
Combined financial statements of Bearspaw Group of Companies

March 31, 2025

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Independent Auditor's Report

To the Shareholders of
Bears paw Group of Companies

Qualified Opinion

We have audited the combined financial statements of Bears paw Group of Companies (the "Company"), which comprise the combined statement of financial position as at March 31, 2025, and the combined statement of income and comprehensive income, changes in equity and cash flows for the years then ended, and notes to the combined financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2025, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

Basis for Qualified Opinion

IFRS Accounting Standards as issued by the IASB requires a Company to recognize provisions when legal obligations exist to incur future costs associated with the retirement of property, plant and equipment resulting from their acquisition, construction, development, or normal use. The Company has not undertaken an assessment to determine if provisions exist as at March 31, 2025 and March 31, 2024. Consequently, we were unable to determine if adjustments were required to the combined statement of financial position as at March 31, 2025 and March 31, 2024 and the combined statements of income and comprehensive income, retained earnings and cash flows for the years ended March 31, 2025 and March 31, 2024.

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

Comparative information

The financial statements of the Company for the year ended March 31, 2024 and the statement of financial position at April 1, 2023 are unaudited.

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

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

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed for 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.

Chartered Professional Accountants
Calgary, Alberta
April 21, 2026

Bearspaw Group of Companies
Combined statement of income and comprehensive income
Year ended March 31, 2025

	2025 \$	2024 \$ (Unaudited)
Sales	41,914,654	38,650,275
Cost of sales	35,882,814	33,271,651
Gross margin	6,031,840	5,378,624
Expenses		
Advertising and promotion	41,813	29,454
Amortization	1,172,856	1,125,676
Bad debts	269,113	1,506
Cleaning supplies	63,031	38,274
Contract service	387,203	227,487
Equipment rental	4,561	9,174
Insurance	219,638	66,882
Interest and bank charges	165,188	136,145
Interest on long-term debt	18,693	32,465
Memberships	1,576	4,390
Miscellaneous	60,886	12,313
Office	78,889	38,885
Professional fees	72,298	111,204
Rent	49,359	38,997
Repairs and maintenance	165,986	237,362
Royalties	46,487	38,076
Salaries and related benefits	3,304,487	2,782,264
Supplies	58,807	59,370
Travel	76,564	51,456
Utilities	206,626	214,652
	6,464,061	5,256,032
Income before other items	(432,221)	122,592
Other income		
Other income	992,456	946,210
Amortization of deferred revenue	162,517	113,332
	1,154,973	1,059,542
Income and comprehensive income	722,752	1,182,134

The accompanying notes are an integral part of the combined financial statements.

Bearspaw Group of Companies
Combined statement of retained earnings
Year ended March 31, 2025

	2025	2024
	\$	\$
		(Unaudited)
Retained earnings, beginning of year	13,397,264	12,215,130
Net income	722,752	1,182,134
Distributions	(1,355,000)	—
Retained earnings, end of year	12,765,016	13,397,264


The accompanying notes are an integral part of the combined financial statements.


Bearspaw Group of Companies
Combined statement of financial position
As at March 31, 2025

	Notes	2025 \$	2024 \$ (Unaudited)
Assets			
Current assets			
Cash and cash equivalents	5	5,775,395	5,541,451
Accounts receivable	6	761,134	1,216,974
Inventory	7	827,776	999,182
Prepaid expenses		20,775	26,461
Current portion of loans receivable	8	—	64,104
		7,385,080	7,848,172
Loans receivable	8	285,142	135,896
Due from related parties	9	2,762,522	2,448,250
Property and equipment	10	10,833,523	11,460,040
		21,266,267	21,892,358
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	11	1,196,147	848,864
Contract liabilities		394,631	437,829
Loans payable	12	248,286	286,545
Current portion of deferred government grants	14	162,517	162,517
Current portion of long-term debt	13	105,900	110,300
		2,107,481	1,846,055
Due to related parties	9	2,927,027	2,913,879
Long-term debt	13	6,040	111,940
Deferred government grants	14	1,703,199	1,865,716
		6,743,747	6,737,590
Shareholder's equity			
Share capital		100	100
Contributed surplus	15	1,757,404	1,757,404
Retained earnings		12,765,016	13,397,264
		14,522,520	15,154,768
		21,266,267	21,892,358

The accompanying notes are an integral part of the combined financial statements.

Approved:





Bearspaw Group of Companies
Combined statement of cash flows
Year ended March 31, 2025

	2025 \$	2024 \$ (Unaudited)
Operating activities		
Net income	722,752	1,182,134
Items not affecting cash		
Amortization	1,172,856	1,125,676
	1,895,608	2,307,810
Change in non-cash working capital items		
Accounts receivable	455,840	632,190
Inventory	171,406	(42,576)
Prepaid expenses	5,686	23,781
Accounts payable and accrued liabilities	347,283	(9,972)
Contract liabilities	(43,198)	417,403
Deferred revenue	(162,517)	(173,353)
Loans payable	(38,259)	(510,965)
	2,631,849	2,644,318
Financing activities		
Repayment of long-term debt	(110,300)	(141,631)
Advances (to) from related party	(301,124)	1,076,106
Loans receivable	(85,142)	(200,000)
	(496,566)	734,475
Investing activities		
Purchase of property and equipment	(546,339)	(2,669,506)
Distributions	(1,355,000)	—
	(1,901,339)	(2,669,506)
Increase in cash	233,944	709,287
Cash and cash equivalents, beginning of year	5,541,451	4,832,164
Cash and cash equivalents, end of year	5,775,395	5,541,451

The accompanying notes are an integral part of the combined financial statements.

1. Incorporation and operations

Bearspaw Group of Companies combined financial statements include the assets, liabilities and results of operations of the following entities:

- Bearspaw Fuel Stations LP which includes the operations of Bearspaw Service Center, Bearspaw Kananaskis Travel Center, Bearspaw Subway and Eden Valley Service Centre;
- Bearspaw Fuel Stations Inc.;
- Bearspaw First Nation Development Corporation;
- Stoney Nakoda Telecom Inc.;
- Bearspaw Telecom Limited Partnership which includes the operations of Clearwave Broadband Networks and Cottage Club;
- Bearspaw Oil and Gas Inc.;
- Jimmis Tagis Inc.; and
- Jimmis Tagis Limited Partnership.

All entities in the combined financial statements (collectively “the Entity”) are all ultimately owned by Bearspaw First Nation. The assets, liabilities, share capital and retained earnings of each of the combined entities are included in the combined financial statements at their previous carrying values and the results of operations and retained earnings are presented as if the entities had been combined from the date of their incorporation and for all periods presented. All intercompany transactions and balances have been eliminated. The address of their registered office is P.O. Box 1050, Morley, Alberta, T0L 1N0.

2. Basis of accounting

(a) First-time adoption of IFRS Accounting Standards

These are the first financial statements of the Entity prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IASB). The financial statements have been prepared in accordance with IFRS 1, First-time Adoption of International Financial Reporting Standards.

The transition to IFRS Accounting Standards was required because the Entity qualifies as a Government Business Entity (“GBE”) and, in accordance with Public Sector Accounting Standards, GBEs are required to apply IFRS Accounting Standards.

The Entity has applied IFRS 1, First-time Adoption of International Financial Reporting Standards, in preparing these financial statements. The transition date to IFRS Accounting Standards is April 1, 2023.

In preparing these financial statements, the Entity has applied the mandatory exemptions required by IFRS 1, First-time Adoption of International Financial Reporting Standards, including those relating to estimates, derecognition of financial assets and liabilities, hedge accounting, non-controlling interests, classification and measurement of financial instruments, impairment of financial assets, and embedded derivatives. The application of these mandatory exemptions did not have a material impact on the financial position, financial performance, or cash flows of the Entity at the date of transition to IFRS Accounting Standards or for the comparative period presented.

The combined financial statements of the Entity for the year ended March 31, 2025, were authorized for issue by the Chief and Council of the Bearspaw First Nation on April 21, 2026.

2. Basis of accounting (continued)

(b) Basis of measurement

These combined financial statements have been prepared on a going concern basis under the historical cost convention.

(c) Use of estimates and judgments

The preparation of these combined financial statements in accordance with IFRS Accounting Standards requires the use of certain critical accounting estimates, judgments and assumptions. It also requires management to exercise judgment in applying the Entity's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are material to the financial statements are disclosed in Note 3.

(d) Functional and presentation currency

These combined financial statements are presented in Canadian dollars, which is also the functional currency of the Entity.

3. Material accounting judgments, estimates and assumptions

The preparation of the combined financial statements in conformity with IFRS Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, accruals and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and judgments are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the amounts recognized in the financial statements are outlined below:

(a) Judgments

(i) Inventory

The Entity evaluates its inventory to ensure it is carried at the lower of cost and net realizable value. Allowances are made against contamination, shrinkage, slow moving, obsolete and damaged inventory and are charged to costs of sales. These allowances are assessed periodically for adequacy. The reversal of any write-down of inventory arising from an increase in net realizable value shall be recognized as a reduction in cost of sales in the period in which the reversal occurs.

(ii) Expected credit loss allowance

The loss allowance for trade and other receivables is measured at an amount equal to lifetime expected credit loss ("ECL"). The ECLs on these financial assets requires Management to make judgements with respect to adjusting historical credit loss experience for factors that are specific to debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

3. Material accounting judgments, estimates and assumptions (continued)

(a) Judgments (continued)

(iii) Useful lives of property and equipment

The Entity estimates the useful lives of property and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the relevant assets. In addition, the estimation of the useful lives of property and equipment are based on internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in the estimates brought about by changes in factors mentioned above. The amounts and timing of recorded depreciation and amortization expense for any period would be affected by changes in these factors and circumstances.

(b) Estimates and assumptions

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Entity is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

4. Material accounting policies

The accounting policies which have been applied in the preparation of these combined financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(a) Financial instruments

(i) Classification and measurement of financial instruments

Classification and measurement categories under IFRS 9 are amortized cost, fair value through other comprehensive income ("FVOCI"), and fair value through profit or loss ("FVTPL"). To determine the appropriate classification and measurement category, IFRS 9 requires an entity to consider the business model for managing financial instruments and the contractual cash flow characteristics associated with the financial instruments. The Entity classifies and measures its financial assets and liabilities as follows:

Financial instrument	
Cash and cash equipments	FVTPL
Accounts receivable	Amortized cost
Due from (to) related parties	Amortized cost
Loans receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Loans payable	Amortized cost
Long-term debt	Amortized cost

(ii) Amortized cost measurement

The amortized cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition, being fair value, minus principal payments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount recognized and the maturity amount, minus any reduction for impairment.

(iii) Impairment

The Entity recognizes a loss allowance for expected credit losses on financial assets which are measured at amortized cost or FVOCI, except for investments in equity instruments. Financial assets held by the Entity which are measured at FVTPL are not subject to the impairment requirements.

The Entity recognizes a loss allowance for expected credit losses on financial assets which are measured at amortized cost or FVOCI, except for investments in equity instruments. Financial assets held by the Entity which are measured at FVTPL are not subject to the impairment requirements.

The Entity recognizes a loss allowance for ECL on its financial assets measured at amortized cost. The loss allowance for trade and other receivables is measured at an amount equal to lifetime ECLs. The ECLs on these financial assets are estimated using a provision matrix based on the Combined Entity's historical credit loss experience, adjusted for factors that are specific to debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

4. Material accounting policies (continued)

(a) *Financial instruments (continued)*

(iii) *Impairment (continued)*

For all other financial instruments, the Entity recognizes lifetime ECL only when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Entity measures the loss allowance for that financial instrument at an amount equal to the 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument, where 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(b) *Cash and cash equivalents*

Cash and cash equivalents include cash at banks, cash floats and short-term bank deposits with an original maturity of 3 months or less.

(c) *Inventory*

Inventory is valued at the lower of cost and net realizable value. Cost is determined using the average costing. Net realizable value is estimated selling price in the ordinary course of business less any estimated selling costs.

(d) *Property and equipment*

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Such costs include the cost of replacing part of the property and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the property and equipment are required to be replaced in intervals, the Entity recognizes such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the property and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the combined statement of income and comprehensive income as incurred. Depreciation is calculated on a straight-line basis to recognize the cost less estimated residual value over the estimated useful life of the assets over the years as follows:

	Years
Buildings	10-20 years
Equipments	5-10 years
Vehicles	3-4 years
Office equipment	7 years
Leasehold improvements	7 years

The useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate. Gains or losses arising from derecognition of an item of property and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the combined statement of income and comprehensive income when the asset is derecognized.

4. Material accounting policies (continued)

(e) Impairment of non-financial assets

At each financial reporting date, the carrying amounts of property and equipment and investment properties are reviewed to determine whether there is any indication that those assets are impaired. If such indication exists, an estimate of the recoverable amount of the asset is calculated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash generating unit" or "CGU"). The recoverable amount of an asset or a CGU is the greater of its value in use and its fair value less costs to sell.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of amortization, if no impairment loss had been recognized. A reversal of an impairment loss is recognized immediately in the combined statement of income and comprehensive income.

(f) Shareholder contributions

Contributions received from the shareholder that are not repayable are recognized as direct increases to shareholder's equity.

(g) Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer. The Entity recognizes revenue when it transfers control over a good or service to a customer.

The Entity has a number of different revenue streams:

(i) Fuel Stations

Revenue from fuel, confection, and tobacco sales are recognized upon delivery of the product. The timing of revenue recognition, billings, and cash collections results in accounts receivables in the statement of financial position.

(ii) Bears paw Telecom Limited Partnership

Revenue from telecom are recognized as the services are completed. The timing of revenue recognition, billings, and cash collections results in accounts receivables, and deferred revenue in the statement of financial position.

(iii) Other Income

The Entity has earned interest income from term deposits and investments. The timing of income earned is over the term of the investment.

4. Material accounting policies (continued)

(h) Government grants

The Entity receives government grants that take the form of a transfer of a non-monetary asset, such as land. These transferred non-monetary assets, and the corresponding grants are recorded at a nominal value.

Government grants are not recognized until there is reasonable assurance that the Entity will comply with the conditions attaching to them and that the grants will be received. Government grants are recognized as profit or loss on a systematic basis over the periods in which the Entity recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Entity should purchase, construct or otherwise acquire non-current assets (including property, plant and equipment) are recognized as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

(i) New standards and interpretations not yet adopted.

New standards and amendments to standards and interpretations which are not yet effective for the year ended March 31, 2025, have not been applied in preparing these combined financial statements and are as follows:

- Amendments to IFRS 9, Financial Instruments
- IFRS 18, Presentation and Disclosure in Financial Statements

The Entity is reviewing the new and amended standards to determine the potential impact, if any.

5. Cash and cash equivalents

Cash and cash equivalents consists of the following:

	2025	2024
	\$	\$
		(Unaudited)
Bank balances and cash on hand	1,847,681	3,172,078
Term deposit matures on April 25, 2025, bearing interest at 3.24% per annum	1,950,084	—
Term deposit matures on April 15, 2025, bearing interest at 3.25% per annum	1,595,652	—
Term deposit matures on April 25, 2025, bearing interest at 3.24% per annum	381,978	—
Term deposit matures on April 26, 2024, bearing interest at 5.49% per annum	—	297,327
Term deposit matures on April 16, 2024, bearing interest at 5.50% per annum	—	203,754
Term deposit matures on April 16, 2024, bearing interest at 3.00% per annum	—	1,505,040
Term deposit matures on April 22, 2024, bearing interest at 5.50% per annum	—	209,208
Term deposit matures on April 26, 2024, bearing interest at 5.49% per annum	—	154,044
	5,775,395	5,541,451

Bearspaw Group of Companies
Notes to the combined financial statements
March 31, 2025

6. Accounts receivable

	2025	2024
	\$	\$
		(Unaudited)
Trade receivables	84,896	24,465
AITE clearing	130,717	6,057
Sales clearing	509,840	407,552
Other receivebles	3,306	258,187
Customer loans receivable	—	286,122
Government remittance	32,375	234,591
	761,134	1,216,974

7. Inventory

	2025	2024
	\$	\$
		(Unaudited)
Fuel	150,263	361,365
Tobacco	326,677	317,260
Confectionary	274,341	254,785
Telecom parts	76,495	65,772
	827,776	999,182

The amount of inventory expensed through cost of sales during the year was \$35,030,695 (\$32,806,372 in 2024). The Entity evaluates the amount of obsolete inventory on hand at the end of each fiscal year and records a new provision for obsolete inventory with a reversal of the prior fiscal year's allowance. The adjustments are recorded with offsets to cost of sales. No provision was deemed necessary at the end of either fiscal year.

8. Loans receivable

	2025	2024
	\$	\$
		(Unaudited)
Stoney Nakoda Telecom note receivable bearing interest at 8.2% per annum, receivable in blended quarterly payments of \$9,301, due January 2027	92,571	100,000
Stoney Nakoda Telecom note receivable bearing interest at 8.2% per annum, receivable in blended quarterly payments of \$9,301, due January 2027	92,571	100,000
Stoney Nakoda Telecom note receivable bearing interest at 5.65% per annum, receivable in blended quarterly payments of \$9,031, due April 2028	100,000	—
	285,142	200,000
Less current portion	—	64,104
	285,142	135,896

8. Loans receivable (continued)

The loans receivable are due from a company controlled by Bears paw First Nation. During the year, two of the three loans entered into default as the company did not meet the scheduled repayment terms. Management has assessed the current financial position of the related party and concluded that the company does not currently have the ability to settle these loans on demand or within the next 12 months.

9. Due from/to related parties

During the year, the Entity entered into transactions with related parties that are entities within the Bears paw First Nation and Stoney Tribal Administration which is related through common control. These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Due from related parties

	2025	2024
	\$	\$
		(Unaudited)
Stoney Nakoda Telecom	128,512	119,717
Bears paw First Nation	2,633,246	2,328,533
Ozija Thiha Education Trust	276	—
Eden Valley Medical Services	488	—
	2,762,522	2,448,250

The balances due from related parties are unsecured, non-interest bearing with no specific terms of repayment. Since the entity has indicated that it is not its intention to request payment of this amount during the next fiscal year, this amount has been classified as a non-current asset in the accompanying financial statements.

Due to related parties

	2025	2024
	\$	\$
		(Unaudited)
Eden Valley Reserve	2,589,325	2,582,581
Stoney Tribal Administration - Tribal Common	288,484	252,591
Nakoda Contracting Inc.	49,218	78,707
	2,927,027	2,913,879

The balances due to related parties are unsecured, non-interest bearing with no specific terms of repayment. Since the related parties have indicated that it is not their intention to request payment of this amount during the next fiscal year, this amount has been classified as a non-current liability in the accompanying financial statements.

Bears paw Group of Companies
Notes to the combined financial statements
March 31, 2025

10. Property and equipment

	2025								
	Cost				Accumulated amortization				Net book value
	Balance, beginning of year	Additions	Disposals	Balance, end of year	Balance, beginning of year	Amortization	Accumulated amortization on disposals	Balance, end of year	
\$	\$	\$	\$	\$	\$	\$	\$	\$	
Land	2,505,438	500,000	—	3,005,438	—	—	—	—	3,005,438
Buildings	8,599,196	—	—	8,599,196	3,078,231	447,521	—	3,525,752	5,073,444
Equipment	8,015,474	17,839	—	8,033,313	4,605,657	710,109	—	5,315,766	2,717,547
Vehicles	217,869	28,500	—	246,369	203,511	13,807	—	217,318	29,051
Office equipment	12,426	—	—	12,426	8,065	654	—	8,719	3,707
Leasehold improvements	109,511	—	—	109,511	104,410	765	—	105,175	4,336
	19,459,914	546,339	—	20,006,253	7,999,874	1,172,856	—	9,172,730	10,833,523
	2024								
	Cost				Accumulated amortization				Net book value
	Balance, beginning of year	Additions	Disposals	Balance, end of year	Balance, beginning of year	Amortization	Accumulated amortization on disposals	Balance, end of year	
	\$	\$	\$	\$	\$	\$	\$	\$	
Land	—	2,505,528	—	2,505,438	—	—	—	—	2,505,438
Buildings	8,435,128	165,068	—	8,599,196	2,622,609	455,622	—	3,078,231	5,520,965
Equipment	8,015,474	—	—	8,015,474	3,944,786	660,871	—	4,605,657	3,409,817
Vehicles	217,869	—	—	217,869	196,056	7,455	—	203,511	14,358
Office equipment	12,426	—	—	12,426	7,270	795	—	8,065	4,361
Leasehold improvements	109,511	—	—	109,511	103,477	933	—	104,410	5,101
	16,790,408	2,670,596	—	19,459,914	6,874,198	1,125,676	—	7,999,874	11,460,040

11. Accounts payable and accrued liabilities

	2025	2024
	\$	\$
		(Unaudited)
Trade	783,075	168,503
Accrued liabilities	237,316	118,115
Purchases clearing	175,755	562,246
	1,196,147	848,864

Included in trade payable at March 31, 2025 is an amount of \$516,098 payable to Stoney Tribal Administration, an entity under common control.

12. Loans payable

In fiscal 2017, as part of the retail facilities agreement with Parkland Fuel Corporation, Bears paw Kananaskis Travel Centre was extended a \$450,000 forgivable loan. Under the terms of the agreement, the distributor will forgive an amount equal to \$0.0072 per litre for every litre of Parkland fuel delivered to Bears paw Kananaskis Travel Centre.

	2025	2024
	\$	\$
		(Unaudited)
Parkland forgivable loan	450,000	450,000
Parkland amount forgiven	(201,714)	(163,455)
	248,286	286,545

13. Long-term debt

	2025	2024
	\$	\$
		(Unaudited)
BDC loans payable bearing interest at a floating rate plus 0.19% - 3.29% repayable in blended monthly installments of \$14,626 including interest, maturing March 2027	111,940	222,240
Less current portion	(105,900)	(110,300)
	6,040	111,940

Estimated principal repayments are as follows:

	\$
2026	105,900
2027	6,040
	111,940

14. Deferred government grants

Bears paw Kananaskis Travel Centre, Bears paw Service Centre and Bears paw Subway deferred grants consists of subsidies for the construction of the building and the purchase of equipment. The amounts have been deferred and amortized on a straight-line basis over the same period (20 years) as the applicable asset.

	2025	2024
	\$	\$
		(Unaudited)
Bears paw Kananaskis Travel Centre	675,000	725,000
Bears paw Subway	290,906	297,235
Bears paw Service Centre	899,810	1,000,186
	1,865,716	2,028,233
Less current portion	(162,517)	(162,517)
	1,703,199	1,865,716

15. Contributed surplus

In the 2022 fiscal year the Entity received contributions totaling \$1,757,404 from the Bears paw Settlement Trust in order to purchase Clearwave Broadband Networks Inc.

16. Contingent liabilities

The Stoney First Nations, which includes the Bears paw First Nation, have been named as defendants in certain legal proceedings. The First Nations are actively defending all lawsuits. Since the amount of loss, if any, cannot be reasonably estimated, no provision has been recorded in these financial statements. Should a loss be incurred, it will be expensed in the year the liability is determined.

17. Financial instruments

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments. These risks, which have remained unchanged from the prior year, include:

(a) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting its obligations associated with financial liabilities. The Entity's exposure to liquidity risk relates to accounts payable and accrued liabilities, loan payable, amounts due to related parties and long term debt and arises from the possibility that the timing and amount of its cash inflows will not be sufficient to enable it to meet its financial obligations as they become due. Management believes this risk is minimized through continuous monitoring of its cashflow and working capital.

There has not been any changes to the Entity's exposure to liquidity risk from the prior year.

17. Financial instruments (continued)

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The entity's exposure to credit risk relates to accounts receivable and amounts due from related parties and arises from the possibility that a debtor does not fulfil its obligations. Management believes this risk is minimized through its monitoring of aged accounts receivables. The Entity performs continuous evaluation of its financial assets and records impairment in accordance with the stated policy.

There has not been any changes to the Entity's exposure to credit risk from the prior year.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Entity is exposed to market risk as follows:

(i) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

The Entity's interest-bearing financial instruments include fixed rate term deposits and loans receivables. The fair values of fixed rate financial instruments fluctuate as market rates of interest change. The Entity has financial liabilities that potentially expose it to interest rate risk, as its long-term debt bears interest at variable rates. The Entity does not employ derivative financial instruments to hedge its exposure to interest rate risk.

There has not been any changes to the Entity's exposure to interest rate risk from the prior year.