NVD, through its involvement in the Dawson Downtown Limited Partnership, acquired the Eldorado Hotel assets in January 2024. This added 46 rooms, substantial food and beverage, and related hotel assets to the Dawson hotel portfolio.

Focused on Opportunities…

With the Yukon economy facing new challenges.

Northern Vision Development Limited Partnership

Semi-annual Report to Unitholders

As at and for the Six Months Ending June 30, 2024

NORTHERN VISION DEVELOPMENT LIMITED PARTNERSHIP
2024 SEMI-ANNUAL REPORT TO UNITHOLDERS

This semi-annual report updates Unitholders on the activities of Northern Vision Development Limited Partnership ("NVD" or "the Partnership"). Included herewith are financial statements as at and for the six months ended June 30, 2024, as prepared by management (unaudited) along with comparable results for previous periods. Comparable figures that are presented for the year ended December 31, 2023, were audited by Deloitte LLP.

Overview

NVD, a private partnership established in February 2004, owns, manages, acquires, sells and develops hospitality, commercial, independent living and residential assets located in Canada's Yukon Territory. NVD is managed by its General Partner, Northern Vision Development Corp., a private corporation based in Whitehorse and formed under the laws of the Yukon. The operations of the Partnership are overseen by a Board of Directors of the General Partner comprised of individuals with a diverse mix of skill sets and local knowledge, including experience in the real estate and hospitality industries.

At June 30, 2024, 31,862,669 limited partnership units were outstanding (December 31, 2023 - 31,862,669) with no options or purchase warrants issued. A total of 104 Unitholders held interest in the Partnership on June 30, 2024 (106 - December 31, 2023). The Net Asset Value ("NAV") was estimated at $3.76 per unit on June 30, 2024 (December 31, 2023 - $3.69), based on updates made by management that rely on the methodology and assumptions used in the most recent third-party valuations for assets as well as recent market data. This represents a 1.9% increase in NAV per unit over the past six months. No distribution was made during the period as was the case in the first six months of 2024.

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NVD strives to pay out distributions based on AFFO levels achieved, while keeping in mind the cash flow position of the Partnership, and the tax obligations generated for investors by allocation of Limited Partnership income for tax purposes each year. Given the significant amount being invested in Hyatt Place, the distribution plans for 2024 will most likely be based solely on taxable income considerations, with a distribution likely to be made in the fourth quarter of the year.

Net Asset Value ("NAV") estimated at $3.76 per unit at June 30, 2024

Highlights for the six months to June 30, 2024

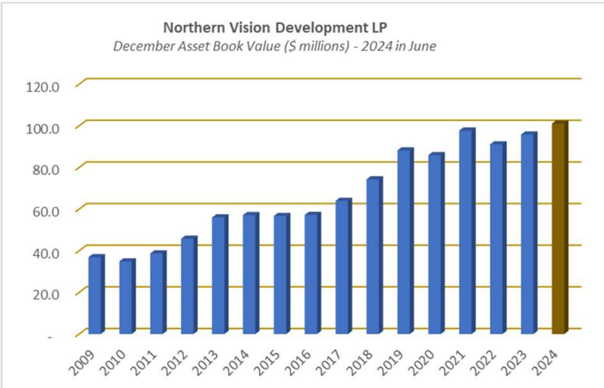
Results for the period were disappointing with economic factors impacting restaurant performance early in the year, inflation putting pressure on cost, and programs aimed at reducing overhead taking time to materially impact performance:

- The combination of operating, investment and interest income declined to $1.02 million for the period, a 6.9% decline from the same period in 2023.
- Net income, after a provision of an additional $753,013 for loss related to supplier bankruptcy, and recapture of $50,073 from prior year losses provisions, was $314,749 which was down 72% from a year earlier.
- Cash balances remained strong at $3.75 million ($7.27 million at December 31, 2023).
- Overall debt levels began to grow as the re-leveraging program commenced in support of the Hyatt Place development. Long term debt rose 14.6% to $32.7 million from $28.6 million at December 31, 2023.
- Total Debt to Book Value of Equity increased to 0.52:1 at June 30, 2024, from 0.46:1 six months earlier, and Total Debt to Market Value of Equity climbed to 0.27:1 from 0.24:1 at December 31, 2023, as the Hyatt Place lending program began to impact balance sheet ratios. These ratios remain well below historical levels.
- Operating gross profit declined by 4.4% to $3.76 million in the first six months (2023 - $3.94 million). This was a result of a 2.9% decline in overall operating revenues as well as a decline in operating margin from 36.7% to 36.1% for the first six months of the year compared to the same period in 2023.
- Interest expenses were up 2.9% during the period as a shift from variable to fixed interest loans offset the impact of rising interest rates on loans that were renewed during the period. While debt levels increased during the period, the increases were related to investment in the Hyatt Place project with associated interest on the increased balances being capitalized against that project.
- On June 30, 2024, fixed rate loans represented 94.7% of NVD's mortgage portfolio (84.0% - December 31, 2023). Weighted average cost of debt was 5.57% at June 30, 2024 (5.55% - December 31, 2023). Including NVD's share of the KBC Developments Ltd. loan, the portfolio is 95.9% fixed at June 30, 2024 (88.7% - December 31, 2023) with a weighted average cost of 4.74% (4.45% - December 31, 2023).
- Overhead costs were down 7.0% versus the same period in 2023 to $3.24 million. This was driven by declines in amortization related to a reduction in the Partnership's variable interest in Hobah Apartments and a reduction in wage costs, offset by increases in legal and audit fees due to one-time issues.
- Earnings from interest income declined by 5.6% to $430,032 as significantly lower cash balances were offset by higher interest rates earned on passive cash balances and loans held in the Partnership's loan portfolio.
- Margins earned in the Hotel division grew to $1.82 million which was a 3.1% improvement over margins achieved in 2023. Despite a 10.4% improvement in hotel revenues, margin performance growth was dampened by a 14.7% increase in Hotel division costs, driven in part by the low season inclusion of the newly acquired Eldorado Hotel in Dawson. The opposite impact will be witnessed during the high season.

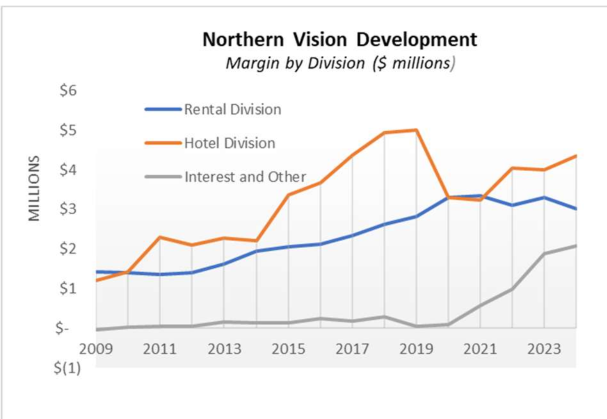
The Hyatt Place is taking shape in Whitehorse (August 2024)

- Total Asset Book Value grew by 5.6% to $101.1 million while Net Asset Value per unit was estimated at $3.76, a 1.9% increase over the $3.69 per unit estimated at December 31, 2023.
- Enterprise value per unit exceeded $150 million for the first time, at $4.79 per unit, up 4.4% from $4.58 per unit at December 31, 2023.

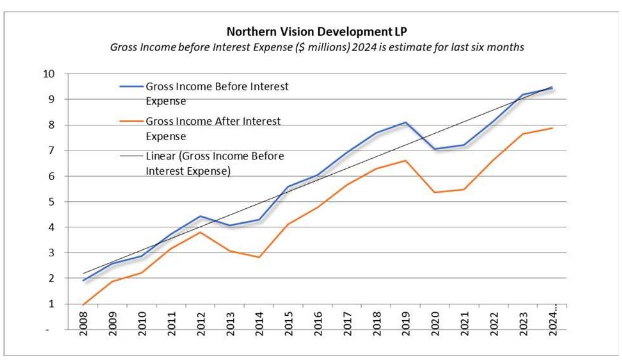
Historical Analysis



Book Value of Assets *is on the rise, in 2024 this has been driven by bringing on debt to support the development of the Hyatt Place project. NVD has also been retaining some income (i.e., distributing less than overall annual income) in order to invest in asset growth. The 2024 number is as at June 30 and is expected to rise throughout the balance of the year as further investment in the Hyatt Place is made.*



Diversification *of revenue and margin sources continues with other activities continuing to catch up to the traditional contributions from Hotels and Real Estate rentals. As KBC (Normandy) continues to move toward positive contribution and investments like Carmacks grow in importance, the contribution of interest income to the other category will fall as operating contributions continue to rise. The diversification should help smooth out performance for NVD over time.*



Gross Income *continues to rise, but the pace of growth has slowed. With the challenges in Yukon associated with a recent mining industry accident (Heap Leach failure at Victoria Gold) and its potential impact on the overall Yukon Economy, we will be redoubling efforts to ensure maximum margin performance is maintained and gross income levels are as protected as possible.*

CEO's Letter to Unitholders

Dear Unitholders:

As Yukon once again faces challenging economic headwinds, it's important that NVD declares its intentions to remain bold, growth focused and committed to strong investor and community returns. That's the ethos and culture that built this company and that will never change, even as Yukon weathers its latest economic challenges.

Even so, we have to be clear-eyed about the challenges created by the recent temporary closure at the Eagle Gold Mine and the impact that is having on the mining sector and the broader economy. This semi-annual is its own proxy for the economy and how that plays out in a company's financials. We are reporting some real success, but that success is weighed down by factors that are outside NVD's control.

Yukon's economic cycles often move at different timelines and paths from the national cycles. When the rest of the country dips, our stable government expenditure insulates us and the migration of capital into gold and other metals can create a boom in Yukon when the rest of the country is in a down cycle. That pattern was repeating itself with active mining, strong exploration investment, and large infrastructure spending by government.

But that positive cycle has now been significantly disrupted. First, Minto mine closed last year, which was a meaningful economic driver, particularly at our Carmacks-based businesses. NVD was navigating this challenge relatively well (although Carmacks hotel numbers were struggling) and there was still significant optimism about the near and medium-term economic conditions. Then Victoria Gold Corporation's Eagle Gold Mine shut overnight, due to a major incident on site. Eagle represented hundreds of jobs and was the single largest private sector contributor to Yukon's GDP. The impacts from this event are just starting to be felt.

There is potential that the Eagle Gold Mine may be able to resolve onsite issues as it moves through receivership, mitigate the damage from the heap leach incident, and eventually reopen, but that outcome is by no means certain. First Nations are demanding changes to how mining is managed in Yukon and the territory's faith in the industry has been shaken.

Even if the Eagle Gold Mine is able to reopen, it likely won't be for months. In the meantime, the negative impacts will be felt well beyond. Numerous major employers in Yukon are impacted by the receivership, as are almost every other business. For NVD, restaurants and community assets are most at risk. Management is pivoting with bids to bring in long-term stays, increase catering (rather than table service) for construction companies, and developing targeted advertising campaigns aimed at capturing a larger portion of the local market and last-minute travelers. At the same time, government is clearly and forcefully communicating its intent to do what it can to prep the Eagle Gold Mine for a future reopening. As a result, we have measured confidence about our ability to weather the storm.

But NVD wasn't built by just weathering storms. NVD was built by turning into the storm and fighting through to capitalize on opportunities other companies lack the courage and appetite to seize during tough times. We do that because downturns are the best time to lay the foundation for future growth.

NVD's history illustrates and proves the point. In the early 2000s, when there was no meaningful economy at all and mining was moribund, NVD was founded and began to flourish. During the financial crisis of 2008/2009, NVD was in the middle of expanding its hotel portfolio with investment in upgrades to the High Country Inn. In 2012 through 2014, Yukon suffered a major financial downturn that put immense pressure on hotels and other activities. In line with its culture, NVD attracted significant investments from Tr'ondëk Hwëch'in Trust, the Dáanaa Jíli (Cache) Trust of the Carcross Tagish First Nation, and the Ta'an Kwäch'än Council, paving the way for other investments that eventually made NVD majority Yukon First Nation owned. During COVID, we laid the groundwork for the Hyatt Place by selling several aging assets and pivoting to NVD's first new construction hotel, while at the same time beginning construction on Normandy, which opened an entirely new area of business for the Partnership beginning in late 2022. We understand that Normandy was likely the biggest private sector investment in real estate made up to that time in Yukon, eclipsed now by the Hyatt Place.

Every time Yukon has faced economic uncertainty, our company has been able to use its size, scale and operating acumen to grow and advance long-term outcomes for investors and communities.

Initially, the surprise temporary closure at Eagle Gold Mine was creating deep concern about the near-term future for private sector entities in Yukon. However, as the story has unfolded and the Yukon Government has articulated a clear intention of seeing the mine reopened in the coming 12 months, management is beginning to shift to a more nuanced, cautiously optimistic perspective about the next 12 to 24 months.

Our job, as management, is to manage the existing company with care and attention, so that we can preserve our value, while also striking out at growth and expansion activities when they present themselves in this environment. What follows is a look back at the first six months but know that your management team is already focused on the future and where we can take NVD in the years ahead.

…

Over the past 12 months, we have been framing 2024 as a transition year. On that front, we have had some success. Operating Income (that income generated from operations before interest income, equity income and other adjustments) for the first half of the year is ahead of the same period last year by $70,000, representing a 15% improvement. Overheads are being reduced and on track for an approximately 10% reduction over last year. Hotels are achieving record revenues in Whitehorse, offsetting a downturn in our community assets. In fact, NVD is on pace to meet a stretch target set when the Hyatt Place was first planned by exceeding pre-High Country Inn sale revenues for the full portfolio, despite reduced rooms in Whitehorse. The Real Estate division continues to outperform expectations and Property Management is turning from a cost

The new Cabin Fever restaurant is a hit and has allowed NVD to once again increase division revenues and margins.

center to a modest profit center with opportunity for growth.

Restaurants are weathering the storm and while revenues are down, that is primarily due to a planned closure and renovation of the Moose and Mountie into the relaunched Cabin Fever. Since May, Cabin Fever has performed well and general stability (if not robust performance) in other outlets is pushing our division forecasts ahead of last year.

Restaurants have historically been the division most at risk from external economic factors. As the impacts of short-term closures begin to trickle through the economy, one of the first things cut from family budgets is a night out for dinner. Corporate cuts hit expense accounts and large events first. Both of those realities create risk for the Restaurants division in the months ahead. In order to reduce any significant impact, management will be heavily focused on a responsive, flexible approach to restaurant operations.

Risk is increased as the debt load NVD shifts, after two plus years of carrying large cash balances and historically low debt ratios. Interest income is dropping, as parked cash is expended on the Hyatt Place project, which impacts overall performance in the short term. Concurrently, interest expense is rising, as NVD takes on debt to fund construction, in some cases using increased leverage on existing properties. As we embark on future development projects, this trend will continue, however the increased cost will be more than offset by increased income as new projects become margin contributors.

The Hyatt Lobby will offer a new level of experience overlooking Main Street in Whitehorse and is likely to be popular for hotel guests as well as workers in downtown Whitehorse.

As we pivot away from our first two decades and begin to reshape our culture and approach to succeeding as a 50-year horizon Partnership, NVD's increased debt load is signal of the meaningful investments that will shape our success in outlying years.

Hyatt Place construction is progressing well and remains on budget. At the same time, early-stage work on Whistle Bend continues with the site being cleared and prepped for pre-loading to allow for construction in 2025/26. Discussions are underway with several groups who are looking to bring restaurants, grocery, gas and other services to Whistle Bend. Planning for Kèjän + Rogers is proceeding, although more slowly, as the final elements of the purchase from the Yukon Government (including the development agreement with the City of Whitehorse) are finalized. The Kèjän + Rogers project means that NVD will be a 25% owner, and active development participant in a very

Trees have been removed from the Whistle Bend site and ground is being prepared for grading and preloading.

important downtown Whitehorse initiative which will fuel development opportunities for many years to come.

Our existing Whitehorse assets are performing well. As already mentioned, Whitehorse hotels are posting record revenues and the whole Hotel division has seen its gross profit grow 3.1% in the first six months to $1.82 million. The Edgewater Hotel, in particular, had an outstanding first half in 2024, setting records in almost every month of operation. The Best Western Gold Rush Inn continues to be the best performing hotel asset in the territory with several outstanding, "best ever" revenue months already this year. The strength of these businesses bodes well for our pending opening of the Hyatt Place, although management has work to do to ensure that any cannibalized business comes from non-NVD hotels.

Our rural properties are a different story. Carmack Hotel Ltd. has been challenged by the loss of business from highway and community infrastructure construction, all of which wrapped up last year. Adding to the challenges, last year's Minto closure impacted this hotel and restaurant more than any other asset in the NVD portfolio. Offsetting the down year in Carmacks hotel performance is the continued strength of the grocery and fuel business, where revenues are up slightly, and margins are up even more. The increases in revenue and margin from these businesses have kept the Carmacks portfolio within $35,000 of last year's first half performance. With some recently arranged deals related to contractor stays and other activity, there is the potential for the Carmacks investment to meet or beat last year's results in 2024.

The Dawson City properties are another place where the faltering economy is impacting performance. The first half of the year was undercut by the purchase, stand up and integration of the Eldorado Hotel into the portfolio. Any time a company expands in a small market, it can be difficult to control costs and maintain margins in the early period of operations. However, the investment promises to be a strong one, with significant synergies being realized commencing as early as later this year, especially as the Dawson Downtown Limited Partnership (owned 50/50 with the Tr'ondëk Hwech'in Trust) is able to operate with enhanced seasonal closures while remaining active in the market year-round.

While hotels in Dawson City find their footing, the food and beverage outlets are having a strong summer. The restaurant and bar in the Eldorado are outperforming the previous owner's results and the Sourdough Saloon, located in the Downtown Hotel, is having a strong margin year since opening with more limited hours for the summer season. The broader asset base allows us to fully serve tourists and the local community while simultaneously being able to be more flexible in respect to operating hours in a manner that enhances margins. That combination will allow us to do a better job for all of our stakeholders in Dawson City.

A fresh paint job has been recently completed at the Downtown Hotel in Dawson.

Restaurants in Whitehorse have had an uneven year, as already mentioned. Belly of the Bison, located in the Edgewater Hotel, was having a very strong year, but recent weeks have been impacted by increased competition as well as the Eagle Gold Mine closure. Belly of the Bison is a high-end restaurant that does well when the economy is robust and people have money to spend, so it is no surprise that this outlet has been the first to feel the impact. The recent drop in performance (post-semi-annual financials) coincides exactly with the mine closure. Performance has stabilized in recent weeks and the fall is generally a strong period for the outlet, so we remain confident that we will meet and exceed last year's performance for the full year.

NVD's stalwart outlet, the Gold Pan Saloon, has continued its steady performance at the top of the portfolio. The mix of bus tour breakfasts, strong local support and hotel guests from the attached Best Western Gold Rush Inn, combine to create a strong, diverse market that continues to perform. This performance is buttressed by strong banquet numbers, again supported by morning bus tour traffic.

And then there's Real Estate, a division which continues to push returns upwards, despite having materially less square footage to lease. While the division is behind last year due to the loss of the Health Clinic lease in the old Yukon Convention Centre (which moved to smaller premises in NVD Place), it is ahead of budget due largely to renegotiating improved leases upon renewal. That kind of commitment to increased return on existing assets is a core cultural tenet of NVD and it has been on display all year in the Real Estate division. At the same time, efforts have paid off in turning Property Management from a cost center to a revenue generator. Halfway through the year, the team has managed to turn a small profit, while feeling increased pressure to support NVD's own assets. There are multiple RFPs out for private property management services and NVD expects to be competitive on all of them.

Year-end expectancy for NVD is heavily reliant on the ability of the Real Estate division to realize gains from the sale of select residential and commercial condos. As of this writing, there is reason for optimism here, as one residential condo is already under offer with a planned fall close.

Marking a significant milestone is the Normandy Living project, which turned a major corner and began delivering operating profits, on a monthly basis, starting in March. That positive performance has continued through this writing. The rest of the year hinges on NVD's ability to finalize a further contract for 10 additional rooms. This potential contract is reflected in our forecasts, so meeting performance expectations will require management to fulfil the potential of this new partnership.

Internally, our company is making significant strides to remake itself in anticipation of future growth. Last year was all about investing in and improving accounting functions, which has paid off for the Partnership. This year, management turned its attention to another key internal function - IT. Over the past 8 months, NVD has nearly completed migrating its IT infrastructure from a poorly integrated and aging collection of isolated and segregated networks supported by a third party, into a single, cloud-based, fully integrated network across all entities supported by in-house talent. At the same time, we have invested in replacing outmoded hardware, while making investments in cyber security, which in today's world, is going to be a defining characteristic of all successful companies. These investments are driven, in part, by Hyatt Place coming online next year and bringing with it higher IT standards. Beyond immediate performance and reliability improvements, a renewed, better integrated IT ecosystem is vital for any potential expansion and to enable improved analytics and data collection. IT is a rarely seen element of a company, but when it is a priority and management invests time, effort and cash into improving infrastructure, it can be the competitive advantage that makes a meaningful difference for future investments.

Despite the activity and opportunity that we have in front of us, past challenges continue to be a downdraft on our progress. As investors know, we have been navigating the bankruptcy of Nomodic Modular

Structures Inc. ("Nomodic"), a supplier for the Hyatt Place project. At the time that Nomodic went bankrupt in September last year, the company was holding a $2.4M deposit from NVD. We had already fired Nomodic and we had signed a settlement which guaranteed the return of the funds and in fact, the payment was due on the same day they entered bankruptcy. Despite the strength of our claim, Alberta Treasury Branch ("ATB") held a large portion of the funds outside of the bankruptcy trustee's oversight and as such, it was not available through the normal bankruptcy process. To proceed to court to recover the full $2.4M would have had significant legal costs (as it likely would have proceeded to Alberta appeals and supreme courts before resolution) and there is always some risk with bankruptcy proceedings that NVD's claim could have failed completely, due to our unsecured status.

As a result, NVD is finalizing settlement terms with ATB that will see NVD recover half of the $2.4M. This settlement will require a further $753,000 write down (in addition to last year's $450,000 write down), which is reflected in the financial statements presented in this report and largely wipes out the successful operating income of the first six months. That is a negative outcome for investors, and management is committed to making up this lost value in future years.

While deeply disappointing, this negotiated outcome will return meaningful cash to NVD ensuring we have more cash on hand for the Hyatt Place project, which in turn, will reduce borrowing for the project. Also, NVD can finally turn the page on a very disappointing partnership with a company that took our money and the money of dozens of other companies down with them.

And of course, this letter and everything in this report would be impossible without the NVD team. Over the past 12 months, this group has faced incredible amounts of change and adjustment, both internally and externally, with CEO and CFO transitions, significant staff turnover, expansion in Dawson, changes to restaurant operations, and shifting economic conditions. Through it all, they have handled it with grace and professionalism, and at all times, they have stayed focused on operating an increasingly complex organization. When we write about record revenue years or progress on projects or increased returns, all of it is due to the team. They are all deeply committed to this company, to investors, to communities and to each other. Without them, we would be a collection of assets. With them, we are NVD.

The Management Discussion and Analysis ("MDA") that follows presents a detailed discussion of the financial performance of the company over the first six months of the year. We have decided in the semi-annual report not to provide the detailed operations reports that will remain a feature of our Annual Reports, as we have heard from investors that they receive enough information in our highlights, my letter, and the MDA that accompanies this report. Accordingly, we have included a little more information in this year's highlight section and in the MDA.

Sincerely,

Michael Hale, CEO
Northern Vision Development LP

The world-famous Sour Toe Cocktail remains a constant performer for the Partnership.

Management's Discussion and Analysis

Management's Discussion and Analysis of the Financial Results

The financial statements of Northern Vision Development Limited Partnership ("NVD" or "the Partnership"), which are unaudited and prepared by management, as at and for the period ended June 30, 2024, are included with this semi-annual report. This summary should be read in conjunction with the financial statements and related notes thereto.

Disclaimer Regarding Forward-looking Information

The Partnership's semi-annual report, including this Management Discussion and Analysis, contains forward-looking statements. Forward-looking statements are inherently risky as they are based on assumptions made by management based on the best available information at the time and dependent on external factors. The possibility exists that actual results could differ materially from the expectations expressed in this report.

Statements Prepared Under ASPE

The Partnership's financial statements for the period ended June 30, 2024, continue to utilize the Accounting Standards for Private Enterprise ("ASPE"). The Partnership can move to the IFRS framework at a time of its choosing, should it believe there is merit in such a change in accounting standards.

Financing Activities

Equity Financing:

There was no equity financing activity during the period (no distribution in the same period in 2023). No units were issued during the period in 2024 (none issued in the same period in 2023).

Long Term Debt: On June 30, 2024, long term debt was $32.7 million, representing an increase of $4.2 million or 14.6% during the six-month period (December 31, 2023 - $28.6 million). During the period debt was added to finance the Eldorado Hotel asset acquisition through two facilities totaling $0.79 million with Tr'ondëk Hwëch'in Trust, and new debt of $2.39 million placed through First Nations Bank of Canada secured by the Hobah apartment buildings which had previously been equity financed by the Partnership. A credit line of $2.2 million was established with CIBC and $1.73 million was utilized at June 30, 2024, to pay off a facility that had matured with Scotiabank. This facility was replaced in July 2024 by a facility through RBC which consolidates all Waterfront Place financing with that bank, and which also provided take out equity for use on the Hyatt Place project; and, at that time the credit line was paid off. CanNor loaned $2 million to the Partnership for support of the Normandy project, at no interest. This is a flow through item as the funds were then provided to KBC on the same terms.

One RBC facility increased slightly during the period as it matured in April 2024 and then accumulated interest while NVD waited for the Scotiabank facility to mature in June. In July when final arrangements were concluded with RBC relating to revised loan facilities and principal and interest payments resumed.

Offsetting the addition of new debt were:

- Regular principal repayments
- BDC facilities have the option to pay down 15% of the principal balance every year on the anniversary date. During the period NVD took advantage of this paydown ability to pay $7,350 in one-time annual principal repayments on its loan for the Selkirk JV (2023 - $913,474 on a hotel loan)

Weighted Average Cost of Debt: At June 30, 2024, the weighted average cost of long term debt was 5.57% (December 31, 2023 - 5.55%). During the period, the Partnership moved almost all of its remaining variable debt to fixed rate loans.

The Partnership's total long term debt includes 94.7% fixed and 5.3% variable rate loans at June 30, 2024 (84.0% fixed and 16.0% variable at December 31, 2023). At June 30, 2023 long term fixed rate debt had a weighted average cost of 5.47% and long term variable rate debt had a weighted average cost of 7.50% (December 31, 2023 - 5.03% and 8.30%, respectively). The Partnership's share of a KBC's CMHC loan for $34.25 million (before a $4.75 million forgivable portion) and a $2.0 million CanNor loan would impact the fixed rate ratios and the weighted average cost of debt if included in the calculations. The CMHC loan has a 10-year fixed term and a 50-year amortization with a 1.95% fixed rate. It is interest-only until stabilization is reached. The CanNor loan has a 0% interest rate and is repayable in equal quarterly installments over a ten-year term commencing in 2026. With these loans included at NVD share, the fixed rate skew of the debt portfolio would be 95.9% and the weighted average cost of debt would be 4.74%.

Total debt to equity ratio was 0.52:1 on a book value basis (December 31, 2023 - 0.46:1). The increase in the ratio was driven by an increase in book value of debt offset by a small increase in equity. On a fair market value basis, the debt-to-equity ratio was 0.27:1 (December 31, 2023 - 0.24:1).

As at June 30, 2024, the Partnership was exposed to interest rate risk, with each 1% rise in its variable interest rates responsible for an annual increase of $100,035 in interest expense (December 31, 2022 - $111,947).

Distributions: As the Partnership made a distribution in December 2023 there were no distributions made during the period ended June 30, 2024 (2023 - nil during the period).

Retention Awards

The Retention Award ("RA") program provides an incentive for senior staff and board retention. Each year grants are made to senior staff and board members. These grants track the performance of NVD units, and vest after three years. While it is possible that a staff or board member will leave before their units are vested, the Partnership calculates the value of the outstanding obligation for RAs in a given year assuming that all holders will see their RAs vest. A correction is made to the expense allocation when a person leaves with unvested RAs in place. Prior to 2022 the RA program allowed retention awards to vest at a rate of one third annually. In 2023, one third of the previous RAs granted (those granted in 2021 which were fully vested at the end of 2023) were grandfathered under the original rules governing NVD RAs.

As at June 30, 2024, liability accrued for RAs issued, expensed but not vested was $223,515 ($143,562 at December 31, 2023). During the six months to June 30, 2023, a total of $79,953 in RA expenses were accrued recognizing the potential future cost of these grants once they vest, valued at the current NVD unit price ($56,353 expensed in the same period of 2023). During the period the Partnership redeemed a $nil RAs for cash that had become fully vested on December 31, 2023, as these were redeemed at the end of 2023 ($20,703 redeemed in 2023). A further increase or decrease will be applied to the value of the liability during the second half of 2024 recognizing an increase or decrease in the unit value of NVD LP units based on the year end estimate of NAV per unit, and the value of grants outstanding will continue to receive a monthly accrual for expense so long as the holder of the RA continues to be employed by NVD. If a RA holder leaves NVD employment, their unvested RAs are forfeited.

Working Capital

Restricted Cash are the balances held for dedicated capital expenditures within the Hotel Division as required by a loan facility agreement with BDC, a GIC held as security for development permits, or for deficiency work related to the River's Reach II condominium complex.

The balances related to capital expenditures arise from regular monthly payments made to BDC as part of the hotel loan agreements and are refunded to NVD as capital expenditures are incurred and submitted to BDC for repayment. At June 30, 2024, the balance was $253,598 (December 31, 2023 - $109,286), which had increased due to a relatively quiet capital expenditure period for the Hotel division in respect to its operating Whitehorse hotels. In July 2024 $166,000 of this amount was submitted to BDC for repayment.

The GIC held for security is for the development permit with the City of Whitehorse for hard surfacing, landscaping, and record drawings at the Hyatt Place. At June 30, 2024, the balance was $156,539 (December 31, 2023 - $152,987).

The balances related to the River's Reach II deficiency work was $130,624 at June 30, 2024 (December 31, 2023 - $130,624). These balances are accessible to the completion of warranty work on a unit-by-unit basis and currently await final resolution of roof top deck replacement or removal.

Accounts Receivable totaled $1,008,963 on June 30, 2024 (December 31, 2023 - $1,255,050). The decrease in balances reflects the increased management success with accounts receivable follow-up, as normally this balance would be higher in June, during the high season for hotel and restaurant operations, than in December. Management meets monthly to review accounts receivable in detail and tasks follow up on overdue accounts. Management is also changing invoicing processes to include interest charges on overdue accounts.

Accounts Payable and Accrued Liabilities totaled $5,128,450 on June 30, 2024 (December 31, 2023 - $4,265,618). The increase in accounts payable is primarily due to the increase in pace of ongoing construction of Hyatt Place. A total of $1.9 million was owed to the general contractor on June 30, 2024 ($1.0 million on December 31, 2023) as well as the general increase in activity levels associated with high season operations.

Loans Receivable totaled $7,738,351 on June 30, 2024 (December 31, 2023 - $10,293,825), a decrease of 24.8%. Most of the decrease is attributable to Tr'ondëk Hwech'in Trust contributing $1.6 million against the Eldorado Loan (which had previously been solely advanced by NVD), and the retirement of other loans and mortgages receivable on a disciplined bases to meet cash requirements for the Hyatt Place project. Of the Loans Receivable balances, 49.7% are held as mortgages receivable (December 31, 2023 - 41.6%) secured by underlying real estate assets. The remaining 50.26% is split between Loans Receivable (33.1% vs 27.4% at December 31, 2023) and Advances to Joint Venturers (17.3% versus 31.0% at December 31, 2023). Loans receivable balances declined 9.4% during the period primarily driven by a $250,000 retirement of a supplier advance made to Borealis fuels to assist them with impacts on their company associated with the Minto Mine closure. This debt is now almost completely retired. Advances to Joint Venturers declined by 58.3% during the period, mostly due to Tr'ondëk Hwëch'in Trust taking over 50% of the loans originally advanced by NVD to support the acquisition of the Eldorado Hotel asset package.

Development Activities

Property under development balances increased by 53.7% to $28,893,206 at June 30, 2024 (December 31, 2023 - $18,798,048). The increase in value during the year primarily reflected the Partnership's construction costs related to the Hyatt Place project which totaled $18,184,553 (2023 - $9,421,514). During the period, the Partnership incurred construction and other direct costs of $9,816,102 (2023 - $773,789), Interest and Property Taxes of $112,388 (2023 - $33,661) and Capitalized Salaries of $166,667 (2023 - $36,773).

Capital Expenditures on Property and Equipment

During the period the Partnership acquired the Eldorado Hotel for $2.7 million in early January 2024. There were no significant dispositions, however a change in ownership structure due to debt financing (which replaced NVD variable interest advances in lieu of debt) at the Hobah Joint Venture decreased its consolidated value to the partnership by $2.5 million. The Hobah capital asset is now valued at $2.9 million on the Partnership's books as opposed to $5.5 million at December 31, 2023. During the period, the Partnership recorded a gain of $nil (2023 - $31,426) from the sale of property and equipment. A total of $46,851 of salaries was capitalized (2023 - $112,205).

Capital spending included $182,000 (before allowance for grants and subsidies) invested in solar projects at NVD Place, $356,000 in Leasehold improvements, start up and capitalized closure costs for the Cabin Fever restaurant and $340,000 for the purchase a Trade Centre commercial condominium. The Partnership continued to make substantial improvements to the buildings for the Dawson investments, investing $250,000 during the period.

Net Asset Value

Net Asset Value ("NAV") is an important measure in determining the value of the Partnership. Twice a year, for the publication of the Partnership's annual and semi-annual reports, management undertakes an estimate of the value of its assets based on the latest available third-party information. The main sources for these estimates are recent appraisals of NVD's assets, recent sales data for assets that are similar to those held in the Partnership's portfolio, and third-party estimates of appropriate capitalization rates that can be applied to normalized income streams from assets in order to determine their value. Management prepares the estimate for NAV on an asset-by-asset approach and the board reviews and approves the valuation.

In the current year, there is a greater skew to appraised value than there has been in recent years as many of the Partnership's assets were subject to appraisals in order to support loan applications. During the periods in between receiving updated third-party appraisals on individual assets, management will apply the methodologies contained in the most recent appraisals completed in order to update the values. Valuation methodologies are consistently followed meaning that expanding or contracting capitalization rates will generally impact the NAV estimate by either decreasing or increasing asset values. Over the past decade there has not been substantial movement in capitalization rates, even as interest rates have moved, but there has been some change, and these changes are reflected in the annual and semi-annual NAV estimates.

Over the course of time, management has generally realized sales values on its assets that are either at or above the levels of value carried in its regular Net Asset Value estimates, which provides the board and management with important further validation of its NAV estimates.

Related Party Transactions

The Partnership engages in regular transactions with related parties who are defined broadly as staff, directors, and Joint Venturers and unitholders of the Partnership. These transactions occur in the normal course of business and are completed at market rates. In the current year, fees paid to directors were higher than in the previous period for two reasons: first, there were seven directors of the Partnership during the entire period versus five directors for part of the period in the previous year, and second the Retention Awards related to director pay were fully expensed in the first half of 2024 whereas they were recognized as part of wage cost in 2023 and moved to director's costs in the back half of the year.

Most of the other transactions noted are related to transfers between the Partnership and its Joint Venturers which happen in the normal course of business. However, there are also rents paid by staff to the Partnership for rental accommodations, usually offered at a slight discount to market for staff members, or rent paid by the partnership to a company controlled by one of its directors for its Calgary offices, which are contracted at market rates.

Operating Activities

Revenues: Revenues decreased 2.9% to $10.4 million in 2024 (2023 - $10.73 million). Most of the decrease is due to a tight restaurant market in Whitehorse which led to temporary closures, and a slower than expected winter/spring performance from the northern community assets (north of Whitehorse).

Hotel revenues were up 10.46% to $5.35 million (2023 - $4.84 million). This reflected a record year for both the Best Western Gold Rush Inn ("Gold Rush") and the Edgewater Hotel ("Edgewater"). Revenues at the Gold Rush were $3.26 million for the period, reflecting the best ever mark for the hotel. Revenues at Edgewater were up by $127k to $1.28 million. Overall, the Dawson investments had an increase of $224k in revenues, most of which was derived from the Eldorado Hotel which is included for the period for the first time and posted $216,000 in revenues that flowed to the partnership. Revenues for the northern community investments were down due to a variety of factors, including closed highways during the spring and summer. One major change that likely had an outsized impact on the northern properties was the discontinuation of the direct Condor flights from Frankfurt for Summer 2024. While the flights have been temporarily suspended due to Whitehorse airport renovations, there is no guarantee they will return when the airport is back to normal operations and the airport will not have the designation required for the new generation aircraft Condor is likely to utilize in the future. NVD is actively working with various parties to ensure steps are being taken to fill the void created by the lack of direct inbound air access from Europe.

Rental revenues increased by 4.5% to $2.21 million (2023 - $2.11 million). The increase is driven by a number of factors including renewal of maturing leases at higher lease rates, and in several cases a movement from Triple Net to Gross leases (which also comes with an impact on Rental costs). A small positive impact resulted from the acquisition of the Trade Centre II condominium during the period. Overall, the joint ventures, including TW Selkirk, Northern Carcross and NVD DDDC JV (Hobah Apartments) have seen NVD share of revenue from these sources improve by $18k in the current year. Property Management revenues are now also reported in Rental.

Restaurant revenues decreased by 25.4% to $2.61 million in 2024 (2023 - $3.28 million). The decrease is attributable to the closure of the Moose and Mountie early in response to overall slack demand for restaurant services in the first quarter. Sales at the Gold Pan Saloon ($1.28 million) and the Belly of the Bison ($594k) were flat with comparative figures for the prior year during the period. Including all outlets and banquet services, beverage sales were down $158,000, while food sales were down $857,000. In Dawson, food and beverage sales were up 64%, from $165,000 to 458,000 primarily driven by the acquisition of the food and beverage assets included in the Eldorado Hotel package.

Management Fees & Other Revenues have decreased by 102% to $246,000 due to a few factors. Management fees have increased by $65,000 due to a full year of fully managing the Normandy Living project, and a slight increase in fees earned from the Hobah property management fee now being reported in this line. The Partnership is also earning a higher level of fees associated with management of the DDLP due to the acquisition of the Eldorado at the beginning of the year and the fact that management fees are charged on a percentage of revenue basis. An accounting-related change caused the overall number to decline. This involved recognition of Carbon Tax Rebates which were moved from Other to Restaurants as that is where the rebate is being earned – this is an accounting shift first made in the second half of 2023.

Gross Profit and Direct Expenses: Direct expenses decreased by 2.1% to $6.65 million (2023 - $6.79million). The decrease was primarily the result of decreased activity due to the closure or reduction of operating hours for some restaurant outlets during the period.

Hotel costs increased 12.8% to 3.53 million (2023 - $3.08 million). This increase was more than the 10.4% increase in revenues. Both revenues and costs were impacted by both inflation and activity volumes, but other factors were also at play. The biggest change in both revenues and direct costs was the inclusion of the Eldorado Hotel, which saw the DDLP hotel direct costs increase by $187k from $196k to $384k. The fact that direct costs growth outpaced revenue growth on a percentage basis is explained by the inclusion of the Eldorado – a seasonal hotel which would negatively impact overall margin performance in the first half of the year which carries a disproportionate share of low season activities versus the second half of the year. Both the Gold Rush and Edgewater saw increases in direct costs related to corresponding revenue increases.

Rental costs increased by 28.9% to $644k (2023 - $458k). The primary driver of this increase is the incorporation of $128,000 in property management expenditures into the rental division, mostly offsetting the revenue increase in Rentals associated with this activity. Additionally, the shift of several tenants from triple net to gross leases has contributed to the overall rise in both Rental revenues and direct costs.

Restaurant costs decreased by 22.4% to $2,482,475 (2023 - $3,037,931). This $555,456 reduction is attributed to the fact that the Moose and Mountie restaurant was closed for four months, and the reopened Cabin fever is operating for less hours than its predecessor, offset by the fact that the new Eldorado Food and Beverage assets have introduced new costs to this line.

Gross profit decreased by 4.4% to $3.76 million, which was 36.1% of gross revenues (2023 - $3.9 million and 36.7% of gross revenues). The margin performance changes were variable by division due to the above mentioned factors, and are summarized as follows:

Revenue and Margin by Division

For the six months ending June 30,	2024		2023		2024	2023
	Revenue	Gross Profit	Revenue	Gross Profit	Margin (%)	Margin (%)
Hotels	**$ 5,350,353**	**$ 1,823,608**	$ 4,844,402	$ 1,769,468	**34.1%**	36.5%
Rentals	**2,206,752**	**1,562,679**	2,108,181	1,650,651	**70.8%**	78.3%
Restaurants	**2,613,909**	**131,434**	3,277,676	239,745	**5.0%**	7.3%
Management Fees/Other	**246,930**	**246,930**	499,836	279,885	**100.0%**	56.0%
	$ 10,417,944	**$ 3,764,651**	$ 10,730,095	$ 3,939,749	**36.1%**	36.7%

Hotel Gross Profit improved 3.1% to $1.82 million (2023 - $1.77 million), despite a decrease in margin to 34.1% (2023 - 36.5%). The margin percentage drop is primarily attributed to the inclusion of the Eldorado which added additional seasonal assets to the portfolio. With record revenues, the Whitehorse hotels continued to operate at expected margin percentages.

Rental Gross Profit decreased by 5.3% to $1.56 million (2023 - $1.65 million). The decline is mostly attributable to a conversion from several Triple Net to Gross leases at the request of tenants, which drove up both revenues and costs at the expense of margin percentage, and some vacancy created by the loss of a Yukon Government lease for the Yukon Convention Centre and the closure of one tenant business.

Restaurant Gross Profit fell 45.2% to $131,000 (2023 - $240,000) and saw a decline in margin from 7.3% to 5.0%. This decline was the result of closure for renovation of the Moose and Mountie, in part due to the acceptance of that restaurant concept but primarily related to an extremely low demand for restaurant services in the first quarter and to a slightly lesser extent in the second quarter of the year.

Management Fees and Other due to changes in inclusions, it is difficult to make comparisons as this area now has no costs attributed to it, and performance levels are skewed by the accounting methodology change.

Expenses

In the six months ending June 30, 2024, our total expenses amounted to $3,236,843, representing a decrease of 7.0% compared to $3,481,439 in the prior year. Below is a detailed breakdown of the significant changes in key expense categories:

Amortization expenses decreased by 13.0% to $991,962 (2023 - $1,140,742), primarily due to the partnership owning a smaller portion of the Hobah investment and having to adjust both current year and accumulated depreciation as a result.

Wage expenses fell by 21.2% to $871,957 (2023 - $1,106,742). This decline is a result of management's ongoing efforts to closely monitor and reduce overhead costs. Additionally, a strategy was implanted to more fully allocate wages to operational direct costs and to joint ventures when services are provided outside of the scope of management fee agreements. The Partnership also recorded material severance costs in the previous year period.

Interest expenses increased by 2.9% to $753,012 (2023 - $731,541). This rise is attributable to increases in rates associated with mortgage renewals and was also impacted by an increase in the value of the NVD Place loan, the effect of which was eventually transferred to the Hyatt Place project. However, during the first and a portion of the second quarter, these excess funds were utilized to provide acquisition debt for the Eldorado asset purchase, thereby pushing up both interest income and interest expense.

Office expenses decreased by 22.1% to $232,846 (2023 - $298,742). A comprehensive review of IT subscription costs led to the removal of several unnecessary expenses from the previous year, contributing to this significant reduction. This review aligns with our commitment to cost management and operational efficiency.

Professional fees rose sharply by 265.5% to $169,419 (2023 - $46,356). This increase was driven by legal costs associated with the Nomodic proceedings, but also included additional audit fees from previous years above amounts accrued as the final billings exceeded the original accrued amounts and accrual for the audit costs was back end loaded in 2023. Also included were contract fees associated with HR services that have subsequently moved to wages as the service provider became an employee. Fees of approximately $30,000 for marketing services from January to May for an employee transitioning out of the company were also charged to this line.

Governance costs rose by 58.7% to $104,882 (2023 - $66,101). This increase is due to the partnership having two new members in place for the full first half of 2024 (only the second quarter in 2023), the Board Chair allocating some of their salary to governance, and the monthly accrual of retention award costs, which was not in practice for the first half of 2023.

Marketing expenses increased by 21.1% to $86,391 (2023 - $71,330). This increase is in the normal course of business and represents an increase in sponsorships provided during the period.

Travel expenses increased by 32.2% to $26,375 (2023 - $19,950). The increase is primarily due to an increase in travel by senior management during the year between Calgary and Whitehorse.

Overall, our total expenses have decreased due to a combination of proactive management strategies, cost reviews, and adjustments in our operational structure. While some expense categories have seen increases due to the factors detailed above, the overall trend reflects management's commitment to operational efficiency. Overhead expenses will continue to be monitored and adjusted to support meeting a 10% reduction goal by the end of the year.

Income from operations has experienced a 15.2% increase to $527,807 from $458,310. As described above, the improvement in overhead costs was greater than the slight drop in operating margins.

Interest Income and Other Items

Interest income declined by 5.6% to $430,032 (2023 - $455,404). There were a wide variety of changes that let to this outcome, but the primary driver was a substantial drop in passive cash balances that were earning GIC returns, as that cash was deployed to support the Hyatt Place construction project. As noted elsewhere in this report there has been a conscious attempt to retire a portion of NVD's loan portfolio and good progress was made during the period with the result being a drop in the amount of interest being earned. This impact was offset by higher interest rates being charged on the remaining portfolio items which has increased the overall productivity of the loan portfolio while the balances have been decreased to support the development project.

Other investment income. NVD holds two investments which it records using the equity method. It owns a one third share of the initial $2.1 million investment into KBC Developments Ltd (Normandy Living) ("KBC") and a one-half share of the prioritized $1.5 million second investment into that property. The prioritized investment returns 10% per annum until it is fully repaid at which time NVD's share of the project reverts to 33.33%. NVD owns a 50% interest in Carmacks Hotel Ltd ("CHL"). In both cases NVD acts as the managing partner for the projects. In 2024 a total of $59,850 was recognized as NVD's share of after-tax income from these projects, compared to $179,206 in 2023. The drop is primarily related to two factors: CHL performed at a slightly lower level in the first half of 2024 as contrasted to the same period in 2023, and although KBC is actually operating at a much higher operating income level, the 2023 results included a major catch up in Yukon Carbon Tax rebates from previous periods whereas these rebates are being accrued for monthly in 2024 and are at a lower level.

Gains on sale were at nil due to no sales activity during the period. In 2023 NVD recognized a gain on sale of $31,000. Gains are by nature irregular. The gain in 2023 resulted from the tax rebate on River's Reach II that is payable to NVD over a multi-year period despite the fact the project was completed several years ago. In the second half of 2023 NVD booked the remainder of that gain.

Net Income before extraordinary items: Before extraordinary items, Net Income was $1.02 million, off 6.9% from the $1.09 million achieved in the same period last year.

Write off due to supplier bankruptcy and other extra-ordinary adjustments: At the writing of this report, in order to settle NVD claims under the bankruptcy proceedings related to an ex-supplier of services on the Hyatt Place project, the board and management have agreed to a settlement that requires a further write down of $753,012. At the same time a total of $50,073 provided for prior period losses at the end of 2022 have been reversed, which reduces the total amount of adjustments being made to Net Income.

Net Income. Due to all of the above, Net Income was off by 72.0% to $314,749 for the period (2023 - $1,124,346).

Liquidity

The Partnership is committed to providing regular liquidity events. In practice, it provides for a portion of most Private Placements to be available to Unitholders who wish to sell their units. There has not been a formal liquidity opportunity since 2020 although there have been major ad hoc transactions between unitholders in the intervening period. The board is committed to organizing a major financing and associated liquidity event as soon as possible, which is currently planned for 2025. A Financing Committee of the board has been established to plan this financing and it is anticipated that market conditions will present the proper opportunity to move ahead with financing plans. Issues faced include clarification of impacts on the recent heap leach failure on the Yukon economy, interest rate moves and the impact of these and other factors on the performance of the Partnership's assets.

Risks

Due to its focus on real estate, the Partnership is exposed to risk associated with increases in interest rate expense. The Partnership's exposure to this risk is set out earlier in this discussion. The Partnership attempts to mitigate this risk by retaining a fixed rate skew in its mortgage portfolio, particularly at a time of rising rates. The Partnership has reduced its variable loans to 5.3% of its overall debt portfolio and as a consequence, at the writing of this report, the Partnership is exposed to an expense increase of $17,258 with each 1% change in prime interest rates.

The Partnership is exposed to external factors that introduce risk and impact financial performance. Those factors such as pandemics, which have a major impact on tourism and business mobility, can have a major impact on the financial results, such as was the case in the 2020 to 2022 period. The Partnership seeks to mitigate these impacts by applying for any subsidies available that governments introduce to deal with such impacts, by reducing its staffing costs, and by making other such moves that are necessary. Other major events can cause pressure on the Yukon economy to which the Partnership has broad exposure. The recent issues associated with the Victoria Gold incident and the potential for that incident to have a medium- to long-term impact on mining in the Yukon is a major risk to the overall performance of the Partnership. This risk is mitigated by the fact that a significant portion of the Yukon economy relies on government transfer payments from the Federal Government to the Territorial Government, and the impact on the economy of the resultant Territorial Government spending programs. There is always risk that the size of these transfer payments could change in either positive or negative directions.

As the Partnership holds all of its assets in the Yukon which puts it a geographic risk, particularly when the Yukon economy is performing below national levels. As NVD grows, management and the board are increasingly focused on looking at opportunities outside the Yukon that have similar characteristics to those opportunities that have made the Partnership successful inside the Yukon.

Unitholders

At June 30, 2024, there were 104 Unitholders in the Partnership (December 31, 2023 - 106) represented and controlled by 86 unique individuals or entities (December 31, 2023 - 87). There was no change during the period in the number of units outstanding, which remains at 31,862,669. The holdings are highly concentrated with the top five investors holding 52.6%, the top 15 investors holding over 80.4% and the top 25 investors owning 89.9% of the outstanding units. The Partnership is 70.7% held by First Nation entities.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of the Northern Vision Development Limited Partnership (the "Partnership") and all the information in this semi-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. 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 the Partnership's financial statements and recommend their approval. The Board of Directors meets periodically with management, as well as with the external accountants, to discuss internal controls over the financial reporting issues, to satisfy itself 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 considers the engagement of the external accountants.

The financial statements have been prepared by management and in some cases contain comparable balances audited by Deloitte LLP in accordance with Canadian generally accepted auditing standards on behalf of the Partnership. Deloitte LLP has full access to the Board of Directors when they conduct their audit.

August 26, 2024

On behalf of the Board:

Lori Simcox

Lori Simcox, Chairman of the Audit Committee

Ian McAuley, Chairman of the Hotel Committee and Member of the Audit Committee

Consolidated Balance Sheet

As at	**June 30, 2024**	December 31, 2023
	(unaudited)	*(audited)*
ASSETS		
Cash *(Note 2)*	**$ 3,749,154**	$ 7,271,312
Accounts receivable *(Note 9)*	**1,008,953**	1,255,050
Inventories	**379,787**	292,909
Loans receivable *(Note 8)*	**7,738,351**	10,293,833
Investments *(Note 15)*	**3,429,870**	1,515,020
Property and equipment *(Note 3)*	**54,833,200**	55,418,649
Properties under development *(Note 4)*	**28,893,206**	18,798,048
Other *(Note 5)*	**1,063,512**	917,894
	$ 101,096,033	$ 95,762,715
LIABILITIES & PARTNERS' EQUITY		
Commitments *(Note 12)*		
Contingencies *(Note 13)*		
Accounts payable and accrued liabilities *(Note 9)*	**$ 5,128,450**	$ 4,265,616
Customer deposits	**210,622**	228,550
Long term debt *(Note 6)*	**32,730,927**	28,557,264
	38,069,999	33,051,430
Partners' equity *(Note 11)*	**63,026,034**	62,711,285
	$ 101,096,033	$ 95,762,715

Approved on behalf of the Board,

Lori Simcox, Director and Audit Committee Chair

Ian McAuley, Director and member of the Audit Committee

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statement of Income

For the six months ended June 30,	**2024**	2023
	(unaudited)	*(unaudited)*
Revenues		
Hotels	**$ 5,350,353**	$ 4,844,402
Rentals *(Note 9)*	**2,206,752**	2,108,181
Restaurants	**2,613,909**	3,277,676
Management Fee and Other Income *(Note 9)*	**246,930**	499,836
	10,417,944	10,730,095
Direct expenses		
Hotels	**3,526,745**	3,074,934
Rentals	**644,073**	457,530
Restaurants	**2,482,475**	3,037,931
Other	**-**	219,951
	6,653,293	6,790,346
Gross profit	**3,764,651**	3,939,749
Expenses		
Amortization	**991,962**	1,140,742
Wages	**871,957**	1,106,742
Interest *(Note 6)*	**753,012**	731,541
Office	**232,846**	298,742
Professional fees	**169,419**	46,356
Governance *(Note 9)*	**104,882**	66,101
Marketing	**86,391**	71,330
Travel and other expenses	**26,375**	19,950
	3,236,843	3,481,439
Income from operations	**527,807**	458,310
Other income		
Gain on sale of property and equipment *(Note 3)*	**-**	31,426
Income from investment *(Note 19)*	**59,850**	179,206
Interest income *(Note 8)*	**430,032**	455,404
	1,017,689	1,124,346
Recapture of prior year losses	**50,073**	-
Provision for loss on supplier bankruptcy	**(753,013)**	-
Net income	**$ 314,749**	$ 1,124,346

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statement of Partners' Equity

	Six Months Ended June 30, 2024 *(unaudited)*	Year Ended December 31, 2023 *(audited)*
Partners' equity, beginning of period	**$ 62,711,285**	$ 61,728,622
Units issued	-	381,490
Net income for the period	**314,749**	1,601,173
Partners' equity, before distributions	**63,026,034**	63,711,285
Distribution to unitholders	**-**	(1,000,000)
Partners' equity, end of period	**$ 63,026,034**	$ 62,711,285

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the six months ended June 30,	**2024**	2023
	(unaudited)	*(unaudited)*
Cash flows from operating activities		
Net income for the period	**$ 314,749**	$ 1,124,346
Non-cash items		
Amortization of financing fees	**20,653**	6,508
Amortization of property and equipment	**991,962**	1,140,742
Equity income	**(59,850)**	(179,206)
Retention awards expensed	**79,959**	56,353
Write off provisions and recapture of losses	**702,940**	
Gain on sale of property and equipment	**-**	(31,426)
	2,050,414	2,117,317
Changes in non-cash working capital balances		
Accounts payable and accrued labilities	**844,903**	(572,793)
Accounts receivable	**246,096**	(941,102)
Other assets excluding goodwill	**(89,936)**	(318,783)
Inventories	**(86,879)**	(71,934)
Customer deposits	**(55,682)**	56,689
	2,908,916	269,409
Cash flows from investing activities		
Loans receivable	**2,555,482**	(1,956,462)
Proceeds on sale of property and equipment	**-**	319,099
Investments	**(1,914,850)**	(1,029,207)
Purchase of property and equipment	**(2,520,111)**	(861,524)
Investment in properties under development	**(10,095,158)**	(844,224)
	(11,974,637)	**(4,372,317)**
Cash flows from financing activities		
Distribution from Joint Venture	**1,369,899**	157,318
Repayment of long term debt	**4,174,817**	(1,792,479)
	5,543,562	(1,635,161)
Net increase in cash during the period	**(3,522,158)**	(5,738,070)
Cash, beginning of the period	**7,271,312**	15,816,367
Cash, end of the period	**$ 3,749,154**	$ 10,078,297
Supplemental disclosure of non-cash transactions		
Transfer to Property plant and equipment from Property under development	**$ -**	$ **55,683**
Expenditure on Property under development not yet paid	**1,922,774**	
Cash consists of:		
Restricted cash balances	**540,761**	835,859
Unrestricted cash balances	**3,211,945**	9,242,438

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED 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 Yukon Territory on March 22, 2004. The Partnership's principal business is the acquisition, development and sale of commercial, industrial, and residential properties, and the operation of hotels and restaurants located in the Yukon.

The Partnership consists of a general partner (the "General Partner"), and a number of limited partners holding partnership units (collectively the "Partners").

Pursuant to the terms of the Limited Partnership Agreement, the General Partner has unlimited liability for the debts and obligations of the 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 consolidated financial statements reflect only the assets, liabilities, revenues, 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 Partnership, its controlled subsidiaries and its proportionate share of the assets, liabilities and operations of its joint venture interests. Control is achieved when the Partnership has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All intercompany transactions and balances are eliminated on consolidation. The financial statements of the Partnership's subsidiaries are prepared using consistent accounting policies and the same reporting date as the Partnership. These consolidated financial statements include the accounts of the Partnership, 45978 Yukon Inc. and NVD Restaurants Ltd. (wholly owned subsidiaries), the Partnership's interest in its jointly controlled entities as described in Note 14.

Inventories

Inventories consist of 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 and property taxes during construction, and land acquisition costs. Amortization is provided using the following annual rates:

	Method	Rate
Automotive	Declining balance basis	30%
Buildings	Declining balance basis	4%
Computer equipment	Declining balance basis	30%
Computer software	Declining balance basis	30%
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 properties under development. Long-lived assets are tested for recoverability whenever events or changes in circumstances indicate that an asset's carrying value might be impaired. An impairment loss is recognized when the asset's carrying value exceeds the estimated future undiscounted cash flows from the asset's use and eventual disposition. The amount of the impairment loss is determined as the excess of the carrying value of the asset over the fair value. Any impairment is included in income for the year.

1. Summary of Significant Accounting Policies (continued)

Income Taxes

The Partnership is a limited partnership. As a result, the Partnership's earnings or losses for income tax purposes are included in the tax returns of the Partners. Accordingly, no recognition has been given to current or future income taxes in the accompanying consolidated financial statements of the Partnership. Net earnings for financial statement purposes may differ significantly from taxable income reportable to the Partners 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. Revenue from rental agreements is recognized over the rental term as amounts become due and when collection is reasonably assured.

Revenue from the sale of properties under development and property and equipment is recognized when persuasive evidence of an arrangement exists, amounts are fixed and determinable, all material conditions of the sale have been fulfilled, collection is reasonably assured and title to the property has transferred.

Hotel and restaurant revenue is recognized as services are provided and when collection is reasonably assured, and refundable tenant security deposits are recorded as a liability until repaid to the tenant.

Use of Estimates

The preparation of consolidated financial statements in accordance with ASPE 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 consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Areas requiring significant management estimates relate to the determination of the recoverability of accounts and loans receivable, the fair market value and any potential impairments of property and equipment and property under development and held for sale, the useful lives of property and equipment, and the allocation of the cost of properties under development to direct expenses as individual properties are sold. Actual results could differ from those estimates and may have an impact on future periods.

Properties Held for Sale

The Partnership classifies properties 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. Properties held for sale are carried at the lower of cost and net realizable value, with net realizable value being determined as the estimated selling price less estimated costs to sell.

Properties 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.

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 received, nor the fair value of the assets 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 the Partnership’s future cash flows are expected to change significantly as a result of the transaction.

Jointly Controlled Assets

Jointly controlled assets are investments which the Partnership has joint control with one or more unaffiliated entities. Jointly controlled assets are accounted for using the proportionate consolidation method as follows:

- the consolidated balance sheet includes the Partnership’s proportionate share of assets and liabilities of the jointly controlled assets;
- the consolidated statement of operations includes the Partnership's proportionate share of the income and expenses of the jointly controlled asset; *and*
- gains on transactions between the Partnership and its jointly controlled assets are eliminated to the extent of the Partnership's interest in the jointly controlled assets and losses are eliminated unless the transaction provides evidence of an impairment of the asset.

1. Summary of Significant Accounting Policies (continued)

Jointly Controlled Enterprises

The Partnership has elected to perform an analysis of its interest in each jointly controlled enterprise to determine whether it represents a right to the net assets or rights to the individual assets and obligations for the individual liabilities of the jointly controlled enterprise.

Financial Instruments

Cash, accounts receivable, promissory note, loans receivable, accounts payable, customer deposits and long term debt are initially recorded at fair value and are 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 straight-line 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.

2. Cash

	June 30, 2024 *(unaudited)*	December 31, 2023 *(audited)*
Restricted	**$ 540,761**	$ 1,303,729
Unrestricted	**3,211,945**	**5,967,583**
	$ 3,749,154	$ **7,271,312**

Restricted cash includes $253,598 in funds on deposit with BDC for required Capital expenditures (December 31, 2023 - $109,286) as part of a loan commitment, $130,624 in customer deposits held in trust (December 31, 2022 - $130,624), and $156,539 in restricted GICs (2023 - $363,994).

3. Property and Equipment

	June 30, 2024 *(unaudited)*			December 31, 2023 *(audited)*		
	Cost	**Amortization**	**Net Book Value**	Cost	Amortization	Net Book Value
Automotive	**$ 436,434**	**$ 285,563**	**$ 150,871**	$ 363,792	$ 268,950	$ 94,842
Buildings	**59,255,064**	**15,948,508**	**43,306,561**	59,496,247	15,190,494	44,305,753
Computers and software	**1,119,749**	**901,622**	**218,086**	1,055,093	868,623	186,470
Furniture and fixtures	**5,729,081**	**3,790,727**	**1,938,353**	5,405,911	3,617,548	1,788,363
Land and improvements	**8,952,413**	**-**	**8,952,413**	8,765,185	-	8,765,185
Paving and landscaping	**861,117**	**594,203**	**266,915**	861,117	583,081	278,036
	$ 76,353,858	**$ 21,520,658**	**$ 54,833,200**	$ 75,947,345	$ 20,528,696	$ 55,418,649

During the period, the Partnership recorded a gain of $nil (2023 - $31,426) from the sale of property and equipment. A total of $46,851 of salaries was capitalized (2023 - $112,205).

4. Properties under Development

As at	**June 30, 2024** *(unaudited)*	December 31, 2023 *(audited)*
Land and improvements	**$ 5,157,577**	$ 5,157,577
Building and construction	**23,735,629**	13,640,471
	$ 28,893,206	**$ 18,798,048**

Properties under development consist of assets under active development or lands identified for development by the Partnership for sale to third parties. During the period, construction, and other direct costs of $9,816,102 (2023 - $733,789), interest and property taxes of $112,388 (2023 - $33,661) and capitalized salaries of $166,677 (2023 - $36,773).

5. Other Assets

	June 30, 2024 *(unaudited)*	December 31, 2023 *(audited)*
Prepaid expenses and deposits	**$ 766,129**	$ 710,447
Other assets	**297,383**	207,447
	$ 1,063,512	$ 917,894

6. Long Term Debt

As at June 30, 2024 there were $222,537 (December 31, 2023 - $187,048) in deferred financing fees netted against long term debt.

During the period, amortization of deferred financing fees was $20,653 (2023 - $6,508). During the period the Partnership made special one-time annual payments on a BDC loan totaling $7,350 (2023 – two loans totaling $913,474).

	June 30, 2024 *(unaudited)*	December 31, 2023 *(audited)*
Loan payable to First Nations Bank of Canada – interest at 6.45%, due December 15, 2025, payable in installments of principal and interest of $70,578, secured by a first mortgage and assignment of rents on the Partnership's interest in the land and building at 4201 4th Avenue, Whitehorse, YT.	**$ 9,329,010**	$ 9,450,969
Loan payable to BDC – with fixed monthly repayments of $73,875 principal plus additional interest at 6.80% per annum, with next interest rate adjustment on July 23, 2026, secured by a first mortgage over two Whitehorse hotel properties.	**5,753,671**	6,194,390
Loan payable to BDC – with fixed monthly repayments of $33,330 principal plus additional interest at fixed rate of 6.80% with the next interest rate adjustment on July 28, 2026, secured by a second mortgage over two Whitehorse hotel properties.	**4,315,203**	4,508,045
Loan payable to First Nations Bank of Canada with fixed interest of 5.95% and monthly blended interest and principal payments of $15,527.45, secured by a first mortgage on 1 Teslin Rd Whitehorse, YT, along with assignments of rents.	**2,393,404**	-
Loan payable to CanNor (Canadian Norther Economic Development Agency) with no security and no interest unless payments are not made on the due date. First quarterly payment of $50,000 due on April 1, 2026, with final payment January 1, 2036.	**2,000,000**	-
Loan payable to RBC – interest at 5.26%, due September 2, 2024, payable in installments of $22,082 principal and interest, secured by a first mortgage over properties at 2237 2nd Avenue, Whitehorse, YT.	**1,861,508**	1,947,774
Line of Credit payable to CIBC, due on demand, with variable interest at CIBC prime plus 0.75%, secured by first priority charge in the amount of $2.15 million over 14 condominiums at 36 and 38 Waterfront Place, Whitehorse, YT.	**1,725,847**	-
Loan payable to RBC – interest at 2.65% due September 1, 2024, with fixed blended payments of principal and interest of $6,058 per month, secured by a first mortgage on 5025 5th Avenue, along with assignment of rents from the property.	**1,224,586**	1,242,003
Loan payable to RBC – interest at 5.36%, due March 7, 2028, with blended payments of principal and interest of $6,700 per month, secured by first assignment of rents from units at 2237 Second Avenue, Whitehorse, YT.	**1,050,179**	1,047,053
Loan payable to RBC – interest at 3.3%, due December 1, 2024, with blended payments of principal and interest of $7,422 per month, secured by a first mortgage on the property of 9016 Quartz Road, Whitehorse, YT.	**1,047,996**	1,075,221
Balance carried forward	**$ 30,701,403**	$ 25,465,445

6. Long Term Debt (continued)

	2024 (*unaudited*)	2023 (*audited*)
Balance brought forward	**$ 30,701,403**	$ 25,465,445
Loan payable to Tr'ondëk Hwëch'in Trust – interest at 7.70%, with interest only payments due monthly and no fixed maturity. Secured by a mortgage on the Eldorado Hotel assets in Dawson City, YT.	**667,642**	-
Loan payable to BMO – interest at 2.55%, due August 31, 2024, with monthly blended principal and interest of $3,047 per month, secured by the following: a first mortgage on Lot 147 Whitehorse Industrial, and a joint and several guarantee from NVDLP and Ketza Construction Corp valued at $1,350,000.	**618,365**	628,583
Loan payable to Tr'ondëk Hwëch'in Trust – interest at 6.00%, due May 31, 2034, with monthly blended payments of $6,751. Secured by a mortgage over several properties in Dawson City, YT.	**388,851**	408,352
Loan payable to BDC – interest at 4.45%, with next interest rate adjustment on January 23, 2026, with monthly principal repayments of $2,756 plus interest, secured by the following: first mortgage and assignment of rents on the Partnership's interest in the land and building at 166 Titanium Way, Whitehorse, YT.	**229,627**	253,554
Loan payable to Tr'ondëk Hwëch'in Trust – interest at 7.70%, with interest only payments due monthly and principal payable on timing at the option of the borrower.	**125,000**	-
Loan payable to Scotiabank retired during the period.	**-**	1,801,320
Total	**$ 32,730,927**	**$ 28,557,264**

The BDC floating base rate at June 30, 2024 was 9.05% (December 31, 2023 - 9.30%). First Nations Bank of Canada prime rate at June 30, 2024 was 6.95% (December 31, 2023 - 7.20%). CIBC Prime rate at June 30, 2024 was 6.75%. RBC Prime Rate at June 30, 204 was 6.95% (December 31, 2023 - 7.20%).

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

6 months in 2024	$ 2,820,926
2025	2,103,500
2025	2,149,662
2027	2,198,569
2028	2,192,019
Thereafter	21,266,252
	$ 32,730,927

The Partnership's debt agreements contain financial covenants which require minimum levels of tangible equity, debt service coverage, limitations on borrowings, and limitations on the use of proceeds of asset sales. The Partnership was in compliance with all its financial covenants as at June 30, 2024 although it had to receive reporting extensions during the period due to late delivery of the 2022 Audit.

7. Financial Risk Management

Credit Risk

The Partnership is exposed to credit risk resulting from the possibility that a customer, tenant 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 and loans receivable. To mitigate the credit risk, the Partnership has accounts receivable widely distributed among its customer base, performs regular credit assessments of its customers, obtains advance deposits or with respect to loans receivable, takes a security interest in the property sold or the tenant's assets or personal guarantees. The Partnership therefore believes that there is acceptable credit risk associated with the collection of its accounts or loans receivable. The Partnership has recorded an allowance of $10,000 (2023 - $17,860) in respect of accounts receivable where collection is doubtful.

7. Financial Risk Management (continued)

Interest Rate Risk

Interest rate risk is the risk that future cash flows associated with a financial instrument will fluctuate because of changes in market interest rates. Changes in market interest rates may influence 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. As described in Note 6, a portion of the Partnership's long term debt bears interest at floating rates. Fluctuations in these rates will impact the cost of financing incurred and cash flows available in the future.

Liquidity Risk

Liquidity risk is the risk that the Partnership will not be able to meet its obligations as they fall due. The Partnership monitors its liquidity on a regular basis and may draw on existing credit facilities or obtain new financing as necessary to fund shortfalls. The significant financial liabilities of the Partnership are accounts payable and long term debt.

8. Loans Receivable

	June 30, 2024 *(unaudited)*	December 31, 2023 *(audited)*
Mortgages receivable	$ 3,849,433	$ 4,278,650
Loans receivable *(Note 9)*	2,558,274	2,823,605
Advances to joint ventures *(Note 9)*	1,330,644	3,191,578
	$ 7,738,351	$ 10,293,833

(i) Mortgages Receivable

Mortgages receivable represent loans secured by real property assets. Interest is charged at rates ranging between 5.00% and 9.00% per annum. The total interest earned on these loans during the period was $162,982 (2023 - $90,738). The exposure to the credit risk associated with the mortgage's receivable occurs if the borrower defaults on repayment of the mortgage. 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. One mortgage was added during the period, and at the end of the period there were three mortgages outstanding with no impairment provisions recorded on the mortgages receivable as at June 30, 2024.

(ii) Loans Receivable

Loans receivable represent non-interest-bearing loans to employees of the Partnership and other investors who invested in the timed purchase opportunity as part of the December 2020 Private Placement financing, as well as loans provided to subsidiaries or suppliers of the Partnership. Interest rates earned range from nil (timed unit purchase loans) to 12.0% (supplier loans drawn down on trade payables). During the period a total of $131,183 in interest was earned on these loans (2023 - $ 63,910).

(iii) Advances to Joint Ventures

Advances to joint ventures are made to assist working capital requirements and represent advances made in excess of the Partnership's proportionate share in the jointly controlled assets. Interest is charged at between 5.00% and 7.70% per annum when the other joint ventures do not contribute their proportionate share. The total interest earned in the period was $75,365 (2023 - $19,403).

(iv) Passive Interest Earned

In addition, the partnership places excess funds in GICs and savings accounts at rates and terms available from time to time. In 2024 income from this source amounted to $60,501 (2023 - $262,116).

9. Related Party Transactions and Balances

Certain accounts include balances and transactions with related parties, which are described below. The Partnership's related parties include partners, employees, board members or companies controlled by partners, employees or board members of the Partnership. During the period, the following transactions took place:

- $246,930 (2023 - $201,896) of management fees were charged to joint ventures
- $104,882 of fees (2023 - $41,635) were paid to non-executive Directors of the Partnership
- $176,534 of interest (2023 - $77,500) was received from joint ventures in which the Partnership has a proportionate interest

9. Related Party Transactions and Balances (continued)

- $18,543 in rent (2023 - $22,600) was received from an employee or a company controlled by an employee
- $nil in rent (2023 - $17,000) was paid to a company controlled by a Unitholder of the Partnership
- $21,721 of rent (2023 - $14,277) was paid to companies controlled by a Director of the Partnership

The related party transactions occurred in the normal course of operations and are measured at the exchange value, which is the amount of consideration established and agreed to by the related parties.

As at June 30, 2024, the Partnership had the following amounts recorded in accounts receivable and accounts payable and accrued liabilities:

- Accounts receivable from related parties of $145,945 (December 31, 2023 - $82,253)
- Amounts due from its joint venture partners of $54,259 (December 31, 2023 - $111,618)
- Amounts payable and accrued liabilities owing to related parties of $nil (December 31, 2023 - $244,964)
- Amounts due to its joint venture partners of $30 (December 31, 2023 - $185.694)

10. Segments

As at June 30, 2024, the Partnership had five reportable segments: hotels, rentals, restaurants, property under development and other. Hotel operations consist mainly of room rentals. Restaurant operations consist of food and beverage services. Rental properties consist of commercial and residential properties held under long-term lease. Property under development consists of lands and buildings under construction or held for future development.

For the six months ended June 30, 2024 ***(unaudited)***

	Hotels	Rentals	Restaurants	Property under development	Other	Total
Revenue	$ 5,350,353	$ 2,206,752	$ 2,613,909	$ -	$ 246,930	$ 10,417,944
Amortization	359,391	495,148	95,930	-	41,493	991,962
Interest income	-	-	-	-	430,032	430,032
Interest expense	334,904	418,108	-	-	-	753,012
Net income (loss)	1,062,626	631,675	101,435	-	(1,480,987)	314,749
Properties and equipment	16,007,949	35,684,011	2,710,324	28,893,206	430,916	83,726,406

For the six months ended June 30, 2023 *(unaudited)*

	Hotels	Rentals	Restaurants	Property under development	Other	Total
Revenue	$ 4,844,402	$ 2,108,181	$ 3,277,676	$ -	$ 679,042	$ 10,909,301
Amortization	353,421	666,113	78,553	-	42,656	1,140,743
Interest income	-	-	-	-	455,404	455,404
Interest expense	307,717	423,824	-	-	-	731,541
Net income (loss)	1,057,497	631,855	161,148	-	(726,154)	1,124,346
Properties and equipment	23,183,148	28,991,469	3,563,672	10,190,141	897,297	66,855,729

11. Partners' Equity

At June 3, 2024 there were 31,862,669 partnership units outstanding (December 31, 2023 - 31,862,669). During the period no new units were issued or redeemed.

12. Commitments

The Partnership has entered into a commitment to make sponsorship contributions to the Yukon University over a 10-year period that commenced in 2022. The remaining commitments total $840,000 (December 31, 2023 - $840,000)

13. Contingencies

As at June 30, 2024 there are no material pending claims by or against the Partnership (no pending claims against the Partnership at December 31, 2023). The Partnership is jointly and severally liable for a mortgage with CMHC that totals $34,250,000 including a $4,750,000 forgivable portion related to its ownership of KBC Developments Ltd. (Normandy Living). The Partnership does not include its 33.33% share of the CMHC loan in long term debt reported on the balance sheet, as KBC Developments is reported on an equity basis. The joint and several guarantees provided by NVD to the KBC loan arrangements with CMCH will be extinguished when Normandy Living has achieved 12 consecutive months of annualized residential grows income of no less than $4,356,500.

14. Jointly Controlled Assets and Jointly Controlled Enterprises

Name	Interest	Activity	Year of Inception
TW Selkirk Joint Venture	49%	Lease of commercial properties	2011
Northern Carcross Joint Venture	50%	Lease of commercial property	2013
Dawson Downtown Hotel Limited Partnership	50%	Hotel Operations	2013
Bedrock Motel Limited Partnership	49%	Hotel Operations	2019
44588 Yukon Inc	50%	Lease of commercial property	2021
Hobah Apartments JV (variable interest)	53.79%	Residential apartments	2022

The Partnership’s proportionate share of the assets and liabilities, revenues and expenses of its jointly controlled assets and its jointly controlled enterprises for those entities where it has a right to the individual assets and obligations for the individual liabilities are included in these consolidated financial statements as follows. The Partnership is liable for the liabilities of the jointly held assets to the extent of its proportionate share in each entity.

14. Jointly Controlled Assets and Jointly Controlled Enterprises (continued)

As at	**June 30, 2024** *(unaudited)*	December 31, 2023 *(audited)*
Assets		
Cash	**$ 153,384**	$ 290,549
Accounts receivable	**177,391**	204,845
Prepaid expenses	**127,334**	197,436
Inventory	**115,400**	53,650
	570,757	746,480
Property and equipment	**8,805,214**	9,267,988
Organization costs	**1,103**	2,137
	$ 9,377,073	$ 10,016,605
Liabilities and Equity		
Accounts payable and accrued liabilities	**$ 353,499**	$ 288,838
Government remittances	**31,017**	-
Current Liabilities	**384,517**	288,838
Long term debt	**5,753,572**	1,882,635
	6,138,089	2,171,473
Equity	**3,238,985**	7,845,132
	$ 9,377,073	$ 10,016,605

Income Statement – *six months ending June 30,*	**2024** *(unaudited)*	2023 *(unaudited)*
Revenues		
Hotel operations	**$ 954,805**	$ 867,779
Rental and Other	**772,355**	485,585
	$ 1,727,159	$ 1,306,364
Expenses		
Hotels	**1,050,330**	735,117
Amortization	**114,899**	191,040
Rental and Other	**484,806**	105,296
Interest	**113,130**	61,146
Expenses	**1,763,165**	1,092,598
Net income(loss)	**$ (36,005)**	$ 213,766
Cash flows from operating activities	**$ 63,099**	$ 293,085
Cash flows from investing activities	**$ (4,071,209)**	$ (191,346)
Cash flows from financing activities	**$ 3,870,945**	$ (101,579)

15. Equity Investments

The Partnership accounts for two of its investments using the equity method, as it has assessed that it has significant influence, but not control, over these entities: KBC Developments Ltd.(“KBC”) in which it owns a one third interest, and Carmacks Hotels Limited (“Carmacks”) in which it owns one half interest. The Partnership acts as managing partner for both entities and reports to a Board of Directors who represent the ownership interests.

	June 30, 2024 *(unaudited)*	December 31, 2023 *(audited)*
Carmacks Hotels Ltd.		
Shareholder loan	**$ 395,000**	$ 540,000
Retained earnings	**662,656**	293,387
Income	**112,714**	369,269
KBC Developments Ltd.		
Investment	**706,667**	706,667
Additional Preferred Share Interest	**2,000,000**	-
Current year loss	**(52,864)**	(397,904)
Total equity investments	**3,426,269**	1,625,054
Other Investments	**3,601**	-
	$ 3,429,870	$ 1,515,020

The Partnership jointly and severally guarantees a CMHC loan for $34,250,000 held by KBC with $4,750,000 being forgivable. The loan is interest only until stabilization is reached at Normandy Manor. Stabilization occurs when annual revenue of $4,356,500 is achieved on a trailing basis. The Partnership expects this goal to be achieved by the end of 2025. On stabilization, the guarantees are extinguished. Thereafter, the non-forgivable portion of the loan is fixed at 1.95% with principal and interest payments over an amortization period of 50 years. Included in the disclosure in Note 8 is a loan to Carmacks for $1,612,309 (not included as investments) carrying an interest rate of 7.7%. NVD's investment in KBC includes a flow through loan from CanNor of $2 million, with no interest, and repayable over a 10-year period commencing in 2025. This amount is carried in the in this investment note with the offsetting obligation included in NVD Long Term Debt (Note 6). During the period the partnership announced its intention to participate at 25% in an investment in West End Developments Ltd., operated as Kèjän + Rogers. Final arrangements are being made with the City of Whitehorse in respect to development permits, and if successfully completed, this project will be included in either jointly controlled enterprises or equity investments in future reports.

16. Government Assistance Received During the Year

During the period, the Partnership received $144,580 in support for renovations and from the sick leave support program (2023 - $44,886 for renovation programs).

The renovation grants consisted of:

1. $24,380 received and recognized as a reduction of expenses (2023 - $27,880)
2. $56,977 received and recognized as revenues (2023 - $nil)
3. $63,223 received and recognized as a reduction of capital expenditures (2023 - $17,005)

17. Provision for loss related to supplier bankruptcy

Nomodic Modular Structures Inc., a modular construction firm based in Alberta, filed for bankruptcy in September 2023. At the time of the filing, Nomodic was holding $2,405,490.71 in trust on behalf of NVD. The funds held in trust were a pre-payment to fund modular construction costs for the Hyatt Place Whitehorse project. A provision for a write down of $450,000 was recorded in the December 31, 2023, financial statements. A provision of $753,013 was recorded for June 30, 2024. That figure is based on the settlement agreement and reflects a 50% claim of $1,202,478 to NVDLP on the original pre-payment. The settlement is expected to be finalized in August 2024.

CORPORATE INFORMATION

General Partner Northern Vision Development Corporation

Board of Directors

Jennifer Byram[2]
Hannes Kovac[2]
Daryn Leas[4]
Ian McAuley[1,3]
John McConnell[3,4]
Lori Simcox[1]
Rich Thompson (Chair)[1,2,3,4]

1 Denotes member of the Audit Committee
2 Denotes member of the Development Committee
3 Denotes member of the Operations Committee
4 Denotes member of the Governance and Compensation Committee

Head Office

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Senior Management

Richard Thompson, Executive Chairman & CFO
Michael Hale, CEO
Katja Schmidt, COO
Matt Hall, Corporate Controller
Megan Foreman, VP Business Affairs and Corporate Secretary

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Auditors
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Langley, B.C.

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