ANNUAL REPORT 2024

RESILIENCE BREEDS SUCCESS

NVD

NORTHERN VISION DEVELOPMENT LIMITED PARTNERSHIP 2024 ANNUAL REPORT TO UNITHOLDERS

AS AT AND FOR THE YEAR ENDING DECEMBER 31, 2024

This annual report updates Unitholders on the activities of Northern Vision Development Limited Partnership ("NVD" or "the Partnership"). Included herewith are financial statements for the year ended December 31, 2024, audited by Crowe MacKay LLP, along with comparable results for the previous year.

ANNUAL GENERAL MEETING

The Limited Partnership's Annual General Meeting will be held in person at the Wood Shed at Cabin Fever Lounge at 9016 Quartz Road, Whitehorse and by a Teams link provided in the Notice of Meeting at 4:30 pm (Yukon Time) on May 20, 2025. We invite all interested stakeholders to join us for an update on the progress of the Partnership.

The Annual Meeting of shareholders of the General Partner, Northern Vision Development Corp, will be held prior at the same location and by Teams link at 4:15 pm (Yukon Time) on May 20, 2025.

Cover : Interior render of the lobby bar in NVD's soon to be open Hyatt Place Whitehorse.

OVERVIEW OF NVD

NVD, a private partnership established in February 2004, owns, manages, acquires, sells and develops hospitality, senior living, commercial 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, including experience in the real estate and hospitality industries.

At December 31, 2024, there were 31,984,228 limited partnership units outstanding (December 31, 2023 – 31,862,669) with no options or purchase warrants issued. A total of 103 Unitholders held interest in the Partnership on December 31, 2024 (106 - December 31, 2023).

NVD is proud to be majority First Nation-owned. We are deeply honoured and privileged to live, work and play on the traditional territories of Yukon's 14 First Nations.

NAV Per Unit estimated at $3.82 at December 31, 2024

VISION + EXPANSION

300 + Employees

$159M Enterprise Value

5 Operating in five communities with growth and expansion on the horizon.

LEADING PORTFOLIO OF COMMERCIAL AND RESIDENTIAL REAL ESTATE

215K + SQ FT Own and manage more than 215,000 sq ft of commercial and high-density residential space

1ST Operating Yukon's first private seniors care facility since 2021

HOSPITALITY EXCELLENCE IN THE NORTH

12 With Hyatt Place Whitehorse coming online, NVD will operate 12 restaurants and lounges, both independent and operated within our hotels.

10 With the addition of Hyatt Place Whitehorse and Town & Mountain, NVD will have 10 hotels, including both branded and boutique in the portfolio.

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2024 HIGHLIGHTS

Unitholder Value

Net Asset Value Per Unit

The Net Asset Value ("NAV") was estimated at $3.82 per basic and fully diluted unit on December 31, 2024 (December 31, 2023 - $3.69 basic and fully diluted), based on updates made by management that rely on the methodology and assumptions used in the most recent third-party valuations for assets. This represents a 3.5% increase in NAV per unit over the past year.

$1.25M Distribution

In December 2024 the Partnership distributed $1.25 million or 3.9 cents per unit to Unitholders (2023 - $1,000,000 or 3.1 cents per unit).

Distribution Reinvestment Program Participation

The Distribution Reinvestment Program ("DRP") continues to be popular with Unitholders.

Participation (34.7% versus 38.1% in 2023) in the Distribution Reinvestment Program ("DRP") saw a 0.4% increase in Limited Partnership units issued at December 31, 2024 to 31,984,228 (December 31, 2023 – 0.5% increase and 31,862,669 units).

2024 HIGHLIGHTS

Operating Activities

Revenues

Were down 1.3% to $22.09 million (2023 - up 3.6% to $22.39 million).

- The Hotel Division experienced revenue increases during the year (up 7.8%).
- Restaurants declined 11.9% reflecting renovation closures and reduced hours.
- Real Estate rentals were up 3.7% tempered by the partial reduction in ownership of the Hobah apartment complex.

Net Income

Increased 15.6% to $1.85 million (2023 - $1.60 million). Adjusted for write downs associated with a Hyatt Place supplier bankruptcy, Net Income increased 26.8% to $2.60 million (2023 -$2.05 million).

Available Funds from Operations

Available Funds from Operations ("AFFO") was $1.44 million in 2024, a 25.4% increase over the $1.15 million recorded in 2023.

Gains on Sale of Property & Equipment

$227,103 for the year (2023 – $49,541).

Income before Gains on Sales, Extraordinary Items and Income from Investments

Up 9.6% to $2.22 million versus $2.03 million in 2023.

Net Book Value of Assets

Increased by 15.7% from $95.8 million to $110.8.

Total Enterprise Value

Increased 9.2% to $159.5 million from $146.1 million in 2023. This represents an Enterprise Value per Unit of $4.99 (2023 - $4.58).

2024 HIGHLIGHTS

Financing and Debt

Overall Debt

Increased by 31.2% to $37.5 million (2023 –5.8% and $28.6 million).

Debt to Book Value of Equity

Increased to 0.59:1 at December 31, 2024 from 0.46:1 a year earlier.

Debt to Market Value of Equity

Increased to 0.31:1 at December 31, 2024 (December 31, 2023 – 0.24:1).

Interest Expense

Interest expenses increased 0.8% during the year to $1.56 million compared to $1.55 million a year earlier (2023 increase of 2.7%). Many of the Partnership's loans were renewed during the year into shorter term fixed rate facilities, as management expects rates to further decline. The Partnership also added significant new debt, largely in support of the construction of the Hyatt Place project. Where appropriate interest expenses were capitalized to that project.

Interest Income

Fell by ~$235,000 as cash held in interest bearing instruments was used for Hyatt Place activity. Higher than forecast interest rates helped increase return on investments.

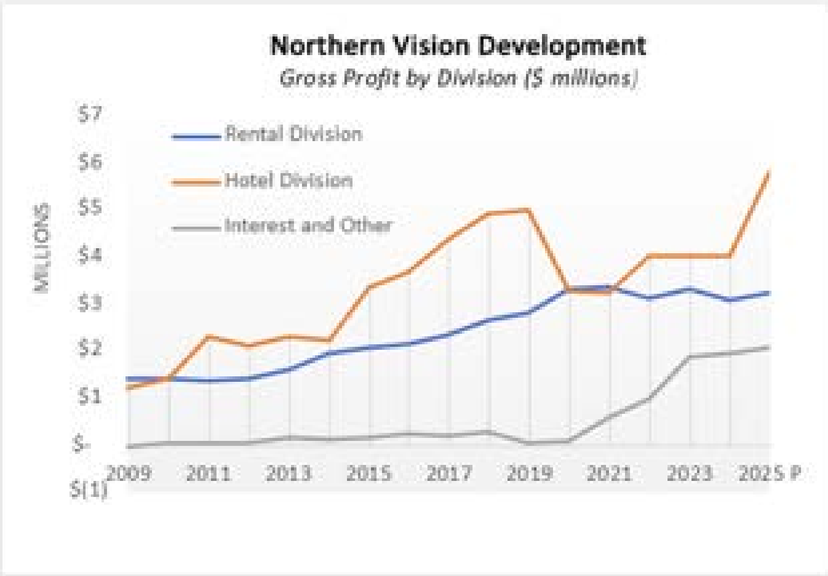
Fixed Rate Loans

Represented 92.0% of NVD's mortgage portfolio (2023 – 84.0%). Weighted average cost of debt was 5.78% as at December 31, 2024 (2023 – 5.55%). If NVD's share of the KBC Developments Ltd. (Normandy Living) loan is included, then the portfolio is 93.9% fixed debt with a weighted average cost of 4.83% (2023 - 88.7% and 4.45% respectively).

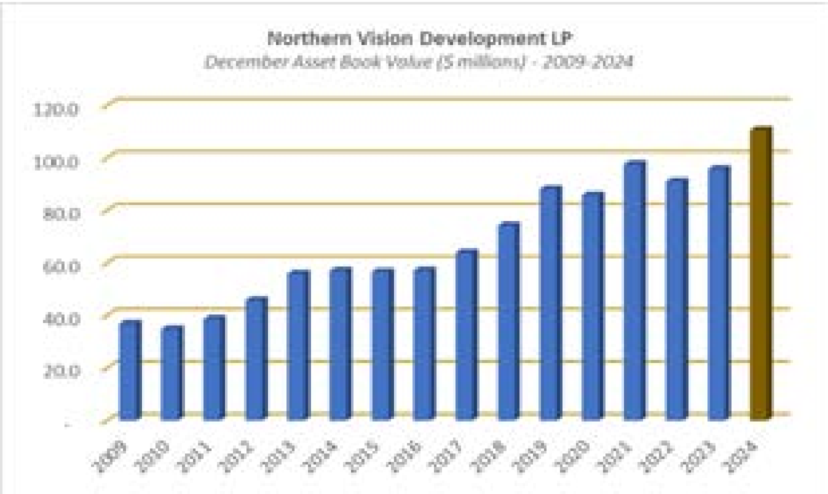
ANALYSIS

Graphical Review

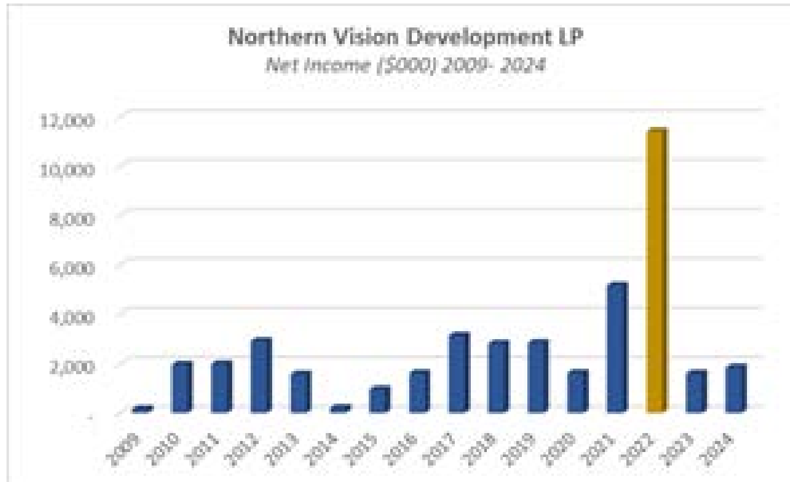
Gross Profit by Division: After several years marked by flat contributions from Hotels, slight declines from Real Estate rentals, and growth from Restaurants and other areas, 2025 is projected to show slight growth in Real Estate and significant increases in gross profit from Hotels fueled by the launch of the Hyatt Place. Hotels are anticipated to set new levels of gross profit performance, while Real Estate rental gross profit will return to previous high watermark levels. Other gross profit, driven by Restaurant performance and Management Fees is also expected to reach new highs.



Asset Book Value: Significant increase in debt leverage in 2024 in support of the investment in the Hyatt Place project was behind the asset growth in 2024, which also benefited in a small way from Distribution reinvestment. At $110.8 million, book value of assets exceeded $100 million for the first time in Partnership history. This asset growth represents a compounded increase of 8.6% since 2016, which marked the end of a slow growth period for book value of assets.

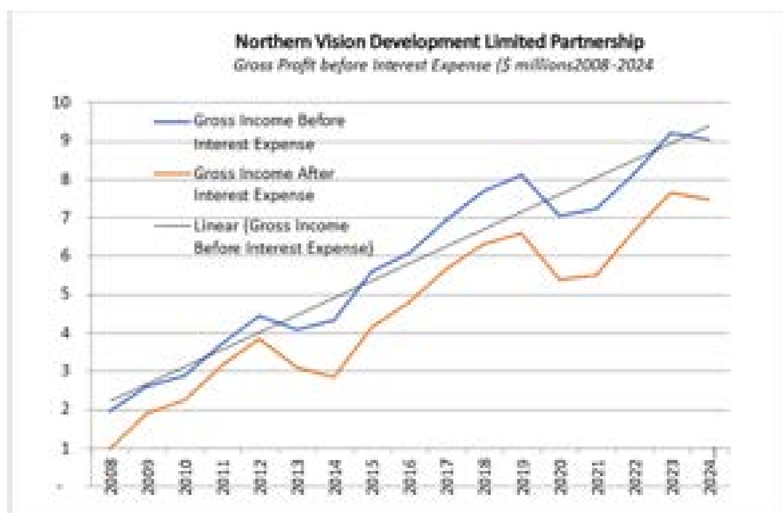


Net Income: The gains realized from asset sales in 2021 and 2022 distort the multi-year picture. Net Income remains below the levels established pre-COVID, resulting from several factors, including higher overhead expense levels which represent an investment in projects designed to boost future cash flows, as well as inflationary pressures and higher interest costs. The size of the Real Estate portfolio was reduced due to the sales in 2021 and 2022 and although some acquisitions have been made, it continues to produce lower gross profit contribution. In 2025 the new Hyatt Place will boost revenues, but that will come with higher interest and depreciation costs.

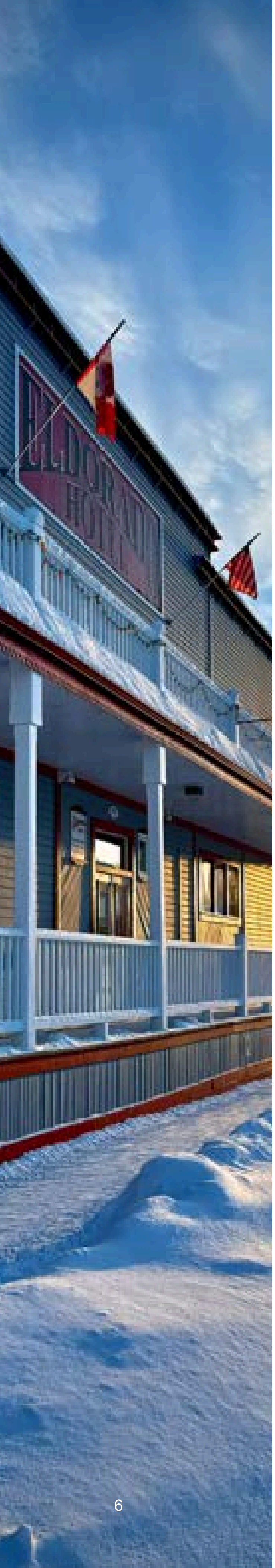


Results were mixed in 2024, with an economy impacted by mining sector uncertainty (the heap leach failure at Victoria Gold's Eagle Gold Mine and associated impacts).

Gross Income: In 2024, total Gross Profit before and after interest expense dropped slightly as all three divisions were either flat year over year, or declined slightly. While the trend line is still upward, the pressures of higher interest rates, inflation, development investment and other factors have all weighed on overall gross profit contribution. This is expected to shift going forward as the investment in the Hyatt Place begins to contribute.



Management recognizes that its approach to building amortization, utilizing CCA rates dictated by the Canada Revenue Agency, may be inappropriate for a Partnership that now operates a high percentage of assets that are new built. Accordingly, a review is underway to determine if a shift to depreciation for buildings based on straight line and estimates of useful life will provide investors with a more accurate picture of accounting gross profits. Consideration will be given to making this change in 2025.



CHAIRMAN LETTER TO UNITHOLDERS

RICH THOMPSON

Dear Unitholders:

As I write this report, I hope that all of our supportive unitholders are doing well. During my 15 years as CEO of this Partnership, and even longer as a Director, I have never ceased to appreciate the commitment of our investors and their understanding and support of what we are trying to accomplish. Business is never easy, and creating the kind of entity that we have been building in Canada's north faces challenges that are in some ways tougher than those facing many enterprises. The success we have achieved is the result of substantial commitment from a large body of committed staff, both past and present, and the ongoing support of our unitholders. So, I will start by thanking all of you and letting you know that our commitment to create positive outcomes for our stakeholders is solid, and that our expectations for the Partnership's future remain optimistic.

TAKING STOCK

Over the years we have laid down the foundations for an enterprise that is well suited to grow over the long term in northern Canada, while keeping an eye on creating consistent yield for our unitholders. With the upcoming launch of the Hyatt Place, coupled with the maturing of the Normandy Living project into a positive cash flow contributor, we find the Partnership now poised to generate a significant portion of its returns from new built, high-quality assets that have the potential to make a huge contribution to our community, while providing our investors with the potential for reliable, long term, growing cash flows.

At the same time, both variable and fixed rate mortgage options are becoming more attractively priced than they have been for the past few years and our mortgage portfolio has been intentionally designed to renew during a period where we anticipate more attractive rates. The challenges that companies everywhere have faced since 2020 have not completely disappeared. While inflation has faded, and interest rates have improved at the same time as staffing challenges have subsided to a degree, geopolitical uncertainty and mining industry challenges in the Yukon have taken their place in creating economic uncertainty. A lower Canadian dollar – certainly a potential outcome in the near and medium term – might have a positive impact on tourism demand in the Yukon at a time when we are bringing new capacity to the market, but this potential upside is likely offset by other uncertainties that could create a drag on demand.

So far, we have not seen any of these factors having a major impact on the Yukon economy, or at least the effect of that economy on the performance of our assets in a material way, but we remain vigilant to the possibility that we may need to make a future pivot if pressures exceed the level of impacts we anticipate.

We choose, as always, to be slightly optimistic. So far the heap leach failure at Victoria Gold's Eagle Gold Mine has not completely decimated the mining industry and increasing gold prices and other factors may hasten a return to a more normal environment in that area. There have been some resets, as there always are, when economic forces create difficulties. In some of the areas we operate there are now less restaurant options or less hotel competition. The changes have not been large in these areas, but in the Yukon even minor adjustments can have an outsized impact on our performance, and so we are able to generally conclude that the macro-economic environment we are living in continues to support our quest to grow our business and impact Northern communities in positive ways while generating reasonable returns for our unitholders.

In the past year, the percentage of the Partnership owned by Yukon First Nations, continued to grow. The percentage ownership of Yukon First Nations is now just over 51%. Our First Nation partners, through both their investments directly in NVD and through their Joint Venture activities with us, play a huge role in our success. We are lucky to enjoy partnership with forward thinking and committed First Nation partners.

Your board remains committed to NVD's success and, as in previous years, their active involvement in providing strategic direction and counsel, while driving the board committee work that provides input to specific areas of the Partnership, has been both important and welcome. Their dedication is greatly appreciated by all of us.

(NVD's Board of Directors with members of executive team. From Left: Rich Thompson, Lori Simcox, John McConnell, Ian McAuley, Jennifer Byram, Hannes Kovac, Katja Schmidt, Daryn Leas, Michael Hale.

ACHIEVING OUR KEY PRIORITIES

There are a wide number of areas where the Partnership needs to either make progress on or improve performance levels. We have commented on these in the past, and I list them again on the right as your board and management teams know it is in these areas that the future success of the Partnership lies.

The first nine priorities are well known to our investors. And while we are making progress on some, and starting to move forward on others, all will benefit from a realistic sense of urgency from the entire NVD team as we seek to establish new high-water marks for revenue, gross profit, sustained income and investor yield.

The tenth item on the list is mentioned here for the first time and also ties into the sixth item. During my tenure as a board member and CEO, NVD has been supported for the most part by a strong relationship with the City of Whitehorse. There has been a partnership, a mutual understanding of community objectives, and a commitment to work together for the betterment of all. Recently we have grown concerned about where this relationship stands. The way property taxes work in the Yukon is generally a disincentive to development, but in the past we believe that the politicians and the staff of the City of Whitehorse have been well aware of the unique nature of the challenges that exist for development in northern communities, and they have been committed to supporting appropriate projects in innovative ways. Lately we have seen less of that, and it drives us to consider looking at other geographic areas where the municipalities are more aligned with partnering with developers on outcomes of mutual benefit and interest. We will report more on this over 2025 as we begin to seriously make strides to invest our capital in other areas that offer our investors strong returns, and that allow for more efficient development activities.

1

Improved divisional **Gross Profit** performance

2

Profitability and growth at **Normandy Living**

3

Successful launch of the **Hyatt Place**

4

Stronger and more consistent performance from **Joint Ventures**

5

Renewed growth in the **Real Estate Division**

6

Geographic expansion

7

Evolution of long-term **succession plans** for management and board. Continuing to grow and nurture a strong and committed staff complement

8

Acceleration in **development projects** utilizing NVD's land bank, and appropriate financing of same

9

Expanding **yield** and steady **Net Asset Value** growth

10

Building stronger partnerships with the **municipal governments** in the communities we are developing

And while we have struggled with the level of development partnership displayed by the City of Whitehorse, it is important to note that the Territorial Government, as always, remains committed to supporting Yukon businesses. Their recent announcement regarding Convention Centre funding, secured from the Federal Government, is very significant support for the tourism industry, and is important in assisting the long-term success of our Hyatt Place investment. We appreciate the commitment of the Territorial Government to the Yukon tourism industry.

We remain committed to our existing investment in Whitehorse and in the Yukon, but we have to recognize that in the current environment our investors will be rewarded if we assess other, more attractive options.

ENTERPRISE VALUE, DISTRIBUTIONS, NAV PER UNIT

Enterprise Value is estimated at $159.5 million on December 31, 2024 (2023 - $146.1 million). Enterprise Value per unit is $4.99, Net Asset Value ("NAV") per unit is $3.82 and debt per unit is $1.17 ($4,58, $3.69 and $0.90 per unit respectively in 2023). The table below contrasts how this compares to previous years, showing the in debt per unit. Enterprise value per unit has reached a new high-water mark.

Net Asset Values have improved since 2019, despite dipping during the COVID impact period, as real estate values in Whitehorse have been on the rise and Hotel assets have recovered in value. Strategic acquisitions have also assisted in NAV growth. The focus will continue to be on striking an appropriate balance for Unitholders between NAV growth and improved yield. In particular we expect investments such as Normandy Living to now begin to boost yield, and we anticipate the same from the Hyatt Place in the medium term. The assets we are completing and moving into operational mode should help us achieve this over the next two years.

Northern Vision Development LP

Per Unit Statistics

	2019	2020	2021	2022	2023	2024
Enterprise Value/unit	$ 4.49	$ 4.61	$ 4.51	$ 4.33	$ 4.58	$ 4.99
Net Asset Value/unit	$ 2.93	$ 2.67	$ 3.22	$ 3.48	$ 3.69	$ 3.82
Debt/unit	$ 1.56	$ 1.94	$ 1.29	$ 0.85	$ 0.89	$ 1.17

SUMMARY

I want to thank our senior team for their ongoing efforts to grow both the performance and the reputation of the Partnership.

Our CEO Michael Hale and our COO Katja Schmidt have now been in leadership roles within NVD for a number of years, and they both contribute in huge ways to our Partnership. I am very proud to see them placing their personal stamp on our success. Our investors can take comfort in both the work ethic that they bring to NVD leadership, and the style in which they go about it. Both reputation and performance are front and centre in their thinking, and we benefit from that every day.

In January 2025, Rob Ganzer joined the senior team as CFO. This is an area we have struggled with since our long term CFO, Philip Fitzgerald left us during the COVID era. Over the second half of 2023 and throughout 2024 I was fortunate to be able to act as CFO in leading a team of strong accountants as we ensured the financial foundation of the Partnership was firm, and the reporting for the Partnership was timely and accurate.

As we have reported, we believe any accounting challenges are now behind us, and Rob is working to ensure it stays that way. He brings with him important experience and training that is critical to success in this area. I would be remiss not to single out Nitis Elangovan, now our Corporate Controller, for the role he played in making major improvements to the accounting function within NVD.

Members of NVD team celebrating Nitis Elangovan and his official Canadian citizenship.

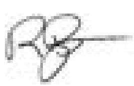
I feel good about the future of the Partnership. Summer 2025 will mark a major milestone with the launch of the Hyatt Place in Whitehorse – a project that would never have been considered before NVD arrived in the Yukon. It will make a difference in the accommodations and tourism industries in Yukon for decades, and is a great example of what is possible in Canada's north. Before the Hyatt Place, I believe the largest private sector building project ever undertaken in the Yukon was Normandy Living, which NVD jointly built with partners Ketza Construction and Borud Enterprises. Under the strong leadership of Natal Samuelson, Normandy is becoming what it was always intended to be: a high-quality assisted living project which benefits Yukon seniors and allows them to remain in their community, while returning positive outcomes to investors.

There is no question that as NVD enters its third decade that we continue to make a huge mark in the communities we serve: we continue to be led by passionate and committed individuals of great skill; we continue to be guided by a careful and experienced board who themselves hold great passion for Canada's north; and, we continue to believe that we can and always should make a difference.

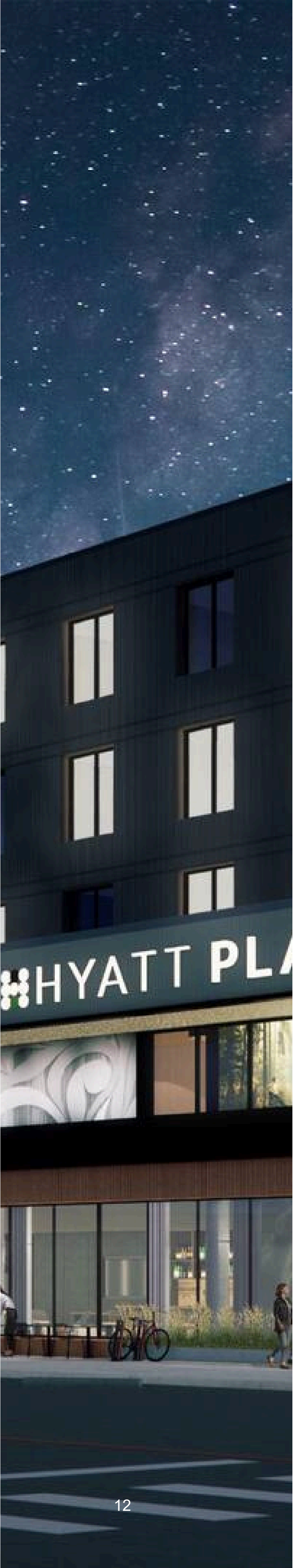
I wish all our stakeholders the very best. We will be planning a major celebration for the launch of the Hyatt Place and at the same time we will belatedly celebrate two decades as a leading Yukon enterprise. We will of course invite all of our investors to join us for that event. We look forward to seeing many of you there, and, as always, we look forward to communicating with you again in our Semi-Annual Report to Unitholders which will be released in August.

Sincerely,

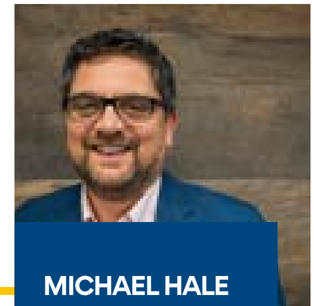
Northern Vision Development LP



Richard S. Thompson
Executive Chairman



CEO LETTER TO UNITHOLDERS



MICHAEL HALE

Dear Unitholders:

Before delving into the year that was, I want to tell unitholders a story about commitment and resilience that is the source of so much of our success at NVD. It's a story that unitholders are used to hearing, because it is about our Executive Chairman, Rich Thompson.

Last year, NVD found itself facing a situation where there was no CFO ready to take on the role. While that is an increasingly common story across the Canadian business landscape, especially in businesses our size, ours was exacerbated by the presence of a relatively new CEO – me – who was still finding his feet. Most companies navigate the lack of an established CFO with a mix of expensive contracts and cobbled-together staffing. In our case, we did what this Partnership has done so many times over the past two decades – we asked our Chairman to step up. And as Rich has done every time he has been asked, he jumped into the role with deep commitment, engagement, passion for the company and an unrelenting commitment to investors.

It is no exaggeration to say that my first full year as CEO and the company's 21st year in operation would have been almost unbearably challenging if Rich hadn't stepped in. But he did and he fulfilled the role with incredible aplomb. There is no writing the history of NVD without Rich, and there is no way to tell the story of NVD's 2024 without once again highlighting his commitment.

...

2024 was a mixed year for NVD. There were real and important successes, but there were also challenges both at an operating level and strategic level. Our revenues fell, despite an up year in hotels. Our gross profit fell along with revenues, although at a lesser rate. Ongoing overhead expense challenges show positive signs of improvement, but there remains work to do. And our development plans advanced, even as we encountered unexpected challenges from forces outside our control.

All of that adds up to a year that we will see as a building year, but one which signals hard work ahead.

This past year was supposed to be a predictable, straightforward year for NVD. Plans made over the past few years would start to come to fruition and along the way, company performance and investor return would climb marginally ahead of really taking off with the Hyatt Place completion in 2025.

Instead, it was another tumultuous year full of challenges and opportunities that pushed our team to find new reserves of energy and ability. NVD had to absorb a supplier bankruptcy, the largest economic engine in the Yukon (Eagle Gold Mine) shut down literally overnight, and a potential site for expansion beyond Yukon's border came knocking on the door before we were fully ready. Along the way, the team absorbed another Dawson hotel into the portfolio, renovated and relaunched an independent restaurant, continued construction on one of the largest private commercial projects in Whitehorse's history, pushed Yukon's first private seniors home into an operating profit and managed to keep real estate revenue near previous year's results despite a shrinking portfolio and changes to ownership on partnership properties.

Despite the tumult, NVD is proud of the year it had. The team didn't falter and found a way to succeed despite the circumstances. Investors have come to expect that type of outcome from this Partnership, but it isn't easy. Operating this Partnership in a small, stranded economy comes with endless challenges that require a culture and a team and an investor base that has the resilience to succeed when others falter. That resilience is built up over years and helps the team drive forward, regardless of circumstances.

The concrete value of that resilience and commitment can be measured.

- Net Income up 15.6% to $1.85 million (up 26.8% or $2.6 million when normalized for supplier bankruptcy).
- NAV up 3.2% to $3.82 per unit.
- Enterprise Unit value up 8.5% to $4.99 per unit.
- Net book value of assets up 15.6% to $110.7 million.
- Enterprise value increased 9.2% to $159.5 million.
- Available Funds from Operations ("AFFO") up 33% to $1.53 million, which led to a distribution to investors of $1.25 million.

Render of Hyatt Place lobby lounge.

Other harder-to-measure metrics also advanced in 2024. Our commitment to partnership led us to lock arms with three other Yukon mainstay businesses – Da Daghay Development Corporation, Ketza Construction and KZA Architects – to accomplish what no one has been able to do for two decades, namely, finally develop the 5+ acre Fifth and Rogers (renamed Kèjän + Rogers in recognition of our First Nation partner) parcel in downtown Whitehorse. That project is moving slowly, but steadily, towards a planned community that will reshape the downtown core. This will be an important contributing asset for NVD in the years ahead.

We also expanded our decade-long partnership with Tr’ondëk Hwëch’in Trust (“THT”) through a renewed management agreement on the Dawson-based businesses and the acquisition of an additional 40 hotel rooms in Dawson through the purchase of the Eldorado Hotel. While management agreements are necessarily operational, the path to renewing that agreement required both parties to clarify shared purpose and expectations. It had been years since that work had been done, but after 2024, there is no doubt that THT and its values and principles will be a vital and vibrant part of our company’s DNA for years to come.

Those are positive outcomes that feel good to write about, but the theme of this report is **Resilience Breeds Success**, so clearly it hasn’t been a year of just cascading wins and ease. There have been difficult stretches across all operating entities and all growth and development activities. Our financials were dragged down by the Nomodic bankruptcy. Our long-standing positive relationship with the local municipal government has been strained, creating obstacles to ongoing and future activity. Inflationary cost pressures continued to eat into revenues. Whitehorse restaurants, although witnessing improved performance, continued to struggle to a degree, along with all the other restaurants in the city. The Dawson assets ended the year strong, but standing up the Eldorado Hotel within the portfolio was more challenging than expected. And it was my first full year as CEO, which inevitably created challenges within the company as it adapted to a new leader.

And while there are good stories mixed into our numbers, there are real disappointments. Revenues, overhead expenses, the municipal permitting and development environment, Yukon’s economy, and the territory’s labour market all suffered last year. All of these challenges are intertwined and self-reinforcing, and none of them can be fully resolved by the management of one company. The only way to tackle these issues is through hard work, daily grind and ultimately, resilience.

At the end of the day, in a year of mixed results, we didn’t lose any ground on our longer-term vision of growth and expansion. We have been pointing to 2025 as the year NVD’s planning and early-stage investments begin to turn into tangible action and outcomes. That hasn’t changed.

This coming year will see Hyatt Place Whitehorse open, elevating the tourism industry in Whitehorse. Normandy Living will be fully profitable and become the engine for NVD performance that was envisioned when design began on that project in 2020 (in the middle of a world crippled by COVID). Meaningful expansion to new markets is closer to being a reality than it has ever been. Large projects, like the 5+ acre commercial development in Whistle Bend subdivision, that can redefine our company, are finally moving from planning phase to early-stage development. And the company is truly transforming from the Partnership it was to the mature corporate entity it will be for the next 50 years.

COMMITMENT TO RESULTS

The ultimate measure of a year are the results – *financial, operational and cultural.*

Financially, much has already been said. The metrics are good, but they are helped by the fact that the last couple years emerging from COVID have had down results. That makes it easier to show double-digit percentage increases. While laudable, results are still not where we need to be, as a company. Some of our challenges are due to strategic decisions to divest of strong revenue properties, to enable investment in the Hyatt Place and to provide meaningful dividends to our investors. But long-term, strategic decisions do not alleviate management of the obligation to fulfill immediate term results. Investors deserve to know where management is focused, and management needs clear targets to shoot for. This year, our newly developed and adopted strategic plan sets out some clear goals:

NAV PER UNIT

Exceed $4.50 per unit within next three years

YIELD

Consistent Yield above $.0.15 per unit per annum in distribution

RATE OF RETURN

Combined rate of return between 9% and 12%

There are many metrics our company is measured by, but none are more basic than NAV, Yield and Rate of Return. The targets we have set will take time to hit, but within the three-year cycle of this strategic plan, management will hit these targets and be committed to sustaining those returns.

Much of NVD's financial performance in recent years has been fueled by a balance sheet that would be the envy of any development company. Debt ratios had fallen to .24-to-1 (market value of equity) and many assets were under leveraged. (If anything, NVD was failing to utilize available equity in a manner investors expect.) Coming out of COVID, the Partnership had set itself up for the expansion we are beginning to see take shape. But going forward, NVD is returning to normal debt levels. Existing assets have been re-leveraged to delay taking down construction debt for as long as possible on the Hyatt Place. In December, construction debt was put in place and will now be utilized. By the time the Hyatt Place is complete, NVD will return to normal – but still conservative – debt ratios. We will maintain a level of debt that is manageable, but that does put outsized pressure on operations. The utilization of our substantial portion of our debt headroom will make future development decisions harder to justify, without raising additional equity, which is why we are contemplating debt and equity financing that provides support for further development and for formal liquidity for investors seeking to exit the Partnership.

There is nothing new about this situation, but it is much closer to the operating environment during NVD's best years, before COVID. Management will need to respond with greater commitment to return and bottom-line results.

Operationally, the targets are equally clear. The Hyatt Place needs to be completed this summer and begin providing a return that warrants the investment we have made. Normandy Living needs to turn into a driver of company growth. Decisions need to be made on the Whistle Bend development, which in turn relies on the municipality making decisions that make sense for our current context. Our Restaurant division needs to become a reliable performer. The Real Estate division needs to provide regular returns, both in terms of lease revenue and gains. And the Hotels division needs to turn the strong revenue growth seen over the past few years into bottom-line returns.

Culturally, we have taken huge steps to define the NVD of the future. The best example of that work is the strategic plan. Together, the team defined what drives us, how we conduct ourselves and what commitments we are making to our investors, to the communities we operate in, and to ourselves. This plan wasn't built with costly outside consultants or trendy management theories. The plan is the result of simple, clear, direct conversations as a team and with the board to help us articulate who we are and define who we want to be. Everything in the plan is built around the goals NVD has set, as a Partnership. Followed, it will guide us through challenges and help us pick which opportunistic paths we follow.

One area that has been less successful than it needs to be is our community assets. The value of these businesses goes beyond return. These businesses represent our commitment to our First Nation investors to see positive economic activities in their home communities. Financially, these assets have become a meaningful part of NVD's success. More than $15 million in revenue ($7+ million net to NVD) is generated from Carmacks, Mayo and Dawson, and that number is set to rise in 2025. But we have had operational challenges. Operating in small, rural communities is not for the faint of heart. There are unique pressures and challenges that take significant time and resources to respond to effectively. In 2024, management directed significant resources from Whitehorse towards these community partnerships. That investment has created a strong baseline to build on in the coming years, but if NVD is going to live up to the expectations of these investors, we need to show the commitment to responding to community concerns with the same vigor that we apply to business concerns. And if we do that, every investor – regardless of where you live – will benefit from the returns.

LOOKING AHEAD

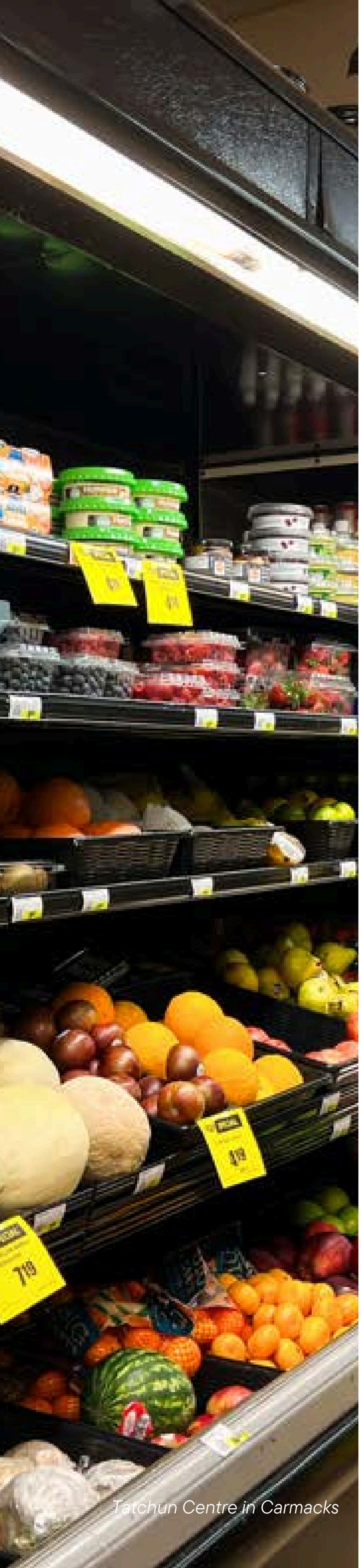
Since joining NVD as its CEO, I have been writing about where the Partnership is headed and how these past couple of years have been necessary building blocks to our future growth. The path that was laid out in 2023 has largely been followed, albeit with some unexpected bumps and necessary detours. NVD finds itself exactly where it expected to be heading into 2025.

The Hyatt Place, begun in the summer of 2023, is on the horizon. Normandy Living, which was struggling with occupancy and operational issues in 2023, is nearing capacity and providing a cash and net income return. Both of those projects will be huge parts of our story this coming year and will be the anchors for years to come. Restaurants have had very difficult years, but the division turned a corner last year and is expected to make a meaningful contribution to NVD results this year.

Earlier in this letter, I mentioned the expansion opportunity that came knocking on our door. NVD has long discussed planting a stake in a community outside the Yukon, as a way to protect our investment and open up new avenues for growth. While some work was being done to identify potential communities, it was always with an eye to the future. But after some helpful introductions from longtime board member Lori Simcox, connections were made with potential partners in BC's port city, Prince Rupert. It is still very early stage and no decisions have been made, but discussions of expansion are moving from the "one day" category and into the realm of planning for 2025 and 2026.

The Real Estate portfolio, which was the genesis of NVD, has taken a back seat in recent years, as assets have been sold to help fund the Hyatt Place construction. But the current development plans promise to bring this division back to prominence. Both Kèjän + Rogers and Whistle Bend will bringing meaningful commercial and residential square footage into the portfolio, which will replace the sold assets with newer, higher quality lease spaces. In the immediate near term, NVD has acquired a Main Street property, the Town & Mountain, that will offer high-end retail opportunities for the division.

While 2025 promises to be the pivot year away from plans towards expected performance, the steps we are taking will put additional pressure on the operating arms of NVD. The increased debt requires improved profits to carry the costs. And there are still some big projects in our future.


Tatchun Centre in Carmacks

Normandy Living was the biggest private-sector project in the Yukon when it was built and that has now been eclipsed by the Hyatt Place. Whistle Bend and Kèjän + Rogers will both be bigger still. At the same time, there are long-time investors who have hit a stage in life where they need to begin thinking about exiting investments. That means NVD needs to raise both debt and equity going forward to address the various needs of the organization and its investors.

A large part of the 2025 story will be defined by the pending raise and liquidity event. To date, the largest raise NVD has ever undertaken was $15 million in new equity. This next raise will likely exceed (even double) that figure to allow the company to continue to grow. Work on this plan is already underway and there will be much more to discuss with investors in the months ahead.

Raising debt and equity is made easier when we are able to point to public sector investments, such as the joint federal and territorial $76 million commitment for a new Convention Centre. This investment represents the largest single direct investment in tourism infrastructure in Yukon's history. This kind of investment sends a strong signal to the investor community about the value of placing funds with NVD.

Our requirement for debt and equity is a reflection of the stage of development that NVD finds itself. We began as a simple real estate play that bought aged assets, upgraded them and operated or sold them. Over time, the company has shifted towards the development and construction of new, expensive assets that are held for long periods of time. That shift requires management and the board to evaluate the way NVD has been structured to ensure we are maximizing unitholder value.

As we accelerate our evolution into a development-focused company, management will be reviewing the company approaches and policies, from depreciation method to entity structure, always with the intention of providing the best return possible to our investors. This work will take place over a longer term and there aren't any shifts in our statements for 2024, but it is raised here as a signal to investors that your management team is looking at all aspects of the company to ensure we are prepared for the future we see unfolding in front of us.

...

These letters are always a challenge to write, because the NVD team is already deep into 2025 and trying to make the last year's planning a reality. But they are a necessary reflection – for us within the company and for you as investors – because it provides an opportunity to look at the entire year, taken as a whole. It's only from this vantage point that the theme for this annual report became clear – **Resilience Breeds Success.**

It has been a year of unexpected challenges, many of which were completely out of our control. But despite those challenges, this company stayed on track, provided a meaningful return to its investors, cultivated new partnerships and tended to long-standing ones, grew as a team, and stayed opportunistic on acquisitions and projects.

Taken together, all of this activity is consistent with our reports over the past few years and the management team is on track to fulfill our commitments to investors. 2024 was a huge step towards fulfilling the plans laid down in previous annual reports. Hopefully as you read this report, you will feel the same.

Northern Vision Development LP

Michael Hale
Chief Executive Officer

COMMUNITY INVESTMENT AND SPONSORSHIP

In 2024, we continued to thoughtfully give back to the communities we operate in through corporate sponsorship and in-kind support. From cultural and sporting events to youth programs, we believe these investments are important and creating positive local impact.

A cornerstone of our community investment continues to support Yukon University to fuel teaching and learning excellence. In 2022, NVD committed $1 million to the university.

Looking ahead, we are proud to be an Arctic Champion level sponsor for next year's Arctic Winter Games in Whitehorse. The 2026 Arctic Winter Games is a chance to celebrate sport, culture and youth, while showing off our incredible community to visitors from across the north.

40+
Organizations supported in Yukon

More than
$325K
In cash or in-kind support given

REPORT ON OPERATIONS

OVERALL

The past year has showcased both NVD's ability with its sustained businesses and new ventures, while highlighting the challenges the Partnership is contending with in the Yukon. There are concrete signs of the progress the management team has made across the portfolio with strong performance across the divisions and highlights that investors can take pride in. However, the company continues to struggle to ensure increased revenues are making it to the bottom line at an acceptable rate, and there is risk in outlying years, as the local economy falters and NVD brings new assets into the markets.

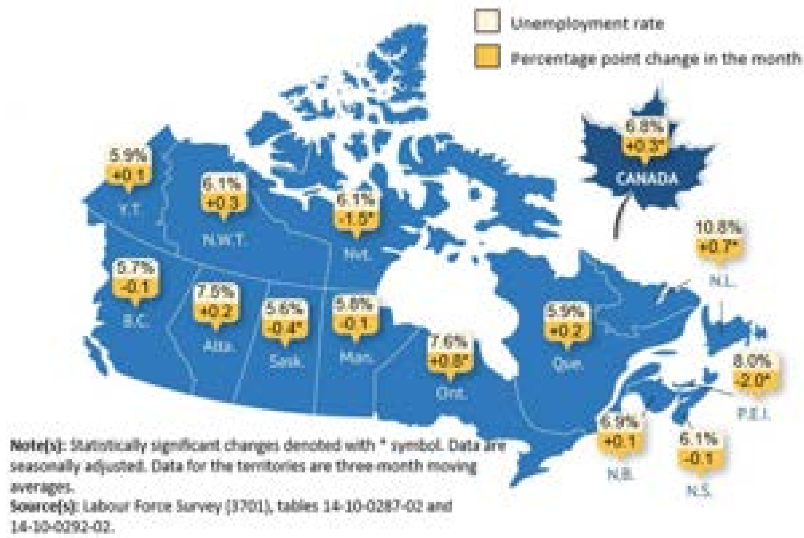
Overheads remain stubbornly high (as compared to Gross Profit), even with more than $430,000 (12%) in year-over-year reductions and nearly $460,000 (20%) decrease in salary expenses. Expenses, like energy, continue to rise faster than revenues. Building costs are hitting new highs and show no signs of abating. Labour challenges for hospitality and service industries are worsening with the tightening on immigration.

Despite those challenges, the NVD management team has had a strong year. Hotels generated more revenue than in any previous year. Restaurants climbed back into positive performance (even as competitors faltered or closed). The Dawson partnership expanded with the addition of new hotel, restaurant and housing assets. Real Estate pivoted to third-party contracts to backfill revenues lost from sale of assets in previous years. Normandy Living became a contributor on a cash basis. And the company made huge strides in its sophistication and corporate capability, despite overhead reductions.

A division-by-division breakdown of NVD's year that shares both highlights and challenges follows.
(As always, we start with a summary of the economic environment for those investors who are less familiar with our local context.)

THE ECONOMY

All of what follows is a best effort capture and reflect the economic context for the partnership, based on data that is available. However, there is significant uncertainty introduced with recent political events in the United States. Management makes no effort to try and project how those issues will play out, given the early stages of the discussion.



After years of sustained growth, the Yukon's economy flattened out in 2024. GDP growth fell to 1.8%, much closer to the national average.

With a forecast $1.5 billion negative impact over the next five years from the Eagle Gold Mine ("Eagle") closure, Yukon may experience a year-over-year decrease in GDP in 2025, which could have trickle down impacts across all sectors.

Hotels likely won't be heavily impacted, due to the stability of tourism and government travel, but food and beverage ("F&B") may face challenges, as locals whose employment is affected by mining may curb spending. Early indications on exploration investment are good, so that sector of the mining economy should have a positive economic impact through next summer. And if remediation activity at the Eagle site can continue through the spring, it will help offset the economic impact of the mine closure.

Inflation relief has arrived with the CPI limited to a 2.2% increase, well below the last two years in Yukon (3.9% and 6.8% in the previous two years). However, some core drivers of inflation will see increases in 2025 and likely beyond. Energy, in particular, is slated for annual increases based on rate increase applications filed by Yukon Energy and ATCO. That trend will put pressure on operating costs for all industries and businesses, as well as households, which will generate challenges for local consumer spending. Retail spending was down year over year in September, which may be an early indicator of those impacts.

As a positive future indicator, Yukon's population continues to climb. The territorial population climbed 3% over the past year, which is consistent with previous years. This growth creates pressure on housing and other similar goods and services, but it is a good sign for long-term economic performance.

CONSTRUCTION

As one of the largest sectors in Yukon's economy, the construction sector can be a good indicator of the direction of the broader economy. For NVD, there is the additional factor that current and future building cost pressures have a direct impact on the partnership's development plans.

There are other factors that influence costs due to the different uses for the buildings, but at a high-level, it is a useful way to examine construction cost inflation. Normandy cost $425/square foot in 2020 when that pricing was fixed. The Hyatt Place, by comparison, was pegged at $560/square foot when pricing was finalized in 2023. That's a 25% increase in costs over a matter of three years.

Continued inflation in this area will have a material impact on future development plans, if costs can't be contained over the medium to long term.

TOURISM

Noting NVD's own hotel performance, there is no slowdown in visitations to Yukon. Part of that high uptake on rooms is due to a lack of capacity in the market, but it also reflects continued strength in tourism and government/business travel. We did see a slight softening in late 2024, but there is no reason yet to conclude this is a trend.

As of this writing, government announced a major investment in tourism infrastructure with a $76 million commitment to a new Whitehorse Convention Centre. Once online, the Convention Centre promises to be a major driver for all businesses in the tourism sector for years to come.

Aircraft arrivals in 2024 surpassed the previous highs of 2019, and this is an good sign for the tourism sector. The Yukon is lucky to have an operator like Air North, with its focus on enhanced air access and their new 737-800s were a welcome addition in 2024 in respect to their ongoing fleet modernization. Air North also indicates that air access to Dawson will increase significantly in summer 2025 (due to flying larger planes), which should have a positive impact on that destination and the Dawson Downtown Limited Partnership assets. Air Canada continues to service the Yukon, as does WestJet in the summer months. The loss of Condor is having an impact on the type of visitor we are seeing, if not on the total numbers. The agreement Air North was able to negotiate for interchange with Condor clients has helped keep German and European visitations up to previous-year levels.

We're happy to see the Government of Yukon's new interactive dashboard to report on tourism sector data. Access to more timely data is important to help inform decisions and marketing activities.

GOVERNMENT EXPENDITURE

For the first time in years, there is risk to government expenditure. While total expenditure won't go down, the need to focus resources on the Eagle mine remediation could restrict funds available for other capital projects. Normally, with an election looming next year, we would see a major uptick in government capital spending, especially if the bulk of the expenditures occur in outlying years. For the coming year and with all the existing pressures, it's not clear if that normal spending cycle will be disrupted.

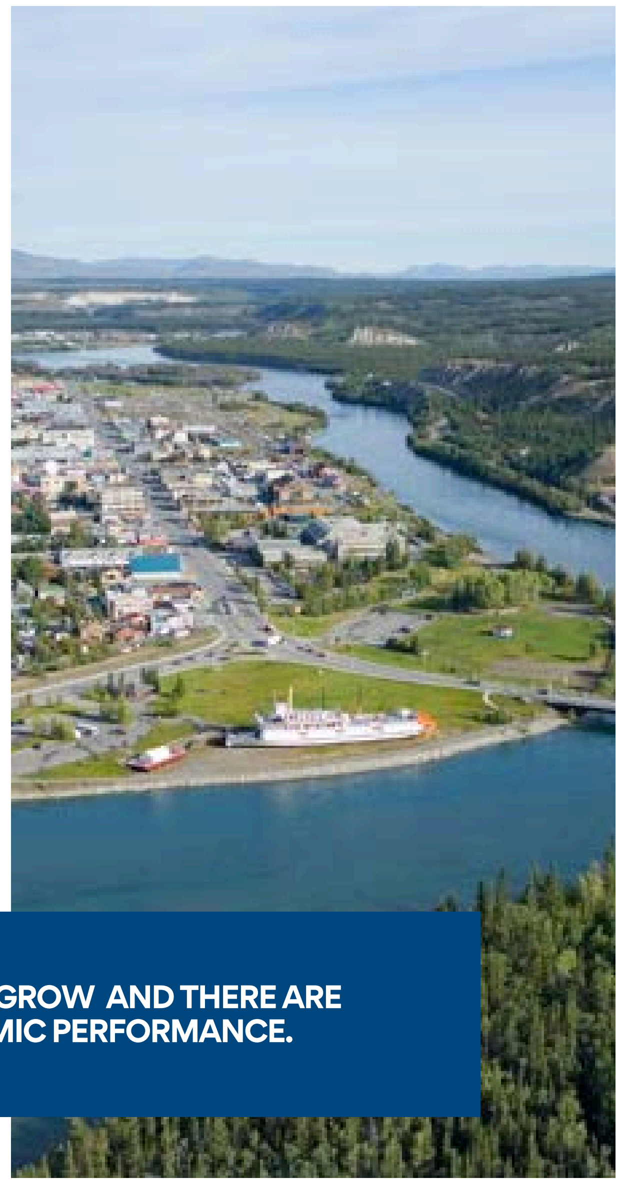
At the same time, the Government of Yukon is facing more difficulty around finances than it has in recent history, which has had a dampening effect on public sector spending.

RECAP ON ECONOMY

Next year promises to be a challenging one for the Yukon economy, but the territory should be able to weather the impacts of Eagle, as other areas sustain existing levels or continue to climb. The two areas of most significant concern for NVD are consumer spending and construction costs.

The Eagle impact will play out over the course of the year and will not be fully understood until a decision on whether the mine is able to be sold for future production is made, potentially in the spring or summer next year.

If tourism can hold the line, the majority of NVD's operations will continue to have strong operating performance, even as local impacts on consumer confidence work their way through the economy.



YUKON'S POPULATION CONTINUES TO GROW AND THERE ARE GOOD SIGNS FOR LONG-TERM ECONOMIC PERFORMANCE.

DIVISION HIGHLIGHTS

HOTELS DIVISION

Once again, the Hotels division generated more than 50% of NVD's revenue, bringing in just under $14.2 million in 2024. With an operating gross profit of $4 million, the division was also the largest contributor by more than a million dollars over any other division at the gross profit level. It's also the division with the most employees, at more than 200 during peak summer season. NVD's capital structure is also going through a major shift towards increased debt solely due to the construction of the new Hyatt Place.

Hotels continues to have a significant impact on the overall performance of the Partnership.

WHITEHORSE ASSETS

Given the overall results referenced throughout the report, it is likely no surprise to hear that hotels had a mixed year. Revenues were up meaningfully across all hotels, except the Bedrock Motel which is in Mayo. Despite those numbers, only the Edgewater improved Net Operating Income ("NOI"), year over year. Across all other hotels, expenses outpaced revenue gains.

Part of the expense issue will be dealt with once the Hyatt Place comes online. Since the closure of the High Country Inn, the costs of shuttles and other shared services have been borne solely by the Edgewater Hotel and Best Western Gold Rush Inn. Certain division-wide costs, like the director and other roles, are also being split between just two hotels rather than the previous three. And all of these costs are impacted by inflationary pressures making it harder to manage with just two Whitehorse hotels, year after year. Once the Hyatt Place opens, those costs will be distributed more appropriately, which will help ensure revenues hit the bottom line.

However, the expense pressure isn't due solely to the number of operating hotels we have in Whitehorse. Energy continues to rise annually in Yukon and there is an expectation that the trend will continue and may even accelerate. Labour rises annually, as the labour market tightens and increases in government salaries push wages higher. With the reduction in the Yukon Nominee Program in 2024 and the continued reductions in 2025, the pressure on labour is only going to increase.

But at the most basic level (and the level our Hotels team can most readily control) of revenues, the hotels continue to shine. Longtime director Wray Morrell, who started as a housekeeper a decade ago, has built a resilient, committed team that has built our leading Whitehorse portfolio.

The Edgewater Hotel, which actually did beat 2023's NOI, has benefited from regular investment over time, including some room furniture and fixture upgrades in 2024. Up the street, the Best Western Gold Rush Inn property improvements have been delayed over the years. The challenge with the Best Western Gold Rush Inn is that it is three times larger than the Edgewater Hotel, so capital projects are much more expensive. During the Hyatt Place development and construction, this investment just hasn't been possible. However, that will change in 2025 with renovations for the all guest rooms slated for fall / winter of the current year.

Edgewater Hotel

Two significant positive trends that Whitehorse hotels saw in 2024 were record setting revenues across the busy summer season and an expansion of that busy season into months that were once viewed as shoulder seasons. The revenues were strong throughout the first three quarters of the year, but the high-performance months (e.g. in excess of $500,000/month in revenues) extended beyond the June-August period with an incredibly strong May and September. The Best Western Gold Rush Inn saw a year-over-year decrease in occupancy, but it managed to make up the difference in Average Daily Rate. Those trends bode well for a Whitehorse portfolio that is going to have to absorb the 115-room Hyatt Place in the last half of 2025.

Whitehorse Hotels posted record

AVERAGE DAILY RATES

Hotels Operating Gross Profit

$4M

Hotel staffing in summer

200+

COMMUNITY ASSET HOTELS

Outside Whitehorse, the Hotel division saw more significant changes. The Dawson portfolio expanded with the purchase of the Eldorado hotel and associated assets. With the addition of this asset, Dawson Downtown Limited Partnership (the joint venture that owns the Dawson hotels and restaurants and is owned 50% by NVD and 50% by the Tr'ondëk Hwëch'in Trust) now operates 135 rooms during peak season, which is on par with the Whitehorse portfolio (until the Hyatt Place comes online).

Dawson results struggled, as we worked to bring the Eldorado hotel online and integrate it into the portfolio. Bringing any new asset into operations is difficult, but doing it in a community that is 500 kms north and six hours away by car is even more difficult. And it showed. The Dawson portfolio had a challenging first half of 2024, leading to a deficit of a half million-dollars. With renewed focus and attention, the management team was able to overcome and mitigate the challenges by the end of the year.

By the last quarter, the hotels were operating much more effectively and efficiently, which enabled the partnership to realize some of the synergies that were also the key rationale behind the Eldorado hotel acquisition. By effectively balancing rooms/staffing between The Downtown hotel and the Eldorado hotel, the partnership was able to stem winter losses by more than $80,000 in the last quarter of 2024. (The partnership is heavily seasonal, so there are normally substantial losses through the winter months.) Given these synergies, there is significant expectation of improved overall performance in the coming year.

Finally, there is the Bedrock portfolio in Mayo. While it didn't have the same incredible results seen in 2023 (driven by large contracts during fire season), it continued to perform far beyond expectations. The 2022 purchase of the North Star motel is now fully paid off. The original Bedrock Motel continues to see increases in Average Daily Rate, even as the broader region struggles from the impact of the Eagle Gold Mine collapse. We continue to work on strengthening the relationship with Na-Cho Nyäk Dun Development Corporation, which owns the assets in partnership with NVD, to ensure smooth operations.

Bedrock Motel in Mayo

Community assets continue to provide meaningful contribution to the portfolio

RESTAURANTS DIVISION

No other division in NVD feels the vagaries of the broader economic factors than restaurants. The food and beverage outlets across the Yukon are the first to be hit by inflation, the first to feel the impact of major economic impacts (e.g. Eagle Gold Mine closure), and the first to see adjustments in consumer sentiment. It is no exaggeration to call restaurants and bars the canary in the coal mine for the broader economy, and in 2024, that canary was chirping about uncertainty.

Coming out of 2023, there was hope that the decompression of inflationary pressures would allow restaurants to have a breakout year, and while that was true in Dawson, where restaurants had a great year, the Whitehorse outlets remained compressed. The sudden collapse of the Eagle Gold project was likely a factor in the challenges NVD's non-Dawson outlets experienced. Mining and related industries are big spenders in the restaurant world and any reduction in mining-related activity has a direct impact on restaurants. The uncertainty that followed the initial shock may continue to compress Whitehorse restaurant performance through the next year.

For NVD, the challenges were exacerbated by the failure of the Moose and Mountie concept at the old Earls. While there were some loyal customers and interest from tourists, the restaurant never successfully became a mainstay of locals, which is required to survive in the Whitehorse market.

As a result, the outlet was closed for three months to allow for a renovation and reboot as the new Cabin Fever restaurant. Upon reopening, the new outlet outperformed Moose, but did not reach the levels seen at Earls. While stronger than Moose, the closure and difficult winter months left the outlet in a loss. Heading into 2025, this outlet is facing a “prove it” year.

The Belly of the Bison and the Gold Pan Saloon both still generated an operating profit and had decent years that weathered the economic headwinds (the Gold Pan Saloon includes banquets, which had a fairly standard year.) At the Belly of the Bison, the costs were kept in line, which allowed the outlet to offset most of the year over year revenue decline. That story wasn't possible in the Gold Pan Saloon, due to the Moose & Mountie closure. The Gold Pan Saloon absorbed many of the staff that worked at the closed outlet and who management needed to retain to be able to staff the new Cabin Fever, once it was ready to open in late May.

And then there is the star of the year for restaurants – the Dawson outlets. It is difficult to overstate the positive impact of these restaurants on both the Dawson assets and the broader company. After a 2023 where the Dawson restaurants lost money and impacted the entire portfolio, the food and beverage group swung to more than $500,000 gross profit.

RESTAURANTS CLIMBED BACK INTO POSITIVE PERFORMANCE

The change was driven by the inclusion of the Eldorado hotel restaurants and drastic improvements in the running of The Downtown and Midnight Sun outlets. The operations of the new Eldorado outlets was a significant win for the partnership. There was vocal and meaningful concern in the community with the change in ownership of the Eldorado hotel, but after a slow start, the restaurants under NVD management outperformed the previous owners. At the same time, the outlets maintained their strong community support and helped improve NVD's reputation in the community.

At the end of 2024, restaurants remains a challenge. But investors should be aware that the true benefit of these outlets goes far beyond direct return on the food and beverage division. The reality is that every restaurant that operates in a hotel (which is all but one) has a meaningful impact on hotel performance. Restaurant options in hotels improve Average Daily Rates, occupancy and most other metrics. So, as we evaluate this division, we need to acknowledge the benefit that accrues to other divisions as a result of the work done by the Restaurant group.

NVD Place

REAL ESTATE DIVISION

The division that started NVD continues to be a major contributor, even after several years of selling off assets to help pay for the Hyatt Place. For the fifth year in a row, the division exceeded $3 million in operating gross profit, although the division did dip from previous year. The fall off of $232,000 was driven largely by the change in ownership of Hobah Apartments from a 91/9 split in NVD's favour to 50/50 with our partner, Da Daghay Development Corporation. That change, which was always the objective of this partnership, brought down income from the property (although there was a corresponding offset in amortization and substantial cash generated by this transaction and redeployed to fund the Hyatt Place construction).

Despite that dip, the division continued to renew commercial leases at a higher rate, which has allowed Real Estate to remain a meaningful contributor to NVD.

The Convention Centre, which is managed through this group, has long been a potential redevelopment opportunity. Through COVID, the building was leased out to government and since then has been used by a film group as a sound stage. That lease carries through 2025, which covers the costs associated with the building and avoids it being a burden on the portfolio. In future years, the building can either be repurposed or torn down and the site converted to housing.

While it has been several years of selling off assets, Real Estate will be the primary beneficiary of the development activity currently underway. New lease spaces will be coming into the portfolio with the Town & Mountain ("T&M") redevelopment and that expansion will be followed by significant lease-space growth with the Whistle Bend project in outlying years.

Until then, much of the growth for Real Estate will be fueled by an expansion in Property Management activity. The team has begun providing Property Management services beyond just NVD's core assets to third parties seeking the service. While this activity doesn't produce enough income to be material to the company's bottom line, overall, it is the kind of incremental growth that offset the loss of assets over time.

EQUITY INVESTMENTS

CARMACKS HOTEL LTD

It was an up-and-down year in the Tatchun Centre assets. This combination hotel, restaurant, grocery and fuel centre is the commercial heart of Carmacks and has been owned by the partnership of Carmacks Development Corporation and NVD since 2022. While 2024's NOI of $982,000 ($491,000 to the benefit of NVD) was off from the previous year, the asset continues to perform higher than expectations at purchase. Fuel and grocery results continued to climb in both revenues and margins. That improvement and growth was offset by a challenging year in the hotel and restaurant, whose performance fell off from previous year highs. Even with the reduction from 2023, the business generated more than $10 million in revenue, which is remarkable, given the size of the community.

Last year, the construction activity in the area was negligible, which led to the downturn from 2023 results. As an isolated, highway community, the business relies on construction activity to push performance beyond the baseline. There is already increased construction activity in early 2025, so there is potential for growth in this partnership for the coming year.

At an operating level, Carmacks faced significant changeover, which has brought much needed new leadership into the entity. Lee Bodie, who had run the store and gas station for two decades, retired in the fall. His contributions to the business over that time cannot be measured. He has been a mainstay at the Tatchun Centre and his commitment and work ethic are at the heart of the success the business has had over the years. Stepping into his shoes is Fred Aboud, an experienced operator of retail, fuel and hotels. Fred is already making his mark on the business and integrating well into the community.

The coming year will be heavily impacted by a much-needed fuel tank and pump replacement and modernization. Once this work is done, there is potential for further growth of revenues, as the facility will have 24-hour pumps that can also service large transport trucks. Importantly, the infrastructure improvement will allow variable pricing between locals and travellers that will allow this project to more fully support its community owners, as has always been the intention.

NORMANDY LIVING

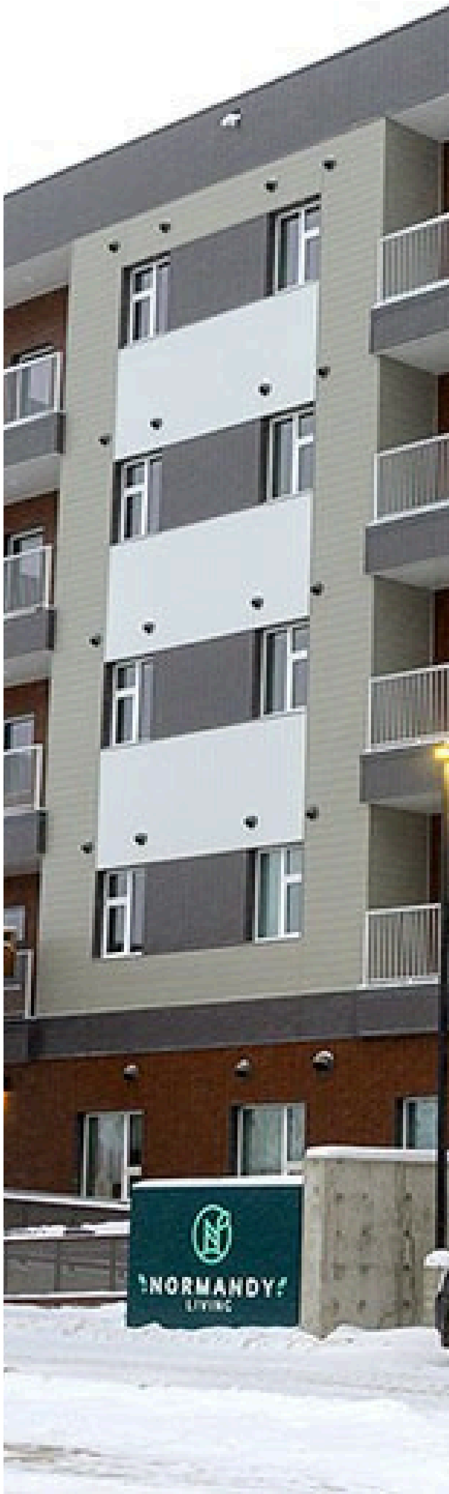
The Whitehorse seniors facility, owned by NVD, Ketza and Borud Enterprises under KBC Developments, is an 84-unit seniors living facility that provides meals, cleaning services, recreation and other services. As the first of its kind in the territory, it has taken longer than management hoped to attain full profitability, but the business did achieve a major milestone last year by reaching operational profitability. This goal was reached in March and Normandy Living remained operationally profitable for every month of the year thereafter.

The short-term outlook for the senior's facility remains dampened by the ongoing debate about whether the proposed competitor Vimy project will become a reality, but even with that challenge in the market, the facility is set to be fully profitable in 2025.

Last year, Normandy Living performance improved by $340,000 at an Operating Income level and by $850,000 at a Net Income level (one third of which accrues to NVD). That performance is due in part to tax adjustments that led to increased Yukon Carbon Tax Rebates, which were uncovered through the audit process. At the same time, the operating struggles that had hampered the facility through 2023 (e.g. difficulties with the complex mechanical systems and resulting energy waste) have been corrected, which has helped bring expenses into alignment with revenues.

But by far, the biggest improvement is due to additional residents. The long-awaited Yukon Housing Corporation 16 units came through and market uptake offset attrition through loss of residents who had to move on to higher levels of care. At the same time, market unit uptake increased in the last half of the year (and that trend has continued into 2025).

Normandy Living has benefited from substantial Yukon Carbon Tax Rebates, but in April 2025 a significant reduction in the rate applied to buildings will see that support all but disappear going forward. The Yukon Carbon Tax Rebate is scheduled to sunset in early 2025, but that change is offset through a reduction in property taxes and a one-time rebate on previous years' property taxes. Management was successful in getting the facility reclassified from commercial to residential, which reduces the property taxes going forward by $120,000 a year. Based on the reclassification, management is working with the City of Whitehorse to recover $192,000 in overpaid taxes from 2021 to 2024. While this is not assured, it is highly likely and is therefore included in the second half year of the plan.



DEVELOPMENT

The future of NVD is going to be shaped by development. Our operating entities will continue to be at the heart of our current year successes. Projects like Whistle Bend, Kèjän + Rogers, the waterfront lands, expansion of the Normandy Living property and redevelopment of other parcels will shape this company over the coming decade.

When NVD built Rivers Reach II, it was one of the largest and highest end condominium projects Whitehorse had seen. That project redefined the condo market and set a new benchmark for NVD development. It was then followed by Normandy Living, the largest private sector project undertaken up to that point in Whitehorse. Like Rivers Reach II before it, Normandy Living set a new benchmark and broke barriers in an entirely new private sector space in Yukon – elder care. The Hyatt Place continues that trend of innovation and standard setting. The new hotel promises to completely reshape the accommodations landscape in Yukon, raising the bar on quality, service standards and guest experience.

That is the standard for NVD developments – transformative projects that have positive impacts across the community. As we look at the projects in our sites for future years, the company intends to continue to meet those expectations. It's a high bar, but one we are proud to continue to meet and exceed.

HYATT PLACE PROGRESS

No single project or activity defined NVD's 2024 more than the Hyatt Place Whitehorse construction. Progress on this build led to major shifts in our financial position, from a low-debt, cash-rich company to one that is now much closer to normal levels of debt-to-equity and a more normal cash position. That shift is a reflection of the progress made on the Hyatt Place, which over the course of the year moved from a concrete foundation to a fully-enclosed, 65% complete structure.

The hotel will be a 115-room facility with a restaurant, convention and meeting space and a commercial space. The building will have more on-site parking than all of the public parking currently available from every other building on Main Street combined. Innovative heating systems will reduce reliance on Yukon's occasionally unstable, isolated grid, while reducing the emissions that result from operating the facility. The design incorporates dramatic Indigenous carving on its exterior and its interior common spaces, and Indigenous artwork within every single guest room.

As of this writing, the building is progressing towards a summer completion and opening. Over the course of last year, Ketza Construction advanced a complex project made more challenging by the mid-project shift from modular to conventional stick-built construction. Despite the changes and the challenges of building on a very tight, urban site, Ketza is once again showing itself to be the best builder in the territory. Like Normandy Living before it, the Hyatt Place will set a new standard in quality for the Yukon.

PREPARING FOR A SUMMER 2025 OPENING

WHISTLE BEND

Back in 2016, when this land was purchased, Whistle Bend development was far off on the horizon. It has taken nearly a decade for the overall Whistle Bend development to hit population levels that justify the development and construction of NVD's 5+ acre commercial parcel at the entrance to Whistle Bend. The plan is to build the services that any community needs – groceries, restaurants, retail space and professional buildings. So far, only early-stage work has been completed. The lot has been cleared and grubbed and initial plans have been developed to aid in zoning and planning discussions with the city.

The next steps will have a much higher cost, as we begin the deep services and site development work. The Canada Infrastructure Bank has been engaged as a potential financer of the first phase of work and there have been early-stage discussions with national chains who have an interest in the development. But before management moves further on this project, there are obstacles to overcome, and NVD has been clear with the municipality that we will not be proceeding unless we are operating in an environment that is supportive of development.

As mentioned earlier, the permitting and development environment in Whitehorse has shifted. The city used to be focused on incentivizing development with relatively simple permitting and innovative policies. However, in recent years, the city has become more aligned with large municipalities across Canada, but without the returns realized by developers in Toronto, Calgary, Vancouver, etc. That shift means management needs to reevaluate the potential for developments like this one before committing to more investment.

Over the first half of 2025, NVD will be working with the City towards rezoning to allow for a drive-through and to design an additional egress on to the main artery. Both of these elements are required for us to develop the parcel, and the City has recently provided positive indicators that boost our confidence in the viability of the development. Once we have those approvals in place, as well as initial leases for key buildings, work can start. At this stage, the earliest the project would be complete would likely be in late 2026 or early 2027.

KÈJÄN + ROGERS

In partnership with three other major private companies in Yukon – Da Daghay Development Corporation, Ketza Construction and KZA Architects – NVD is in the very early stages of planning and developing a 5+ acre parcel in the heart of downtown Whitehorse. The parcel has been sitting fallow for multiple decades, while the Yukon Government remediated the site. Once in a position to develop the site, the government struggled to find a feasible plan that would lead to reasonable development costs. In response, the government put the parcel out to tender through an innovative RFP process that led to our partnership acquiring the land.

By no means a simple project, the site will need progressive remediation, as well as some investment in slope stabilization at the back of the lot. But it is a parcel worth developing. There is potential for more than 350 high-density residential units, as well as community facilities. Kèjän + Rogers will revitalize an underdeveloped pocket of the downtown core, while providing much-needed market and affordable housing.

This partnership is uniquely placed to succeed on a project as complex as this one. Ketza is the territory's largest, highest quality builder. KZA has designed some of the most iconic buildings in the territory and has already left a permanent imprint on the city and territory. And Da Daghay Development Corporation, Ta'an Kwäch'än Council's economic arm, has quickly become one of the largest high-density housing developers and operators. (Ta'an Kwäch'än Council is also NVD's third largest investor.) With NVD's development capabilities, this partnership is hoping to reshape the downtown community in a way that sets a new standard for development in the city.

The first steps are to negotiate a detailed development agreement with the city for the entire site. If that is concluded in the first half of 2025, work will begin on detailed planning for the site with the intention of beginning work late in 2025 or early in 2026. Once again, Canada Infrastructure Bank has been engaged as a potential financer for the early-stage work. Future reports to investors will have updates on this project, as it advances.

10,000

Potential square feet of commercial and retail space on Main Street in Whitehorse

TOWN & MOUNTAIN

In the last days of 2024, NVD entered into a condition purchase agreement for a property that been in our sights since before COVID. The Town & Mountain Hotel ("T&M") located on the corner of Fourth Avenue and Main Street is a 30-room hotel with more than 10,000 square feet of potential commercial / retail space on the street level. The T&M and the new Hyatt Place hotel are bookends to a two-block stretch of Main Street from Fourth and Sixth Avenues. NVD's Best Western Gold Rush Inn is sandwiched between these two properties, making the entire stretch an NVD-owned portfolio of accommodations and retail.

The current state of the T&M has created a dead zone at that end of the block, as the bottom floor has been largely dark since the pandemic. NVD plans to revitalize the south end of Main Street by bringing retail back to the block, which will generate economic returns while also improving the experience for Hyatt Place and Best Western Gold Rush Inn guests.

The sale closed in February 2025 and NVD is hatching plans to develop the site over the coming 12-18 months. In the interim, NVD recently signed a lease to bring the Arctic Winter Games Host Society into the T&M storefront space. This partnership will bring traffic to Main Street while also highlighting NVD's ongoing commitment to supporting community initiatives.

GEOGRAPHIC EXPANSION

NVD has long had an eye on expanding outside the Yukon. This interest is driven by insulating the company from the vagaries of a limited market. While Yukon has shown itself to be incredibly resilient and a place that has allowed NVD to grow from a minor real estate investment to one of the largest private sector entities in the North, having all of our assets in one region and market does carry some risks.

Over the past few years, management has been evaluating potential communities for expansion. After looking at population and economic data, the search narrowed to a region known as the Golden Triangle in BC, a region demarcated by the three communities of Kitimat, Terrace and Prince Rupert. The region has factors that are well suited to NVD's skillset. The communities are secondary markets with significant potential for growth that also have highly developed First Nation entities who have shown an interest in economic investment.

After evaluating the communities, the company's focus has pinpointed Prince Rupert as the most likely market for expansion. The community has robust industrial and economic activity fueled by massive private and public investment in port facilities and related transportation infrastructure. But to date, there has been little to no investment in the areas that NVD excels at – hotels, real estate and related activities.

As 2024 came to a close, a decision was made to put effort and resources into determining whether the community would welcome NVD and provide an opportunity for the expansion outside of the Yukon that has been discussed for years. And the early returns on these efforts are very positive.

Early in 2025, NVD visited the community and met with local leaders, First Nations and investors. This market exploration is still very early stage, but given the potential for this expansion to progress throughout 2025, management wanted to provide an early update to investors about a potential expansion that could fuel significant growth in future years.


Prince Rupert (Photo credit: Northern BC Tourism/Marty Clemens)

CORPORATE DEVELOPMENT

There is no way to tell the story of NVD's 2024 without delving into the core of the Partnership. Management has been talking about two overriding themes in corporate development – both of which have large implications for investors. First, management has committed to bringing overheads in line with gross profit. And second, management has committed to putting in the effort and investment to pivot NVD from a founders' company to a mature entity capable of performing well for decades.

For some, reducing overhead and growing corporate capability would be counter-intuitive, but for NVD, it is a tension that helps produce results. And management is having success. As already indicated, overheads are down more than $400,000 year over year.

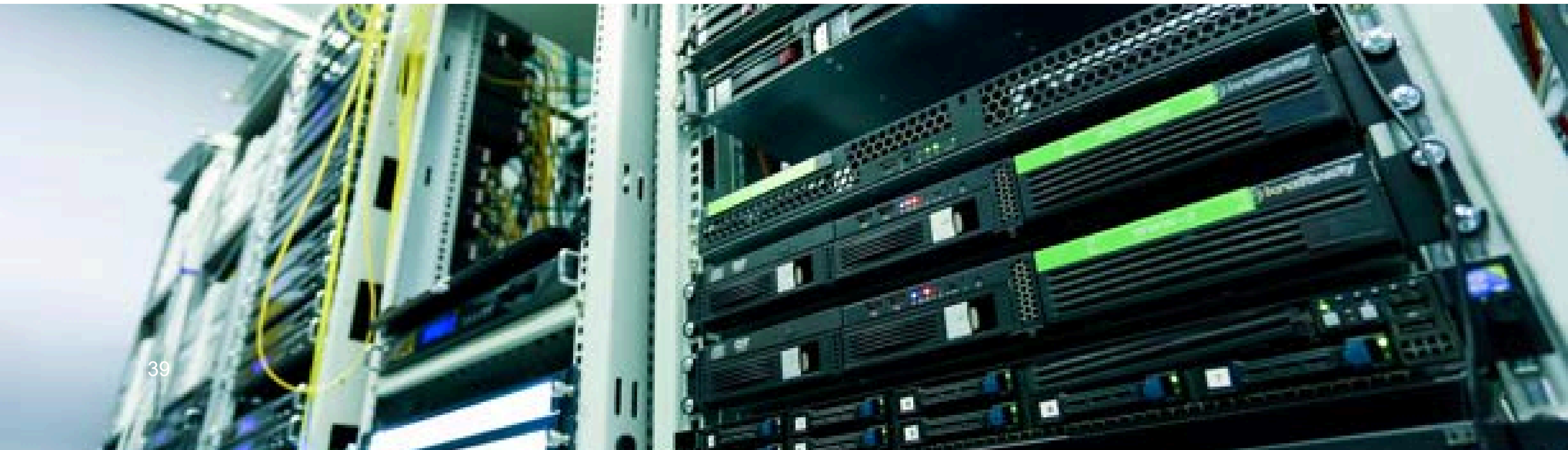
Despite those reductions, NVD brought on Human Resources ("HR") and Information Technology ("IT") support, upgraded systems across the company, spent time and effort to develop NVD's first strategic plan, as well as articulating company purpose and values. There is no doubt that corporate activities like these can be performative and bureaucratic, but in NVD's case, there is material gain to these investments.

Hiring has become more structured and objective, leading to stronger hires. Employee training and workplace culture are being prioritized. The time and effort used to manage labour programs (like the federal Nominee program) have been reduced for line managers, as HR stepped in to help.

On the IT side, the NVD systems are better maintained with increased security and improved capability across the company. Our security in hotels and restaurants is improved through improved camera and security coverage. And the company's control and ownership of content is now clear.

Adding to our corporate growth was the hiring of Robert Ganzer as our new CFO. As investors know, the CFO position has been in flux for NVD since long-time CFO Philip Fitzgerald left in 2021. For a company like ours, the CFO position is a vital piece of the long-term puzzle, so finally having stability in the role is a key step in ensuring our future. Rob comes with deep private-sector experience, lives in Yukon and is ready to provide the financial leadership NVD needs heading into a period of growth.

And we accomplished everything above while reducing overheads. The work will continue in 2025, but last year provided a solid foundation that can be built on in future years.



MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL RESULTS

FINANCIAL STATEMENTS

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE FINANCIAL RESULTS

The financial statements of Northern Vision Development Limited Partnership, which are audited by Crowe MacKay LLP as at and for the period ended December 31, 2024, are included with this 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 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 year ended December 31, 2024, continue to utilize the Accounting Standards for Private Enterprise ("ASPE") which was adopted for the first time by the Partnership in 2011. 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: During the period was restricted to funds raised through regular Distribution Reinvestment Program ("DRP") investment. In December 2024 the Partnership issued a $1,250,000 distribution with 34.7% of units electing for participation in the DRP (2023 – $1,000,00 distribution with 38.1% electing participation in the DRP). This led to the issuance of 121,559 units at $3.57 per unit in 2024 for total proceeds of $434,209 (2023 – issuance of 112,710 units at $3.40 per unit for total proceeds of $1,187,216).

In 2024, as in 2023, there were no private placement transactions or liquidity events, and no adjustments were made to equity balances or unit holdings. Any change in equity ownership was the result of ad hoc transactions as agreed to between unitholders. As always NVD facilitated such transactions so long as the buyers of units offered for sale were already unitholders of the Partnership or who were qualified to hold units in the partnership.

Long Term Debt: At December 31, 2024, long term debt was $37.5 million, representing an increase of $8.9 million or 31.2% during the year (December 31, 2023 - $28.6 million). Loans secured by Waterfront Station condominiums increased during the year from $4.8 million at December 31, 2023 (including two RBC loans and one Scotiabank loan), to $6.6 million at December 2024 (three RBC loans), with the additional proceeds committed to supporting the Hyatt Place construction project. New loans were entered into with First Nations Bank during the year. These included: a $4.5 million facility to finance the Hobah apartments (50% NVD share at December 31, 2024 $2.2 million) which replaced debt that NVD had supplied for that project; and a $4.0 million loan secured by DDLP assets ($2.0 million for NVD 50% share at December 31, 2024) which replaced loans provided by NVD and Tr'ondëk Hwëch'in Trust (the two beneficial owners of DDLP) which had been used for the original purchase of the Downtown Hotel, Midnight Sun and Eldorado Hotel; The net proceeds to NVD for loans paid down with funds from these two First Nations Bank facilities were utilized for NVD investment in the Hyatt Place project.

The interest associated with additional equity taken out on the First Nation Bank facility increased in December 2025 secured by NVD Place, and the excess funds taken out through the RBC facility which replaced the Scotiabank financing on Waterfront Place condominiums are being capitalized to the Hyatt Place project as part of construction financing costs. The funds received to replace NVD financing on DDLP and Hobah have been invested in Hyatt Place and are treated as part of NVD's equity contribution to that project, with all interest expense being charged to the respective projects (Hobah, DDLP) funded by the new loan facilities.

A $2.0 million CanNor loan with no interest payable, was taken on by NVD to fund the KBC Developments Ltd. Normandy Living project and is associated with a $2.0 million preferred share amount carried by NVD in its Investments balance. Finally, the Partnership has arranged a total construction financing facility of $25.0 million shared by First Nations Bank and BDC which had an outstanding balance drawn down of $3.0 million as at December 31, 2024 (2023 - $Nil). This facility will be drawn down from January through August of 2025 as the Hyatt Place project is completed.

This increase in debt was offset by:

- Regular principal repayments on scheduled debt of $1.95 million (2023 - $1.8 million); and
- Retirement of $1.8 million related to a Scotiabank loan which was replaced by an RBC facility secured by Waterfront Station Condominiums (2023 – no replacement loans).

The loans the Partnership holds with BDC provide annual prepayment privileges equal to up to 15% of the original amount of the loans. Each year management assesses its cash flow requirements and prevailing interest rates in order to determine if it makes sense to elect to make such prepayments. In 2024, management prioritized utilization of cash for investment in the Hyatt Place project as opposed to making optional payments on these loans (2023 - $ 0.9 million).

Weighted Average Cost of Debt: At December 31, 2024, the weighted average cost of long-term debt was 5.78% (December 31, 2023 – 5.55%). Over the past few years rates have been fluctuating, with both variable and fixed rates climbing and then beginning to decline. Management has adopted a temporary strategy of renewing loans for short terms (between one and three years) at fixed rates, with an expectation that both fixed and variable rates will continue to decline, allowing for improved rates when renewals come due again in the short term. The Partnership owns a 33.3% interest in KBC Developments Ltd which has a $34.1 million mortgage with Canadian Mortgage and Housing Corporation ("CMHC"). The Partnership also owns 50% of Carmacks Hotel Ltd which holds debt with CIBC. NVD's share of the CHMC debt ($11.4 million at December 31, 2024; $11.5 million at December 31, 2023), pays fixed interest at 1.97% per annum and the CIBC debt ($0.5 million at December 31, 2024, 2023 - $Nil) pays fixed interest at 5.35%. Because of the size of NVD's share of these loans ($11.9 million), management also computes the Weighted Average Cost of Debt metric inclusive of these loans. In 2024, including this debt, the weighted average cost of NVD's overall portfolio debt is 4.84% (2023 – 4.45%).

NVD's long-term debt includes 92.0% fixed and 8.0% variable rate loans at December 31, 2024 (84.0% fixed and 16.0% variable at December 31, 2023). At December 31, 2024, long term fixed rate debt had a weighted average cost of 5.75% and long-term variable rate debt had a weighted average cost of 6.20% (December 31, 2023 – 5.03% and 8.30%, respectively). If NVD's share of the KBC Developments Limited and Carmacks Hotel Limited debt is included, then the portfolio is 93.9% fixed and 6.1% variable (2023 – 88.7% fixed and 11.3% variable).

Total debt to equity ratio was 0.59:1 on a book value basis (December 31, 2023 – 0.46:1) with the ratio being driven up due to taking on debt for the Hyatt Place project. On a fair market value basis, based on the latest estimate of Net Asset Value ("NAV"), the debt-to-equity ratio moved up to 0.31:1 (December 31, 2023 – 0.24:1) also due to the increased debt being taken on for Hyatt construction.

At December 31, 2024, the Partnership was exposed to minimal interest rate risk, with each 1% rise in its' variable interest rates responsible for an annual increase of $30,000 in interest expense (December 31, 2023 - $46,092).

Distributions: The Partnership distributed $1,250,000 or 3.9 cents per unit in December 2024 (2023 distributions - $1,000,000 or 3.1 cents per unit). A total of 34.7% of units were pledged for reinvestment through the DRP (2023 – 38.1%). This led to net cash distributions of 815,791 during the year (2023 - $618,520) and a reinvestment of $434,209 in 2024 for the purchase of 121,559 units ($381,480 for 112,170 units in 2023).

RETENTION AWARDS

The retention awards ("RAs") program provides an incentive to board members and senior management for retention. Grants are made annually as part of the compensation program, and vest after three years if the board or staff member remains employed by NVD. The retention awards track the value and distributions associated with NVD LP units. Each year one third of the expected liability of retention grants is expensed and new grants are issued. The Partnership adjusts the liability annually to reflect departures (and associated forfeiture of amounts expensed to that point in time), distributions, and Net Asset Value ("NAV") changes.

As at December 31, 2024, the liability carried for vested RAs was $178,982 (December 31, 2023 - $143,562). During the year a total of $136,534 of RAs that had vested were paid out, and expenses were accrued totaling $171,954 (2023 - $117,878) to account for one third of all outstanding RAs granted inclusive of NAV per unit value changes and distributions associated with these units.

During the year a total of 32,000 RAs were granted to employees (2023 – 39,000) and 13,000 were granted to board members, (2023 – 15,750) while none were canceled (2023 -15,500) were cancelled due to employee departures. At year end all vested units had been paid out. The RA program is under review by board and senior management given concerns that it is not meeting the desired objectives, and so far in 2025 no RAs have been granted. It is contemplated that future expenses that would have otherwise been incurred related to the RA program will instead be directed toward performance based bonuses based on meeting and exceeding yield and NAV growth related objectives.

WORKING CAPITAL

Restricted Cash are the balances held at BDC for dedicated capital expenditures within the Hotel Division, funds held in trust related to construction deficiencies, or as a GIC held to support letters of credit associated with development commitments related to the Hyatt Place project.

The balances related to the Hotel Division 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. At December 31, 2024, the balance was $287,027 (December 31, 2023- $109,286). From time to time, upon completion of meaningful capital projects at the hotels, these funds are reclaimed by management.

The balance related to the River's Reach II deficiency work was $105,579 at December 31, 2023 (December 31, 2023 - $130,624). These balances are held in lawyer trust accounts and are accessible on the completion of warranty work on a unit-by-unit basis. The balance of cash held in GICs as reserves was $171,200 (2023 - $152,987) related to funds set aside to support letters of credit required for permits on the Hyatt Place project.

Accounts Receivable totaled $1,398,975 at December 31, 2024 (December 31, 2023 – $1,255,050). There are no significant differences in activity levels at the end of the year, versus the levels at the end of 2023. The Partnership now owns 50% of the Eldorado Hotel through its interest in the DDLP subsidiary. However, the activity levels of seasonal hotels are less significant at December 31, than at other points in the year, and so while some increase was expected for these balances in 2024, they were not anticipated, nor observed to be significant.

Accounts Payable and Accrued Liabilities were $9,276,180 at December 31, 2024 (December 31, 2023 - $4,265,318). The increase is mostly due to billings and holdbacks associated with the Hyatt construction project, which taken together accounted for 83.5% the payables outstanding at year end.

Loans Receivable totaled $5,481,688 at December 31, 2024 (December 31, 2023 - $10,293,833). This decrease was due to a combination of activities associated with the repatriation and use of funds in the loan portfolio for use in supporting the Hyatt Place development project. The following loans were retired or added during the year:

Advances to Joint Ventures (December 2024: $23,076)

1. The NVD Loans to DDLP which amounted to $3.16 million at December 31, 2023 were completed repaid during the year, mostly through proceeds from a First Nations Bank facility, but also including a conversion of NVD debt to Joint Venture equity of $411,505.
2. The Northern Carcross JV loan provided by NVD ($29,492 at December 31, 2023) was completely paid out during the year through regular and special payments.
3. A small portion of the Hobah equity interest was converted into a loan to the Joint venture, which was $23,076 after elimination at year end and is the only balance that remains in "Advances to Joint Ventures"

Mortgages Receivable (December 2024: $3,810,958)

1. A Vendor Take back loan of $75,823 at December 31, 2023 related to the sale of a Titanium Way lot was completely retired during the year
2. There are two mortgages outstanding in the portfolio, one is current, and the other was current at December 31, 2024, however it has subsequently moved to default status. The mortgage is secured by a first mortgage on an industrial property in Whitehorse which is in a foreclosure process. A conditional sale has been presented for the property, which involves proceeds that will be sufficient to pay NVD the amount outstanding as well as accrued interest, including penalty default interest, from January 1, 2024.

Loans Receivable (December 2024: $1,647,654)

1. NVD's loan to Carmacks Hotel Ltd. ("CHL") was reduced during the year through regular and one-time repayments of $689,845. This was accelerated by a one-time payment of $500,000 associated with putting CIBC debt in place directly with CHL to partially replace the NVD facility.
2. NVD has provided a preferred loan facility to KBC Developments Ltd. ("KBC") which is interest bearing as only two of the three partners in KBC supplied such advances. In 2024 $250,000 of this advance (representing one third of NVDs total advance) was repaid.
3. A trade payable supplied as a loan to Borealis Fuels which was at $265,102 at December 31, 2023 was completely repaid during the year.
4. A timed units purchase balance relating to staff purchases of NVD units stood at $159,422 at year end. This facility is repaid by salary withdrawals in each pay period, and on February 20 of each year from ex-employees with the final payments due in the first quarter of 2025.

Of the balances remaining in the portfolio, 69.5% are held as mortgages receivable which are secured by underlying real estate assets (2023 – 41.6%), and the other loans are primarily advanced to subsidiaries, but also to staff for purchase of LP units. The timed unit purchase loans to staff, which represent 2.9% of the loan portfolio balance, are non-interest bearing. The interest rates on the balance of the loan portfolio range from 5.05% to 12.00% with the weighted average being 9.86%.

DEVELOPMENT ACTIVITIES

Property under development balances more than doubled to $43,958,798 at December 31, 2024 (December 31, 2023 – $18,798,048). The increase in value during the year primarily reflected the construction costs related to the Hyatt Place project which combined with small amounts on other projects totaled $24,273,865 (2023 - $8,308,799). During the year the Partnership capitalized interest and property taxes of $525,817 (2023 - $50,266) and salaries of $361,068 (2023 - $258,433). No amounts were moved to property under development in 2024 from Land and Property Plant and Equipment (2023 –$834,622). No amounts that were previously capitalized for projects that have now been discontinued were expensed during the year (2023 - $24,599).

CAPITAL EXPENDITURES ON PROPERTY AND EQUIPMENT

The Partnership incurred proceeds from divested assets of $1.30 million during the year (2023 - $53,000). The proceeds were from the sale of two Rivers Reach II condos. NVD acquired the Eldorado Hotel, the Yukon Hotel, and related assets, in partnership with Tr'ondëk Hwëch'in Trust through the Dawson Downtown Limited Partnership for $2.7 million. NVD also acquired a commercial condominium in Whitehorse for $349,000 (2023 - $nil).

Other capital expenditures incurred during the year included regular investment in hotel and rental properties associated with ongoing property improvement activities. Property improvement and sustained capital expenditures at the Partnership's Whitehorse Hotels were $291,200; $123,700 at NVD's 100% owned commercial and residential rental properties; $273,300 for NVD's share of capital expenditures incurred at Joint Venture properties; $602,000 at the Partnership's Restaurant operations and $105,300 on corporate and other assets. The total of $1.39 million was almost double the industry standard for sustained CAPEX expenditure based on revenues, however more than half of the spending was dedicated to profit improvement projects including virtually all the rental property expenditures (recoverable tenant improvements) and much of the Restaurant and Hotel capital investments.

OPERATING ACTIVITIES

Revenues: Revenues decreased 1.3% to $22.1 million in 2024 (2023 - $22.4 million). While hotel room revenues were up, all other operating divisions recorded a falloff in revenues during the year.

Hotel revenues were up $815,812 or 7.8% to $11.3 million (2023 - $10.5 million). The Whitehorse hotels had a strong year and contributed to this gain while the outside of Whitehorse properties fell backwards, with some moving down sharply. Carmacks was off significantly to the previous year due to a drop off on contractor activity in the area, the challenges in the mining industry related to the Victoria Gold problems were felt to a small degree at the Mayo properties, and while the Dawson properties were up due to the acquisition of the Eldorado, they were down on a "same store" basis. With the launch of the Hyatt Place in summer 2025, management expects there will be substantial increases in revenue in 2025.

Rental revenues increased $160,462 or 3.7% to $4.5 million in 2024 (2023 - $4.3 million). Despite selling a number of residential condominiums, with the associated revenue loss, and booking a substantial change in Hobah Apartment rental revenues due to a commercial financing package reducing NVD's variable ownership interest in that property, renewals continued to take place and more favourable rates, partially offsetting the impact of the revenue reductions.

Restaurant revenues decreased by $783,834 or 11.9% to $5.8 million in 2024 (2023 - $6.6 million). The decline was due to the closure of the Moose and Mountie Restaurant for further renovations and the launch of the Cabin Fever restaurant more than three months later, as well as what appears to be a general decline in restaurant demand in response to economic and inflationary pressures. In Yukon, from 2022 to 2024 inflation has added 14.1% to costs.

While restaurant product offerings have been subject to price increases during this time, there is a ceiling as to what clients will accept, and the result is that inflation does have an adverse impact on margins. The declines were offset by an increase associated with the acquisition of the Eldorado food and beverage assets in Dawson, but those gains were limited by a focus on synergistic operation of the Dawson assets with a keen eye on gross profit growth as opposed to revenue increases.

Management Fee and Other revenues decreased significantly during the year as a result of an accounting methodology shift. Previously revenues associated with Carbon Tax Rebates and other miscellaneous activities were booked to this line, whereas this year management moved to recording those items to the areas they were most specifically related to and leaving this line to capture the growing Management Fee line item alone. Management fees increased to $519,000 in 2024 versus $484,000 a year earlier. Having a single line item for Management Fees will allow a more transparent reporting of this item going forward, and Yukon Carbon Taxes are significantly reduced going forward in any case, so have a much lower impact on overall results.

Gross Profit and Direct Expenses: Direct expenses improved by 1.3%, falling to $14.0 million (2023 - $14.2 million). This was primarily driven the above-mentioned revenue drops, with Restaurants seeing a substantial reduction in direct cots.

Hotel costs increased 12.3% to $7.3 million (2023 - $6.5 million). The increase in costs outpaced the 2.8% increase in revenues, which dampened the *hotel gross profit* improvement to only 0.4% to $4.0 million (2023 - $4.0 million). The Partnership continued to experience upward pressure on wages, energy costs and other input costs.

Rental costs increased by 39.2% to $1,393,526 (2023 - $1.0 million). While revenues increase 3.7%, gross costs increased more quickly due to the migration of a few of the Partnership's larger leases from a Triple Net to Gross basis. While this change boosted revenues and offset the impact of the loss of rental income associated with the sale of residential properties, it meant that costs did not decline in step with revenues. As a result gross profit was down 7.0% to $3.1 million (2023 - $3.3 million).

Restaurant costs decreased by 17.6% to $5.3 million (2023 - $6.4 million). As noted revenues were off 11.9% on the year leading to a corresponding reduction in direct costs, but other changes made by management further contributed to a reduction in direct costs. Synergistic hours of operation in Whitehorse and Dawson were both helpful in concentrating revenues and costs in one location leading to strong margin gains. As a result, Restaurant gross profit was up 210.5% to $509,675 (2023 - $164,136).

Other Costs cannot be properly compared to last year. By moving both miscellaneous revenues and miscellaneous costs to the area where they can most appropriately be applied, we do not end up with a net direct costs associated with Management Fees and Other. The costs associated with management fees are contained in NVD's overhead costs and are mostly wages.

Gross profit decreased by 1.3% to $8.1 million, which was 36.8% of gross revenues (2023 - $8.2 million and 36.8% of gross revenues). The margin improvement is mostly attributable to improvements in the Restaurant division, and the slight drop in gross profit is mostly attributable to a decline in contribution from Real Estate Rentals.

Expenses: *Amortization expense* declined 6.6% to $2.14 million (2023 - $2.29 million). The reduction of the excess interest in the Hobah property and the sale of several River's Reach condominiums contributed to this reduction. As well capital spending on operating projects was limited during the year as the Partnership focused on the Hyatt Place investment, meaning that there was not a lot of upward pressure on the capital balances upon which amortization is based.

Wage expenses include staff not directly working in operational areas of NVD. A wide variety of impacts caused Wages to decline by 20.9% in 2024 to $1.81 million (2023 - $2.29 million). In 2023 there were several major staff changes resulting in severance costs, whereas turnover was more limited in 2024. In addition, a higher amount of salaries were capitalized during the year as the Hyatt project reached its most active period throughout the year. There was also less overlap in wage costs associated with the replacement of personnel. These factors combined to result I the substantial decrease in wage costs.

A total of $361,068 in salaries and wages were capitalized in 2024 (2023 - $499,855), a decrease of 15.9%. While salaries related to internal resources continued to be capitalized on the Hyatt Place project, a lower level of capital expenditures in other areas contributed to this decline.

Interest expense increased 0.8% to $1.56 million (2023 - $1.55 million). Fixed and variable interest rates decreased during the year, which positively impacted this cost, especially in respect to variable loans but also in respect to some of the fixed loans that came up for renewal. But this was offset by the fact that other loans that came up for renewal saw an increase in rate due to the attractive rates that had been in place when those fixed rate loans were either put in place or up for renewal previously. As new loan amounts taken out for the Hyatt Place were capitalized to the Hyatt project, the net result was that interest expenses remained largely unchanged during the year.

Governance expenses increased by 33.1% to $215,272 for the year (2023 - $161,735). In the second quarter of 2023 two board members joined to increase board membership to seven. 2024 saw seven board members serve for the full year. After several years during COVID impacts when most board meetings were held via video link, the Partnership has returned to holding some board meetings in person, meaning that costs for board travel have also increased slightly.

Office expenses decreased by 6.1% to $449,765 (2023 - $478,708). At the end of the year the Partnership subleased its office in Calgary as most accounting and administrative jobs are now located in Whitehorse, which contributed to this decline. A full audit of software licenses and other IT costs was responsible for the bulk of this reduction in 2024, and the removal of Calgary office costs will have a full year impact on 2025 results.

Marketing expenses decreased by 1.5% to $190,828 (2023 - $193,773). The main driver of this reduction was the stretching out and back ending of the Yukon University sponsorship commitment (and the resultant yearly cost reduction in current year), offset by directing some of those savings at other marketing and sponsorship activities. Management felt comfortable reducing the current year University sponsorship commitment as the University struggled to deliver on all of its commitments.

Professional fees increased by 54.8% to $236,164 (2023 - $152,531). Legal fees that are a result of the Nomodic bankruptcy were responsible for the bulk of this increase, however there were also increases in the total audit fees on a year over year basis.

Travel expenses were down 15.0% to $52,527 (2022 - $61,901) which represents a return to normal levels of travel expense for the Partnership. Travel costs are largely related to senior management travel between Whitehorse and Calgary or Vancouver and middle management travel to industry and franchisor conferences

Bad debts: No provision for bad debts were made in NVD LP in 2024 (2023 – $17,860). Any debts identified as uncollectible were addressed during the year, and regular review is conducted to ensure that receivables do not age without action being taken.

Income from operations increased by 41.4% to $1.47 million (2023 - $1.04 million) as a result of the impacts discussed above. Reduction in Corporate Overheads and amortization were the main contributors to this result, as gross profit actual declined 1.3%. A focus on Corporate Overhead reduction continues in 2025, when gross profit is expected to trend upward, with an expected improvement in resultant Net Operating Income margin.

Interest Income and Other Items

Interest income declined 23.6% to $759,610 (2023 - $994,659). Throughout the year, the amount of passive income earned on GICs and savings accounts declined as funds were deployed on the Hyatt Place project and as a result the amount earned from passive cash balances was off sharply during the year. Most of the loan portfolio was in place for most of the year, meaning that interest earned from that source was relatively stable with the prior year, but as a good portion of those balances have now been redeemed in favour of Hyatt investment, income from this source will decline sharply in 2025.

Gains on sale were up in 2024 to $227,103 (2023 - $49,541). The gains resulted from the sale of two River's Reach II condominiums in the forth quarter of the year, and a gain on disposal of a vehicle asset (no property sales in 2023).

Other investment income recorded a gain in 2024 as contrasted to a loss in 2023. Investment Income is derived from Carmacks Hotel Ltd ("CHL") and KBC Developments Inc. ("KBC"). In 2024 the income inclusion for CHL was basically flat, but the loss associated with KBC reduced considerably, leading to this improvement. KBC is continuing to reduce vacancy and is poised to become a positive contributor to NVD income in 2025 and beyond. in 2024 NVD's 50% share of Carmacks Hotel Ltd. after tax income was $291,094 (2023 - $347,741). NVD's 33.3% share of KBC's loss was $141,709 (2023 – loss of 397,903).

Adjustment for uncollectible amounts. Management continues to comprehensively review its balances to determine if there are any uncollectible amounts. In 2024 there were some adjustments made to balances but no net material impact was noted and there was no need to highlight any prior year adjustments.

Provision for loss on supplier bankruptcy. As reported elsewhere in this report, the board and management have elected to make a provision for writing down amounts related to the bankruptcy of Nomodic Modular Structures Inc. The company declared bankruptcy while holding funds in Trust for NVD related to the Hyatt Place Project. In 2024 NVD came to terms and a final provision has been made for a write down of $753,013 related to this incident for a total impact of $1,203,013 over the 2023 and 2024 fiscal years (a $450,000 provision having been taken in 2023). As this loss has been fully realized, the total write-off can be taken for tax purposes.

Net Income

Net Income before special items was up 26.8% to $2.6 million (2023 -$2.1 million). The increase was related to all of the factors described above. After taking into account the provisions for NVD's losses related to the Nomodic bankruptcy, Net Income was up 15.6% to $1.85 million (2023 - $1.60 million).

LIQUIDITY

The Partnership is committed to providing regular liquidity events. After a major liquidity event facilitated the exit of approximately $11 million in units in late 2020, the Partnership did not make liquidity available as part of its Private Placement in 2021. Unitholders have indicated an interest in another formal liquidity event and the Partnership is planning a Private Placement and associated liquidity event in 2025 should market conditions support such a move. While the NVD balance sheet can support the Hyatt Place development project, it will need to seek equity financing to support other projects going forward, so only a portion of any Private Placement will be made available to unitholders seeking a liquidity opportunity.

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. Currently the NVD debt portfolio is highly skewed to fixed rate mortgages and many have relatively short terms to maturity which should provide an opportunity to reduce the Partnership's cost of debt in the short and medium term, however increases in overall debt levels in support of the Hyatt Place project will meant that the Partnership will be recording substantially increased interest expense once that project is launched.

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. The challenge faced now, on the heels of this major event, is proper emergence from the Pandemic conditions and a return to normal operating cadence.

The Partnership holds all of its assets in the Yukon which places it at 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. In such a way this risk can be mitigated to some extent in the future.

UNITHOLDERS

At December 31, 2024, there were 103 Unitholders in the Partnership (December 31, 2023 – 106) represented and controlled by 84 unique individuals or entities (87 unique individuals or entities at December 31, 2023). During the year the number of units increased by 0.4% to 31,984,228 units outstanding (December 31, 2023 - 31,862,699) based on participation in the DRP as described earlier in this report. There are no options or purchase warrants issued. Of the total units, 73.1% are owned by Yukon residents or entities (2023 – 73.9%), and 51.2% are owned by Yukon First Nation entities (2023 – 50.9%). Board and staff members own 5.6% of the outstanding units (2023 – 4.5%). Rich Thompson is the largest board/staff investor, Daryn Leas and Lori Simcox are both closely aligned with many of the larger First Nations that make up the 51.2%-unit interest, and other board members hold meaningful positions in the Partnership. The Unitholder ownership remains highly concentrated, with the top five Unitholders owning 52.4% of the units (2023 – 52.6%) and the top 15 investors holding an 81.1% interest (80.4% in 2023).

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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

These financial statements have been prepared by management in accordance with Canadian accounting standards for private enterprises. 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 reviewed the Partnership's financial statements and recommend their approval. The Board meets periodically with management, as well as with the external accountants, to discuss internal controls over the financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the annual report, the financial statements and the external accountants' report. The Board of Directors takes this information into consideration when approving the financial statements for issuance to the partners. The Board of Directors also considers the engagement of the external accountants.

The financial statements have been audited by Crowe MacKay LLP in accordance with Canadian generally accepted auditing standards on behalf of the partnership. Crowe Mackay LLP has full access to the Board of Directors.

March 17, 2025

On behalf of the Board:

Lori Simcox, Chairman of the Audit Committee

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

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Independent Auditor's Report

To the Partners of
Northern Vision Development Limited Partnership

Opinion

We have audited the consolidated financial statements Northern Vision Development Limited Partnership ("the Partnership"), which comprise the consolidated balance sheet as at December 31, 2024 and the consolidated statement of income, partner's equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Partnership as at December 31, 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

Basis for Opinion

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

Other Matter

The consolidated financial statements of the Partnership for the year ended December 31, 2023 were audited by another auditor who expressed an unqualified opinion on those consolidated financial statements on March 20, 2024.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

Independent Auditor's Report (Continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

• Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Partnership's internal control.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

• Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Partnership's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Partnership to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

• Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

Crowe MacKay LLP

Vancouver, Canada
March 27, 2025

Chartered Professional Accountants

CONSOLIDATED BALANCE SHEET

As at December 31,	**2024**	2023
ASSETS		
Current Assets		
Cash *(Note 2)*	**$ 2,541,041**	$ 7,271,312
Accounts receivable	**1,398,975**	1,255,050
Inventories	**360,106**	292,909
Loans receivable *(Note 8)*	**5,481,688**	10,293,833
	9,871,810	19,113,104
Investments *(Note 15)*	**3,174,405**	1,515,020
Property and equipment *(Note 3)*	**52,891,900**	55,418,649
Properties under development *(Note 4)*	**44,095,803**	18,798,048
Other assets *(Note 5)*	**877,253**	917,894
	$ 110,821,171	$ 95,762,715
LIABILITIES & PARTNERS' EQUITY		
Commitments *(Note 12)*		
Contingencies *(Note 13)*		
Subsequent events *(Note 18)*		
Accounts payable and accrued liabilities	**$ 9,410,321**	$ 4,265,616
Deposits	**192,220**	228,550
Long term debt *(Note 6)*	**37,472,500**	28,557,264
	47,075,041	33,051,430
Partners' equity *(Note 11)*	**63,746,130**	62,711,285
	$ 110,821,171	$ 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

CONSOLIDATED STATEMENT OF INCOME

For the year ended December 31,	2024	2023
Revenues		
Hotels	$ 11,312,907	$ 10,496,996
Rentals *(Note 9)*	4,464,215	4,303,753
Restaurants	5,797,009	6,580,844
Management Fee and Other Income *(Note 9)*	519,304	1,010,408
	22,093,435	22,392,001
Direct expenses		
Hotels	7,291,290	6,491,331
Rentals	1,393,526	1,000,958
Restaurants	5,287,334	6,416,707
Other	-	252,335
	13,972,150	14,161,331
Gross profit	8,121,285	8,230,670
Expenses		
Amortization	2,140,249	2,290,957
Wages	1,813,559	2,291,323
Interest *(Note 6)*	1,558,159	1,546,274
Office	449,740	478,708
Professional Fees	236,164	152,531
Governance	215,272	161,735
Marketing	190,828	193,773
Travel and other expenses	52,596	61,901
Bad debts	-	17,860
	6,656,567	7,195,062
Income from operations	1,464,718	1,035,608
Other income		
Gain on sale of property and equipment *(Note 3)*	227,103	49,541
Income (loss) from investments *(Note 15)*	149,385	(28,635)
Interest income *(Note 8)*	759,610	994,659
Net income before the undernoted	2,600,816	2,051,173
Provision for supplier bankruptcy *(Note 17)*	(750,180)	(450,000)
Net Income	$ 1,850,636	$ 1,601,173

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

CONSOLIDATED STATEMENT OF PARTNERS' EQUITY

For the year ended December 31,	**2024**	2023
Partners' equity, beginning of year	**$ 62,711,285**	$ 61,728,622
Units issued *(Note 9 and 11)*	**434,209**	381,490
Net income for the year	**1,850,636**	1,601,173
Partners' equity, before distributions	**64,996,130**	63,711,285
Distribution to unitholders	**(1,250,000)**	(1,000,000)
Partners' equity, end of year	**$ 63,746,130**	$ 62,711,285

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31,	**2024**	2023
Cash flows from operating activities		
Net income for the year	**$ 1,850,636**	$ 1,601,173
Non-cash items		
Non-cash items expensed	**219,576**	262,970
Retention Awards expensed	**171,954**	97,175
Amortization of property and equipment	**2,140,249**	2,290,957
Loss (income) from investments	**(149,385)**	28,635
Provision for supplier bankruptcy loss	**750,180**	450,000
Gain on sale of property and equipment	**(227,103)**	(49,541)
	4,756,107	4,681,369
Changes in non-cash working capital balances		
Accounts payable and accrued labilities	**4,753,176**	389,075
Accounts receivable	**(143,925)**	51,600
Other assets	**40,641**	(83,914)
Inventories	**(67,197)**	(21,814)
Deposits	**(36,330)**	(13,310)
	9,302,471	5,003,006
Cash flows from investing activities		
Loans receivable	**4,812,145**	(5,677,096)
Proceeds on sale of property and equipment	**1,272,827**	53,929
Investments	**(2,050,000)**	81,399
Change in interest in Joint Venture *(Note 14)*	**2,306,649**	(359,689)
Repayments from subsidiaries	**540,000**	-
Net purchase of property and equipment	**(2,965,873)**	(1,708,939)
Investment in properties under development	**(26,047,935)**	(6,850,823)
	(22,132,187)	(14,461,219)
Cash flows from financing activities		
Financing fees paid	**(63,009)**	(18,950)
Advances of long-term debt	**13,075,000**	9,500,000
Units issued	**434,209**	381,490
Distribution to unitholders	**(1,250,000)**	(1,000,000)
Repayment of long-term debt	**(4,096,755)**	(7,949,383)
	8,099,445	913,157
Net change in cash during year	**(4,730,270)**	(8,545,055)
Cash, beginning of year	**7,271,312**	15,816,367
Cash, end of year	**$ 2,541,041**	$ 7,271,312
Supplemental disclosure of non-cash transactions		
Property and equipment transferred to property under development	**$ -**	$ (862,440)
Expenditure on Property under development not yet paid	**$ 6,792,815**	$ 1,738,868

 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, retail 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., NVD Restaurants Ltd. (wholly owned subsidiaries), as well as the Partnerships' 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:

1. Summary of Significant Accounting Policies (continued)

	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%
Solar Panels	Declining balance basis	50%
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.

Intangible Assets

The Partnership applies the simplification method to expenditures in a cloud computing arrangement that fall within the scope of AcG-20, Customer's Accounting for Cloud Computing Arrangements. Under this method, expenditures are treated as a supply of services and recognized as an expense when the company receives the service. Expenditures related to implementation activities are expensed as incurred. During the year, expenditures of 45,960 (2023 – $67,861) were included in Office Expenses.

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 with non-refundable rental payments. 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; refundable tenant security deposits are recorded as a liability until repaid to the tenant.

1. Summary of Significant Accounting Policies (continued)

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, and the useful lives of property and equipment. 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, loans receivable, accounts payable, 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

	2024	2023
Restricted	$ 563,807	$ 1,303,729
Unrestricted	1,977,234	5,967,583
	$ 2,541,041	$ 7,271,312

Restricted Cash Includes $287,027 in funds on deposit with BDC for required Capital Expenditures (2023 -$109,286) as part of a loan commitment, $105,579 in customer deposits held in trust (2023 - $130,624), and $nil (2023 - $699,825) funds temporarily held for KBC.

3. Property and Equipment

	2024			2023		
	Cost	Amortization	Net Book Value	Cost	Amortization	Net Book Value
Automotive	$ 436,434	$ 308,298	$ 128,136	$ 363,792	$ 268,950	$ 94,842
Buildings	58,027,797	16,613,939	41,413,858	59,496,247	15,190,494	44,305,753
Computers and software	1,196,285	945,743	250,543	1,055,093	868,623	186,470
Furniture and fixtures	5,812,799	3,993,660	1,819,139	5,405,911	3,617,548	1,788,363
Solar Panels	182,816	45,704	137,112	-	-	-
Land and improvements	8,887,319	-	8,887,319	8,765,185	-	8,765,185
Paving and landscaping	861,117	605,323	255,793	861,117	583,081	278,036
	$ 75,404,567	$ 22,512,667	$ 52,891,900	$ 75,947,345	$ 20,528,696	$ 55,418,649

During the Period, the Partnership recorded a gain of $227,103 (2023 - $49,541) from the sale of Property and Equipment. A total of $135,628 of salaries was capitalized (2023 - $13,115).

4. Properties under Development

	2024	2023
Land and Improvements	$ 5,157,577	$ 5,157,577 71
Building and construction	38,938,266	13,640,471
	$ 44,095,803	$ 18,798,048

Properties under development consist of assets under active development or lands identified for development by the Partnership or sale to third parties. During the period, the Partnership incurred construction and other direct costs of $24,410,870 (2023 - $8,308,799), Interest and Property Taxes of $525,514 (2023 - $50,266) and Capitalized Salaries of $361,068 (2023 - $258,44).

5. Other Assets

	2024	2023
Prepaid expenses and deposits	**$ 688,144**	$ 710,447
Other assets	**209,109**	207,447
	$ 877,253	**$ 917,894**

6. Long Term Debt

At December 31, 2024 there was $183,809 (2023 - $187,048) in deferred financing fees netted against long term debt. During the year, amortization of deferred financing fees amounted to $38,835 (2023 - $25,541) and $63,009 in fees were incurred (2023 - $18,950). A further $27,413 in financing fees were capitalized directly to the Hyatt Place project (2023- $8,600).

	2024	2023
Loan payable to First Nations Bank - interest at 6.45% per annum, due December 15, 2025, payable in installments of principal and interest of $70,578, secured by a first mortgage and assignment of rents on the Partnership's interest in the land and building at 4201 4th Ave, Whitehorse, YT.	**$ 9,237,338**	$ 9,450,969
Loan payable to BDC - with fixed monthly repayments of $73,875 principal plus additional interest at 6.80% per annum, due January 23, 2031 secured by a first mortgage over two Whitehorse hotel properties.	**5,273,672**	6,194,390
Loan payable to BDC - with fixed monthly repayments of $33,330 principal plus additional interest at 6.80% per annum due September 30, 2037 secured by a second mortgage over two Whitehorse hotel properties.	**4,152,560**	4,508,045
Loan payable to RBC - interest at 5.36% per annum, due July 1, 2028, payable in installments of $26,015 principal and interest, secured by a first mortgage over properties at 2237 2nd Ave, Whitehorse, YT.	**3,776,463**	-
Amount drawn from a loan facility provided by First Nations Bank and BDC with available Credit or $25,000,000, for construction of the Hyatt Place at 511 Main Street, Whitehorse Yukon. Payable interest only. BDC Interest at 6.45% variable and First Nation Bank at 5.95% per annum variable as at December 31, 2024.	**3,000,000**	-
Loan payable to First Nations Bank - interest at 5.95% per annum, due June 1, 2026, payable in installments of principal and interest of $14,433, secured by a first mortgage and assignment of rents on the Partnership's Joint Venture Interest on residential apartments at 1 Teslin Road, Whitehorse.	**2,214,549**	-
Loan from CanNor to cover COVID related delays for construction of the Normandy Manor. There is no interest on the loan, and it is payable in quarterly installments of $50,000 commencing April 1, 2026.	**2,000,000**	-
Loan payable to First Nations Bank - interest at 5.28% per annum due October 31, 2025 payable in installments or principal and interest of $13,513, secured by the main assets owned by Dawson Downtown Limited Partnership including the Downtown Hotel and Eldorado Hotel in Dawson City, Yukon.	**1,970,327**	-
Loan payable to RBC - interest at 5.16% per annum, due September 2, 2026, payable in installments of $21,890 principal and interest, secured by a first mortgage over properties at 2237 2nd Avenue, Whitehorse, YT.	**1,784,600**	1,947,774
Loan payable to RBC – interest at 5.19% per annum due September 1, 2026, with blended payments of principal and interest of $7,608 per month, secured by a first mortgage on 5025 5th Avenue, along with rents and leases from the property.	**1,205,042**	1,242,004
Balance carried forward	**$ 34,614,550**	$ 23,343,182

6. Long Term Debt (continued)

	2024	2023
Balance brought forward	**$ 34,614,550**	$ 23,343,182
Loan payable to RBC – interest at 5.36% per annum, 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.	**1,018,819**	1,047,053
Loan payable to RBC – interest at 4.68% per annum, due December 1, 2025, with blended payments of principal and interest of $8,108 per month, secured by a first mortgage on the property of 9016 Quartz Road, Whitehorse, YT.	**1,017,556**	1,075,221
Loan payable to BMO – interest at 5.48% per annum, due August 31, 2025, with monthly blended payments of principal and interest of $4,013 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.	**608,446**	628,583
Loan payable to BDC - interest at 4.45% per annum, due June 23, 2031, with monthly principal repayments of $2,756 plus interest, secured by the following: first mortgage and assignment of rents on the Partnership's interest in the land and building at 166 Titanium Way, Whitehorse, YT.	**213,129**	253,554
Loan Payable to Scotiabank secured by properties at 2237 Second Avenue, Whitehorse, that was paid out during the year.	**-**	1,801,320
Loan payable to Tr'ondëk Hwëch'in Trust secured by properties owned by Dawson Downtown Limited Partnership that was partially paid out during the year, with the balance converted to equity.	**-**	408,352
Total	**$ 37,472,500**	$ 28,557,264

The BDC floating base rate at December 31, 2024 was 8.30% (2023 – 9.30%). RBC and First Nations bank prime rate at December 31, 2024 was 5.45% (2023 - 7.20%).

Several loans are scheduled to mature in the next fiscal year, and the Partnership anticipates that it will renew these loans under similar terms and conditions. Estimated principal repayments on long term debt, excluding loan maturities, which are due over the next five years and thereafter are as follows:

2025	$ 2,093,168
2026	2,286,148
2027	2,383,552
2027	2,403,510
2028	2,476,262
Thereafter	25,802,860
	$ 37,472,500

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 December 31, 2024.

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, and takes a security interest in the property and/or the tenant's 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 $nil (2023 - $17,860) in respect of accounts receivable where collection is doubtful. Cash is on deposit with Canadian chartered banks and as a result management feels that credit risk associated with this balance is not significant.

The partnership is exposed to credit risk to the extent that substantially all cash is held at one financial institution. The financial institution is a major Canadian bank. The deposits held by the financial institution are insured by the Canadian Deposit Insurance Corporation. In the event of default, the partnership's cash is insured up to $100,000 per account.

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 future cash flows available.

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

	2024	2023
Mortgages receivable	**$ 3,810,958**	$ 4,278,650
Loans receivable *(Note 9)*	**1,647,654**	2,823,605
Advances to joint ventures *(Note 9)*	**23,076**	3,191,578
	$ 5,481,688	$ 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 12.00% per annum. The total interest earned on these loans in 2024 was $329,167 (2023 - $240,683). 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. At the end of the year, two Mortgages were outstanding with no impairment provisions and both were current (2023 – five outstanding), although one subsequently moved into foreclosure with the Partnership expecting to be paid in full for principal and outstanding interest (including penalty interest).

8. Loans Receivable (continued)

(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 short term loans provided to subsidiaries or business partners of the corporation.

At December 31, 2024 two interest bearing loans were outstanding to subsidiaries of the Partnership (2023 – two outstanding to subsidiaries and one to a supplier). In addition, timed unit purchase loans were outstanding which do not earn Interest and mature on February 20, 2025. These loans advanced to employees related to the timed unit purchase plan are repaid via payroll deduction, while former employees who have opted to remain in the plan pay an annual lump sum in February of each year. There were no impairment provisions recorded on the loans receivable as at December 31, 2024.

During the year interest of $194,797 was earned on loans receivable (2023 - $190,960).

(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 venturer does not contribute their proportionate share. The total interest earned in the year was $71,128 (2023 - $34,956). At year end there was one advance outstanding (2023 – four) with three having been repaid in full.

(iv) Passive Interest Earned

In addition, the partnership places excess funds in GICs at rates and terms available from time to time. In 2024 income from this source amounted to $164,518 (2023 - $528,060).

9. Related Party Transactions and Balances

Certain accounts on the balance sheet and income statement 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 year, the following transactions took place:

- $434,209 of LP units (2023 - $381,490) were purchased by existing unitholders of the Partnership
- Of the above, $7,105 of units (2023 - $5,044) were purchased by employees or Directors of the Partnership
- $510,403 (2023 -$440,843) of management fees were charged to Joint Ventures
- $134,070 of fees (2023 - $105,908) were paid to Directors of the Partnership
- $298,521 of interest (2023 - $345,382) was received from unitholders or joint ventures in which the Partnership has a proportionate interest
- $32,700 of rent (2023 - $56,740) was received from an employee or a company controlled by an employee
- $22,500 of rent (2023 - $67,575) was paid to a company controlled by a unitholder of the Partnership
- $22,575 of rent (2023 - $45,257) was paid to companies controlled by a Director of the Partnership

9. Related Party Transactions and Balances (continued)

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 of December 31, 2024, the Partnership had the following balances with related parties:

- Accounts receivable from related parties of $125,082 (2023 - $82,253).
- Amounts due from its joint venture partners of $46,650 (2023 - $111,618) are recorded in accounts receivable.
- Accounts payable and accrued liabilities owing to related parties of $1,310 (2023 - $244,964).
- Amounts due to its joint venture partners of $630 (2023 - $185,694) are recorded in accounts payable.

10. Segments

As at December 31, 2024, the Partnership had five reportable segments: hotels, rentals, restaurants, property under development and other. Hotel operations consist primarily 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.

2024	**Hotels**	**Rentals**	**Restaurants**	**Property Under Development**	**Other**	**Total**
Revenue	**$ 11,312,907**	**$ 4,464,215**	**$ 5,797,009**	**$ -**	**$ 519,304**	**$ 22,093,435**
Direct Expenses	**7,291,290**	**1,393,526**	**5,351,334**	-	-	**14,036,150**
Amortization	**743,707**	**1,055,992**	**248,161**	-	**92,389**	**2,140,249**
Interest income	-	-	**-**	-	**759,610**	**759,610**
Interest expense	**742,256**	**815,903**	**-**	-	-	**1,558,159**
Net income (loss)	**2,535,654**	**1,198,794**	**261,514**	**(750,180)**	**(1,395,146)**	**1,850,636**
Properties and equipment	**15,814,487**	**33,962,520**	**2,790,266**	**44,095,803**	**324,627**	**96,987,703**
2023						
Revenue	$ 10,496,996	$ 4,303,753	$ 6,580,844	$ -	$ 1,010,408	$ 22,392,001
Direct Expenses	6,491,331	1,000,958	6,416,707	-	252,335	
Amortization	694,412	1,310,921	200,299	-	85,325	2,290,957
Interest income	-	-	-	-	994,659	994,659
Interest expense	757,349	788,933	-	-	-	1,546,282
Net income (loss)	2,553,904	1,202,940	(36,162)	(450,000)	(1,669,509)	1,601,173
Properties and equipment	14,757,350	37,900,155	2,449,764	18,798,048	311,640	74,216,997

11. Partners' Equity

At December 31, 2024 there were 31,984,228 partnership units outstanding (2023 – 31,862,669). During the year, an aggregate of 121,599 units were issued through the Distribution Reinvestment program for proceeds of $434,209, (2023 - 112,170 units; $381,490).

12. Commitments

The Partnership has entered into a commitment to make sponsorship contributions to Yukon University over a ten-year period that commenced in 2023. The remaining commitments total $770,000 (2023 - $840,000). At December 31, 2024 the Partnership had a commitment to Ketza Construction of $41,991,994 with a remaining total outstanding of $11,991,935 (December 31, 2023 – Contract of $41,650,000 with $35,511,245 outstanding).

13. Contingencies

As at December 31, 2024, there are no material pending claims by or against the Partnership (No pending claims against the Partnership in 2023).

14. Jointly Controlled Assets ("JCA") and Jointly Controlled Enterprises ("JCE")

Name	Interest	Activity	Inception	Classification
TW Selkirk Joint Venture	49%	Lease of commercial properties	2011	JCA
Northern Carcross Joint Venture	50%	Lease of commercial property	2013	JCA
Dawson Downtown Hotel Limited Partnership	50%	Hotel Operations	2013	JCE
Bedrock Motel Limited Partnership	49%	Hotel Operations	2019	JCE
44588 Yukon Inc	50%	Lease of commercial property	2021	JCE
DDDC NVD JV	50%	Residential apartments	2023	JCE

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 these joint arrangements to the extent of its proportionate share in each entity.

Assets	**2024**	2023
Cash	**$ 314,606**	$ 290,549
Accounts receivable	**110,232**	204,845
Prepaid expenses	**88,313**	197,436
Inventory	**77,414**	53,650
Property and equipment	**8,320,256**	9,267,988
Organization costs	**1,103**	2,137
	$ 8,911,924	$ 10,016,605
Liabilities and Equity		
Accounts payable and accrued liabilities	**$ 324,017**	$ 288,838
Long term debt	**5,029,527**	1,882,635
	5,353,544	2,171,473
Equity	**3,558,379**	7,845,132
	$ 8,911,923	$ 10,016,605

14. Jointly Controlled Assets ("JCA") and Jointly Controlled Enterprises ("JCE") (continued)

Income Statement		2024		2023
Revenues				
Hotels	$	**2,127,326**	$	1,653,368
Rental and Other		1,855,040		1,396,574
	$	**3,982,365**	$	3,049,942
Expenses				
Hotels		**1,919,434**		1,333,416
Rental and Other		**1,123,045**		682,457
Gross Profit		**889,836**		1,034,069
Amortization		**208,662**		382,443
Interest		**281,585**		38,009
Other		**47,240**		-
Expenses		**537,487**		420,452
Net income	**$**	**352,349**	$	613,617
Cash flows from operating activities	**$**	**776,176**	$	303,961
Cash flows from investing activities	**$**	**147,951**	$	(207,592)
Cash flows from financing activities	**$**	**(900,071)**	$	(180,442)

The Partnership had committed to reaching a 50/50 Joint Venture ownership status with Da Daghay Development Corporation ("DDDC") in the DDDC NVD JV ("Hobah JV") through either contribution of additional assets to the JV by DDDC, or repayment of excess cash contributed by the Partnership, or a combination. In 2024, a loan facility of $4.5 million was arranged for the Joint Venture with First Nations Bank, with the entire proceeds being used to repay the Partnership to achieve 50/50 Joint Venture ownership (2023 – 91.98%). At year end, the Partnership's proportionate interest in the First Nation Bank loan is included in Long term debt.

As the excess interest held by the Partnership at the date of the transaction was more than $4.5 million, the remaining amount of variable Joint Venture interest of $74,585 was converted to a loan to the Partnership at a rate of 5.65% per annum. At year end that amount had been reduced to $46,152, with NVD's share of that amount ($23,076) being included in "Advances to Joint Ventures" as reported in Note 8.

The transaction resulted in the Partnership recording a disposition of a portion of the Property and Equipment owned by the Hobah JV. There was no gain or loss reported on the transaction as the net book value of the assets disposed was equal to the proceeds.

15. Investments

The Partnership accounts for three 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 33%, Carmacks Hotels Limited (“Carmacks”) in which it holds a 50% interest and Kèjän + Rogers in which it owns a 25% interest. The Partnership acts as managing partner for both Carmacks Hotel Ltd. and KBC Developments Inc. and reports to a board of directors who represent the ownership interests.

As at December 31,	**2024**	2023
Carmacks Hotels Ltd. (“Carmacks”)		
Balance, beginning of the year	**$ 1,202,656**	$ 1,018,387
Loan repayment	**(540,000)**	(185,000)
Income	**291,094**	369,269
Balance, end of year	**953,750**	1,202,656
Kèjän + Rogers		
Investment	**50,000**	-
Balance, end of the year	**50,000**	-
KBC Developments Ltd.		
Balance, beginning of the year	**308,763**	606,667
Income (Loss)	**(141,709)**	(397,904)
Loan advancement	**2,000,000**	100,000
Balance, end of the year	**2,167,054**	308,763
Total equity investments	**3,170,804**	1,511,419
Other Investments	**3,601**	3,601
	$ 3,174,405	$ 1,515,020

The Partnership jointly and severally guarantees a CMHC loan for $34,062,500 (2023 - $34,250,000) held by KBC. The loan is interest only until stabilization is reached at Normandy Manor Independent Living, an 84-unit assisted living complex that KBC owns, located in Whitehorse. Stabilization is defined by a certain revenue level on an annual trailing basis, which, based on current sales trends, the Partnership expects to be achieved toward the end of 2025. Once stabilization is achieved the guarantees are extinguished. Thereafter the loan is fixed at 1.95% per annum with an amortization period of 50 years. Financing for the entities, beyond shareholder loans for Carmacks and KBC, is provided by the Partnership. Included in the disclosure in Note 8 is a loan to Carmacks for $988,232 (2023 - $1,678,077) carrying an interest rate of 7.7% per annum and a loan to KBC for $500,000 (2023 - $750,000) carrying interest of 10% per annum.

16. Government Assistance Received During the Year

During the year, the Partnership received government assistance for sick leave rebates, renovation programs and development assistance programs.

The assistance consisted of:

1. $49,985 received and recognized as a reduction of expenses (2023 - $37,880)
2. $135,649 received and recognized as revenues (2023 - $113,921)
3. $63,233 received and recognized as a reduction of capital expenditures (2023 - $105,212)

17. Provision for loss related to supplier bankruptcy

Nomodic Modular Structures Inc. ("Nomodic"), a modular construction firm based in Alberta, filed for bankruptcy in September 2023. At the time of the filing, Nomodic was holding $2,405,491 in trust on behalf of the Partnership. The funds held in trust were a pre-payment to fund modular construction costs for the Hyatt Place Whitehorse project. In 2024, the Partnership settled with the trustee and accepted payment of $1,202,478 to settle this outstanding account. Given a prior provision had been set up for $450,000 in 2023, the Partnership needed to take a further write down of $750,180 in 2024.

18. Subsequent Events

Prior to year end the Partnership entered into a conditional agreement to purchase the assets of the Town and Mountain Hotel located on the corner of Main Street and Fourth Avenue in Whitehorse, Yukon for $2,750,000. Subsequent to year end the Partnership waived the conditions and on February 28, 2025 the Partnership acquired the buildings and land comprising a total of 30 hotel rooms and associated commercial retail premises.

The Partnership holds a mortgage secured by a first mortgage on building and land assets at 5 and 7 Laberge Road, Whitehorse, Yukon. While the loan was current at year end, it subsequently went into arrears and is currently subject to a foreclosure process. A conditional offer has been made on the property as part of this process and the Partnership expects to recover the full amount of its loan together with arrears and penalty interest in 2025.

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[4]
Lori Simcox[1]
Rich Thompson[1,4]

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

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Katja Schmidt, COO
Robert Ganzer, CFO
Megan Foreman, VP Business Affairs & Corporate Secretary
Eduardo Castaneda, Director of Maintenance
Natal Samuelson, Executive Director, Normandy Living
Wray Morrell, Director of Hotels
Kyle McKinnon, Director Marketing & Revenue Management
Kris Schille, Director Capital Projects
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