprises ("ASPE"). Financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

The partnership maintains systems of internal accounting and administrative controls of quality that are consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the partnership's assets are appropriately accounted for and adequately safeguarded.

The partnership's management is responsible for ensuring that the partnership fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

The Board of Directors review and approve the partnership's Semi Annual financial statements. The Board of Directors meet periodically with management, as well as the external accountants, to discuss internal controls over the financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the annual report, the financial statements and the external accountants' report. The Board of Directors takes this information into consideration when approving the financial statements for issuance to the partners. The Board of Directors also consider the engagement of the external auditors.

The financial statements as at and for the period ended June 30, 2015 have not been audited.

August 7, 2015

On behalf of the Board:

Myron Tetreault, Director

Piers McDonald, Director

Northern Vision Development Limited Partnership
Balance Sheet

As at		June 30, 2015		December 31, 2014
		(unaudited)		*(audited)*
ASSETS				
Cash	**$**	**1,371,768**	$	1,255,656
Accounts Receivable		**690,972**		1,328,212
Inventories		**156,857**		153,301
Prepaid expenses and Deposits		**444,597**		373,584
Loans receivable (Note 9)		**2,577,979**		2,832,495
Property and equipment (Note 2)		**48,037,519**		48,502,926
Property under development (Note 3)		**2,061,201**		2,042,024
Property and equipment held for sale (Note 4)		**652,668**		642,290
Other		**19,206**		19,206
	$	**56,012,767**	$	57,149,694
LIABILITIES AND PARTNER'S EQUITY				
Accounts payable and accrued liabilities	**$**	**1,206,440**	$	1,689,831
Customer Deposits		**133,346**		127,072
Short-term Loans (Note 6)		**6,034,317**		6,403,258
Convertible Debentures (Note 7)		**3,990,177**		3,985,967
Long term debt (Note 5)		**22,355,785**		23,014,766
		33,720,065		34,920,894
PARTNERS' EQUITY		**22,292,702**		22,228,800
	$	**56,012,767**	$	57,149,694

On behalf of the Board:

Myron Tetreault, Director

Piers McDonald, Director

The accompanying notes are an integral part of these financial statements

Northern Vision Development LP
Statement of Partners' Capital

	Six months ended June 30, 2015 *(unaudited)*	Year Ended December 31, 2014 *(audited)*
Partners' Equity, beginning of period	**$ 22,228,800**	$ 22,027,176
Net income (loss) for the period	**63,902**	201,624
Partners' Equity, end of period	**$ 22,292,702**	$ 22,228,800

The accompanying notes are an integral part of these financial statements

Northern Vision Development LP
Statement of Operations

For the six months ended June 30,		2015		2014
		(unaudited)		*(unaudited)*
Revenues				
Hotels	$	5,800,847	$	5,656,174
Rentals and property management		1,192,191		1,049,811
Sale of properties under development		-		404,563
Sale of properties held for sale		15,209		-
		7,110,548		7,110,548
Direct Expenses				
Hotels		4,514,835		4,998,551
Rentals and property management		168,218		176,649
Cost of properties under development		-		316,875
		4,683,053		5,492,076
Gross Profit		2,325,195		1,618,472
Expenses				
Amortization		924,946		870,413
Interest		763,640		653,350
Wages		383,377		370,763
Governance		65,735		121,881
Office		93,105		109,748
Marketing		25,922		52,652
Professional Fees		51,482		27,016
Bad debts		26,683		-
Travel		23,330		15,962
Other		5,666		8,977
		2,363,886		2,221,785
(Loss) from Operations		(38,691)		(603,042)
Other Income				
Interest Income		79,238		58,873
Gains from disposal of property and equipment		23,355		5,900
Total Comprehensive Income (Loss)	$	63,902	$	(538,250)

The accompanying notes are an integral part of these financial statements

Northern Vision Development Limited Partnership
Consolidated Statement of Cash Flows

For the six months ended June 30,	2015	2014
	(unaudited)	*(unaudited)*
Cash flows from operating activities		
Net income for the year	**$ 63,902**	$ (538,250)
Adjust for non-cash and other items:		
Amortization of financing fees	**12,812**	14,533
Amortization of other assets	**11,579**	4,755
Amortization of property and equipment	**924,946**	851,125
Gain on disposal of property held for sale	**(15,209)**	-
Gain on disposal of property and equipment	**(23,355)**	5,900
	974,675	338,063
Changes in non-cash working capital balances		
Accounts payable and accrued liabilities	**(483,391)**	1,159,089
Accounts receivable	**637,240**	(253,471)
Prepaid expenses and deposits	**(71,013)**	(160,041)
Inventories	**(3,556)**	(2,664)
Properties held for sale	**-**	(1,074,937)
Deferred revenues	**-**	(109,291)
Customer deposits	**6,274**	(913)
	1,060,230	(310,931)
Cash flows from investing activities		
Loans receivable	**221,871**	743,816
Proceeds on sale of property	**205,034**	336,671
Purchase of property	**(685,056)**	(2,970,174)
	(258,151)	1,889,686
Cash flows from financing activities		
Financing Fess paid, net	**-**	(1,678)
Advances of short-term debt	**-**	2,776,151
Advances of long-term debt	**-**	392,335
Distribution from JV	**54,000**	-
Repayment of short-term debt	**(72,000)**	(500,000)
Repayment of long-term debt	**(667,967)**	(631,161)
	(685,967)	2,035,647
Net increase (decrease) in cash during period	**116,111**	(164,970)
Cash, beginning of period	**1,255,656**	1,528,219
Cash, end of period	**$ 1,371,768**	$ 1,363,249

The accompanying notes are an integral part of these financial statements

1. Summary of Significant Accounting Policies

Nature of Operations

Northern Vision Development Limited Partnership (the "partnership") was formed as a limited partnership under the laws of Alberta on January 15, 2004 and was extra-provincially registered under the Partnership and Business Names Act of the Territory on March 22, 2004. The partnership's principal business is the acquisition, development and sale of commercial, industrial, residential and hospitality real estate located in Whitehorse, Yukon.

The partnership consists of a general partner, Northern Vision Development Corp., and a number of limited partners holding partnership units.

Pursuant to the terms of the Limited Partnership Agreement, the General Partner has unlimited liability for the debts and obligations of the Limited Partnership. The liability of each Limited Partner is limited to the amount of capital contributed or agreed to be contributed, the Limited Partner's assumed share of the mortgage financing, and their share of undistributed income.

Basis of Accounting

These financial statements reflect only the assets, liabilities, revenue and expenses of the Partnership and therefore do not include any other assets, liabilities, revenues or expenses of the partners or the liability of the partners for income taxes on earnings of the Partnership. These financial statements have been prepared in accordance with Canadian accounting standards for private enterprises (ASPE).

Basis of Consolidation

The consolidated financial statements include the financial statements of the Company, its controlled subsidiaries and joint venture interests. Control is achieved when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income for the effective date of acquisition or up to the effective date of disposal, as appropriate. All intercompany transactions and balances are eliminated on consolidation. The financial statements of the Company's subsidiaries are prepared using consistent accounting policies and the same reporting date as the Company. These consolidated financial statements include the accounts of the partnership and 45978 Yukon Inc. a fully owned subsidiary, the partnership's 50% interest in the Dawson Downtown Partnership and its joint venture interests.

Partnership

The financial statements reflect the accounts of the partnership only and consequently, do not include all assets, liabilities, income and expenses of the partners. No provision has been made in these accounts for partners' remuneration, interest on invested capital or income taxes.

Inventories

Inventories consist of residential properties held for sale and hotel supplies; which are valued at the lower of cost and net realizable value. Cost is determined on a first in, first out basis. A provision is raised when it is believed that the costs incurred will not be recovered on the ultimate sale of the inventory.

Property and Equipment

Property and equipment are stated at cost less accumulated amortization. Capitalized costs include all direct costs related to development, construction and upgrades, other than ordinary repairs and maintenance, carrying costs including interest on debt to finance projects, property taxes and land acquisition costs. Amortization is provided using the following annual rates:

Category	Method	Rate
Automotive	Declining balance basis	30%
Buildings	Declining balance basis	4%
Computer equipment	Declining balance basis	30%
Computer software	Declining balance basis	45%
Furniture and fixtures	Declining balance basis	20%
Paving and landscaping	Declining balance basis	8%

Impairment of Long-Lived Assets

Long-lived assets consist of property and equipment and organization costs. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies. In the event that facts and circumstances indicate that the partnership's long-lived assets may be impaired, an evaluation of recoverability would be performed. Such an evaluation entails comparing the estimated future undiscounted cash flows associated with the asset to the asset's carrying amount to determine if a write-down to market value or discounted cash flow value is required. Any impairment is included in earnings (loss) for the year. The partnership has determined that no circumstances exist that would require such an evaluation.

Income Taxes

The partnership is a limited partnership. As a result, the partnership's earnings or losses for federal income tax purposes are included in the tax returns of the individual partners. Accordingly, no recognition has been given to income taxes in the accompanying financial statements of the partnership. Net earnings for financial statement purposes may differ significantly from taxable income reportable to unit holders as a result of differences between the tax basis and financial reporting basis of assets and liabilities and the taxable income allocation requirements under the partnership agreement.

Revenue Recognition

Properties are rented to tenants pursuant to rental agreements, which provide for various rental terms with nonrefundable rental payments. The rental agreements may be terminated at any time by the tenant without further obligation or cost upon sufficient notification. Revenue from rental agreements is recognized over the rental term as amounts become due.

Hotel revenue is recognized as services are provided.

Where revenue is obtained from the sale of properties held for sale or under development, it is recognized when the significant risks and rewards have been transferred, collection is reasonably assured and there are no significant obligations remaining. This normally takes place on exchange of unconditional contracts and transfer of title.

Refundable tenant security deposits are recorded as a liability until repaid to the tenant.

Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles for private enterprises requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant areas requiring management estimates relate to the determination of the impairment of assets, useful lives of property and equipment, inventory obsolescence, recognition of revenue and recovery of receivables. Actual results could differ from those estimates and may have an impact on future periods.

Property and equipment held for sale

The partnership classifies the assets of a business as held for sale when management approves and commits to a formal plan of sale and it does not believe it can utilize the lands for active development. The carrying value of the net assets of the business held for sale are then recorded at the lower of their carrying value or fair market value, less costs to sell.

Property under development

The partnership classifies properties under development as those that are or will be actively developed for the purposes of generating rental income or subsequent revenue from sales for the partnership income for the partnership.

Non-Monetary Transactions

All non-monetary transactions are measured at fair value unless:

- the transaction lacks commercial substance;
- the transaction is an exchange of a product or property held for sale in the ordinary course of business for a product or property to be sold in the same line of business to facilitate sales to customers other than the parties to the exchange;
- neither the fair value of the assets or services received nor the fair value of the assets or services given up is reliably measurable; or
- the transaction is a non-monetary, non-reciprocal transfer to owners that represents a spin-off or other form of restructuring or liquidation.

A non-monetary transaction has commercial substance when an entity's future cash flows are expected to change significantly as a result of the transaction.

Joint Ventures

Joint ventures are entities over which the partnership has joint control with one or more unaffiliated entities. Joint venture investments are accounted for using the proportionate consolidation method as follows:

- the balance sheet includes the partnership's share of the assets that it controls jointly and the liabilities for which it is jointly responsible;
- the statement of operations includes the partnership's share of the income and expenses of the jointly controlled entity; and
- gains on transactions between the partnership and its joint ventures are eliminated to the extent of the partnership's interest in the joint ventures and losses are eliminated unless the transaction provides evidence of an impairment of the asset.

Financial Instruments

Accounts receivable and notes receivable are initially recorded at fair value and subsequently measured at amortized cost. Accounts payable and accrued liabilities, short term loans, promissory notes, customer deposits, related party balances and long term debt are initially recorded at fair value and subsequently measured at amortized cost. Financing and transaction costs associated with long term debt are netted against the carrying value of the long term debt and are amortized over the term of the financing using the effective interest rate method. Financial assets are recognized on the date the partnership commits to purchase or sell the asset; and derecognized when the partnership no longer controls the contractual rights that comprise the financial instrument, which is normally the case when the instrument is sold or all the risks and rewards of ownership have transferred to an independent third party.

The entire proceeds of convertible debentures issued by the Partnership have been allocated to the liability component with the equity component deemed to have a nil value.

2. Property and Equipment

as at	June 30, 2015 *(unaudited)*			December 31, 2014 *(audited)*		
	Cost	**Amortization**	**NBV**	Cost	Amortization	NBV
Automotive	**$ 179,423**	**$ -**	**$ 179,423**	$ 179,423	$ 136,194	$ 43,229
Buildings	**42,831,332**	**6,821,075**	**36,010,257**	42,661,157	6,165,306	36,495,851
Computer equipment & software	**577,593**	**313,653**	**263,940**	546,950	302,317	244,633
Furniture and fixtures	**3,688,687**	**2,291,034**	**1,397,653**	3,661,732	2,168,109	1,493,623
Land and improvements	**9,104,107**	**-**	**9,104,107**	9,145,908	-	9,145,908
Paving and landscaping	**1,832,105**	**749,965**	**1,082,140**	1,798,129	718,447	1,079,682
	$ 58,213,247	**$ 10,175,727**	**$48,037,519**	$57,993,299	$ 9,490,373	$ 48,502,926

During the period, the partnership recorded a gain of $23,335 (2014 - nil) from the sale of Plant, Property and Equipment.

3. Property Under Development

Property under development consists of lands identified for development by the partnership for sale to third parties. During the period expenses of $19,177 were capitalized (2014 - $18,861).

4. Property and equipment held for sale

Property and equipment held for sale consist of land accounted for at the lower of net book value and estimated net realizable value. Earnings and cash flows are included in the current operations of the partnership.

During the year, the partnership capitalized development and other costs in the amount of $10,156 (2014 - $12,974).

During the year, the partnership recorded a gain of $15,209 (2014 - nil) from the sales of property and equipment held for sale. The sale was recorded in 2014; the gain recognized represents a portion of in kind consideration not recognized at the time that was consumed in the ordinary course of the partnership's operations in the period. At period end there is a further $44,791 in gains that are deferred to further periods from this sale.

5. Long term Debt

As at June 30th, 2015 there was $171,689 (June 30, 2014 - $194,593) in deferred financing fees netted against long term debt. During the period, amortization of deferred financing fees amounted to $12,812 (2014 - $10,323).

	June 30, 2015	**December 31, 2014**
Loan payable to BDC- interest BDC's floating base rate less 0.5 % per annum due January 5, 2018, with monthly principal repayments of $8,350 plus interest, secured by the following: first mortgage on 2180/2190 2nd Avenue Whitehorse; general assignment over property and equipment on that property.	**$ 330,915**	$ 380,500
Loan payable to RBC - interest at 4% annum, due January 4th, 2019, payable with monthly principal payments of $14,400 plus interest, secured by a first mortgage and assignment of rents from properties at 2237 2nd Avenue Whitehorse.	**2,911,104**	2,995,804
Loan payable to RBC - interest at 3.01% per annum, due May 1, 2018, payable in equal installments of $7,481 principal and interest, secured by a first mortgage on the property of 9016 Quartz Road, Whitehorse.	**1,233,299**	1,258,437

	June 30, 2015	December 31, 2014
Loan payable to BDC - interest BDC's floating base rate less 0.5 % per annum, due March 23rd, 2033, with fixed monthly repayments of $15,625 principal plus interest, secured by the following: first mortgage on 2180/2190 2nd Avenue Whitehorse; general assignment over property and equipment on that property.	**3,323,490**	3,415,919
Loan payable to BDC - interest BDC's floating base rate less 0.5 % per annum, due March 23rd, 2033, with fixed monthly repayments of $37,500 principal plus interest, secured by the following: first mortgage on 411 Main Street, Whitehorse; general assignment over property and equipment on the property; first priority on inventory and receivables to lender extending line of credit.	**8,062,461**	8,286,674
Loan payable to BDC - interest at BDC's floating base rate less 0.5% variance per annum, due September 23, 2028, with monthly principal repayments of $13,000 plus interest, secured by the following: first mortgage on 4051 4th Avenue, Whitehorse; general assignment over property and equipment of the property; first priority on inventory.	**2,687,854**	2,765,752
Loan payable to BDC - interest at BDC's floating base rate, due March 23, 2029, with monthly principal repayments of $2,564 secured by land and building on Lot 2A, Block B 335, Plan 2007-0028.	**428,204**	443,589
Loan payable to BDC - interest at BDC's floating base rate, due Feb 23rd, 2029, with monthly principal repayments of $2,436 plus interest, secured by the following: first mortgage and assignment of rents on the partnership's interest in the land and buildings at 166 & 170 Titanium Way, Whitehorse.	**391,530**	406,146
Loan payable to RBC - interest at 2.25%, due July 25, 2018, with biweekly repayments of $935.24 principal and interest, secured by the following: first mortgage on Unit 101, Whitehorse Condominium Corporation 192.	**374,446**	382,628
Loan payable to BDC - interest at BDC's floating base rate less 0.5%, due June 23rd, 2032, with monthly principal repayments of $1,837 plus interest, secured by the following: first mortgage and assignment of rents on the partnership's interest in the land and buildings at 166 & 170 Titanium Way, Whitehorse.	**362,759**	372,691
Loan payable to BDC - interest at BDC's floating base rate less 0.5%, due May 15, 2033, with monthly principal repayment of $7,500 plus interest, secured by a first mortgage on 101 Main St, Whitehorse; general assignment over property and equipment on that property	**1,602,247**	1,646,337
Loan payable to First Nations Bank-interest at 3.95% due October 1, 2017 with monthly payments of principal and interest of $4,534; secured by a first mortgage on 2193 and 2195 2nd Avenue, Whitehorse and a general assignment of rental income from the properties.	**647,477**	660,289
Total	**$ 22,355,785**	$ 23,014,766

The BDC floating base rate at period end was 5.0% (2014 - 5.0%). RBC and First Nations Bank prime rate at period end was 3.0% (2014 – 3.0%).

Principal repayments on long term debt over the next five years and thereafter are as follows:

2016	$	1,280,668
2017		1,280,668
2018		1,280,668
2019		2,179,661
2020		2,189,785
Thereafter		14,316,024
	$	**22,527,474**

The partnership's debt agreements contain covenants which require minimum levels of tangible equity, debt service coverage, limitations on indebtedness, and limit the use of proceeds of asset sales which it was in adherence to at June 30th, 2015.

6. Short Term Loans

As at June 30th, 2015, there was $6,034,317 (2014 - $5,755,729) in short term debt.

$373,195 was obtained from a related party to fund the renovation of a hotel property. Interest is being charged at 5% and is secured against the partnership's interest in the hotel property and is due no later than December 18th, 2019. This loan will transition to a mortgage on July 1st, 2015, at 5% per annum with a term of 5 years with monthly payments of principal and interest of $14,153 secured against the property.

$5,687,999 (2014 - $5,431,121) was obtained from the First Nations' Bank relating to a commercial construction project. The debt is secured against a general security agreement and a first mortgage on 4201 4th Avenue, Whitehorse. Monthly payments of $24,000 principal and interest 4.4% commenced in April. The credit facility is non-revolving with a limit of $6,400,000. At June 30th, 2015 the remaining credit limit was $601,460 (2014 -$968,879). There is $25,310 (2014 - $30,790) in deferred financing fees needed against the short term loan. This loan will be converted to a mortgage in the upcoming period.

7. Convertible Debentures

At June 30th, 2015 the Partnership had $4,000,000 (2013 - $4,000,000) in convertible debentures outstanding. The debentures bear interest at 6.75% per annum paid quarterly and are secured with mortgages over 4 otherwise unencumbered properties and a security interest in the partnership's other properties. The lenders can have the option to convert the debenture at any time after February 28th, 2014 at the lessor of $1.95 per partnership unit or the calculated Net Asset Value per partnership unit less 5% up to the maturity date of July 31st, 2016.

The Partnership can redeem the debentures at any time after February 15th, 2015 at cost.

As at June 30th, 2015 there was $9,823 (2014 - $18,206) in deferred financing fees netted against the debentures.

Management has communicated an intention to redeem $1,000,000 of the debentures on August 31st, 2015.

8. Financial Instruments and Risk Management

The fair market values of cash, accounts receivable, accounts payable and accrued liabilities, short term loans, notes receivable, promissory note, customer deposits and related party advances approximate their carrying values due to their short term to maturity or capacity for prompt liquidation. The fair value of long term debt approximates its carrying value because the interest rates float with market or are similar to market rates.

Credit Risk

The partnership is exposed to normal credit risk resulting from the possibility that a customer or counterparty to a financial instrument defaults on their financial obligations; if there is a concentration of transactions carried out with the same counterparty; or if financial obligations which have similar economic characteristics such that they could be similarly affected by changes in economic conditions. The partnership's financial instruments that are exposed to concentrations of credit risk relate primarily to accounts receivable. To mitigate the credit risk, the partnership has accounts receivable widely distributed among its customer base, performs regular credit assessments of its customers, provides allowances for potentially uncollectible accounts, obtains advance deposits and requires many of its customers to pay rent at the beginning of each month. The partnership therefore believes that there is minimal credit risk associated with the collection of its accounts receivable.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. The partnership is exposed to interest rate risk with respect to its short term financial instruments all of which are expected to be realized within one year. As described in note 5, a substantial portion of the partnership's long term debt bears interest at floating rates. Fluctuations in these rates will impact the cost of financing incurred in the future. The partnership's various loans have rates between 3% and 7% and maturing between one and ten years.

Liquidity Risk

Liquidity risk is the risk that the partnership will not be able to meet its obligations as they fall due. In the period the partnership met its third party obligations, including all debt service requirements.

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The partnership is exposed to a small amount of currency risk because it does a small amount of transactions in US dollars.

9. Loans Receivable

As at	June 30, 2015	Dec 31, 2014
	(unaudited)	*(audited)*
Mortgages receivable	$ 539,242	$ 679,969
Loans receivable	1,919,519	2,181,690
Advances to joint ventures	119,218	142,262
	$ 2,577,979	$ 2,832,495
Less Current Portion	(823,946)	(1,215,983)
	$ 1,754,033	$ 1,616,512

(i) Mortgages receivable

Mortgages receivable represent advances made to vendors of properties sold by the partnership. In all cases, security is provided by the underlying property. Interest is charged at rates between 5% and 7%. The total interest earned on the loans in the period was $14,447 (2014 - $8,868). The maximum exposure to the credit risk associated with the mortgages receivable occurs if the borrowers defaults n repayment of the mortgages. Therefore, the carrying value of the mortgage receivable balance represents the Partnership's maximum exposure to the related credit risk without taking into account any collateral or any other credit enhancements. There were no impairments or impairment provisions recorded on the mortgages receivable as at June 30, 2015.

(ii) Loans receivable

Loans receivable are with third party borrowers. The terms of the loans do not exceed 5 years, with interest rates ranging from nil to 12%. The total interest earned on the loans in the period was $ 56,618 (2013 - $29,796). The maximum exposure to the credit risk associated with the loans receivable occurs if the borrower defaults on repayment of the mortgage. Therefore, the carrying value of the loans receivable balance represents the Partnership's maximum exposure to the related credit risk without taking into account any collateral or any other credit enhancements. An impairment of $27,314 (2014 - nil) was recorded on one loan receivable as at June 30, 2015.

(iii) Advances to Joint Ventures

Advances to Joint Ventures are made to assist working capital requirements. Interest is charged at 5% when other joint ventures do not contribute their obligation. The total interest collected in the period was $5,732 (2014 - $11,255).

10. Related Party Transactions and Balances

Amounts due to related parties are non-interest bearing, payable on demand and have arisen from the sales of product and provision of services and cash advances. Management has concluded that it is not practical to determine the fair value of related party loans as there is no comparable market data.

During the period, the Partnership had the following transactions with parties that were either partners, employees or companies controlled by partners or employees of the Partnership:

For the six months ended	**June 30,**		**2015**		2014
			(unaudited)		*(audited)*
Paid:					
Financing charges and interest - paid to various investors in which the partnership has proportionate interests		**$**	**17,501**	$	1,416
Fees Paid to Directors of the Partnership			**52,471**		99,712
Rents paid to Joint Ventures in which the partnership had an existing proportionate interest			**43,981**		44,704
Other fees - consists of miscellaneous and contractor payments paid to employees, partners, or companies controlled by employees of the partnership			**37,767**		18,176
		$	**151,720**	$	164,008
Received or recovery from:					
Rent - received from a company controlled by an employee of the partnership and a joint venture in which the partnership has a proportionate interest		**$**	**61,509**	$	61,509
Interest - received from a company controlled by an employee of the partnership on a short term loan and loans to employees and Joint ventures			**17,773**		19,069
Other fees - consists of miscellaneous payments received for services and reimbursements for recoveries from joint ventures in which the partnership has proportionate interests and related companies			**22,406**		93,0123
		$	**101,688**	$	173,590

The related party transactions occur in the normal course of operations and are measured at the exchange value (the amount of consideration established and agreed to by the related parties), which approximates the arm's length equivalent value for services.

As at June 30, 2015, the Partnership had accounts receivable from related parties of $28,766 (2014 - $9,550)

As at June 30, 2015, the Partnership had amounts receivable from its joint venture partners of $43,213 (2014- $385,369)

As at June 30, 2015, the partnership had an amount due to its joint venture partners of $nil (2014 -$1,418).

As at June 30, 2015, the Partnership had accounts payable from related parties of $13,460 (2014 - $853)

11. Reporting Segments

For the six months ended June 30, 2015 *(Unaudited)*	Hotels	Rentals	Property Held for Sale	Property Under Development	Other	Total
Revenue	**$ 5,800,847**	**$ 1,192,191**	**$ 15,209**	**$ -**	**$ 30,170**	**$ 7,038,418**
Amortization	**434,654**	**447,347**	**-**	**-**	**37.251**	**919.252**
Interest Income	**-**	**-**			**78,937**	**58,873**
Interest expense	**243,709**	**369,019**	**-**	**-**	**138,100**	**653,350**
Net earnings (loss)	**607.649**	**207,607**	**15,209**	**-**	**(766,564)**	**(63,902)**
Property and Equipment	**$ 16,280,941**	**$ 30,762,645**	**$ 652,668**	**$ 2,061,201**	**$ 999,527**	**$ 50,751,389**

For the six months ended June 30, 2014 (Unaudited)						
Revenue	$ 5,656,174	$ 1,049,811	$ -	$ 404,563	$ -	$ 7,110,548
Amortization	431,753	373,932	-	-	64,728	870,413
Interest Income	-	-	-	-	58,873	58,873
Interest expense	249,912	262,039	-	-	141,399	653,350
Net earnings (loss)	(24,024)	237,191	92,994	87,657	(751,417)	(538,250)
Property and Equipment	$ 16,507,806	$ 32,511,499	$ 984,354	$ 2,042,024	$ 1,066,903	$ 53,112,585

As at June 30 2015, the partnership had four reportable segments: hotels, rentals, property held for sale and property under development. Hotel operations consist of room rental and food and beverage services. Rental properties consist of commercial and residential properties held under long term lease. Property held for sale consists of residential properties and commercial lots publicly available for sale. Property under development consists of lands and buildings in construction.

12. Partners' Equity

At June 30th, 2015 there are 21,029,970 units outstanding (2014 - 21,029,970). There are $4,000,000 (face value) convertible debentures outstanding with conversion privileges that would create an additional 2,051,282 units of the partnership, bring the fully diluted number of units outstanding to 23,081,252.

13. Joint Ventures

The financial statements include the partnership's proportionate interest in 3 (2014 -4) joint ventures. All are located in the Whitehorse area.

Name	Interest	Activity	Year of inception
Titanium Way Joint Venture	67%	Lease of commercial properties	2008
Rivers Reach Joint Venture	90%	Construction and sale of residential properties	2011
North Carcross Joint Venture	50%	Lease of commercial properties	2013

As at		June 30,2015		Dec 31,2014
		(unaudited)		*(audited)*
Cash	**$**	**11,462**	$	187,264
Accounts Receivable		**46,065**		32,284
Prepaid Expenses		**4,6878**		12,464
		162,214		232,012
Property and Equipment		**2,755,663**		2,894,830
Organization costs		**125**		125
	$	**2,918,002**	$	3,126,842
Accounts Payable and accrued liabilities	**$**	**57,940**	$	52,944
Government remittances		**-**		14,005
		57,940		66,948
Long term debt		**754,289**		794,590
		812,229		861,539
Equity		**2,105,773**		2,265,305
	$	**2,918,002**	$	3,126,842

For the six months ended June 30,		2015		2014
		(unaudited)		*(unaudited)*
Revenues				
Rentals	**$**	**93,723**	$	116,059
Gains		**-**		24,405
	$	**93,723**	$	140,464
Expenses				
Property		**43,290**		38,737
Amortization		**56,.234**		59,012
Interest		**20,156**		31,167
Expenses		**119,680**		128,916
Net income	**$**	**(25,957)**	$	11,548
Cash flows from operating activities	**$**	**31,560**	$	107,594
Cash flows, investing activities	**$**	**-**	$	336,671
Cash flows, financing activities	**$**	**(33,513)**	$	(387,421)

CORPORATE INFORMATION

General Partner – Northern Vision Development Corp.

Board of Directors

Shirley Adamson
Hannes Kovac**
Ian McAuley*, ***
Hon. Piers McDonald, Chairman**, ****
Robert Savin
Myron Tetreault ****
Brian Titus *

* Denotes member of the Audit Committee
** Denotes member of the Development Committee
*** Denotes member of the Hotel Committee
**** Denotes member of the Governance Committee

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Adam Gerle, VP Marketing
Alexis Brandt, Director Human Resources
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