Pasqua TLE Holdings Inc.
Financial Statements
December 31, 2016

Contents

For the year ended December 31, 2016

Management's Responsibility

To the Directors of Pasqua TLE Holdings Inc.:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with International Financial Reporting Standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors is composed entirely of Directors who are neither management nor employees of the Company. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Company's external auditors.

MNP LLP is appointed by the directors to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and may meet periodically and separately with, both the Board and management to discuss their audit findings.

October 27, 2017

"Original signed by management"

Finance Manager

Independent Auditors' Report

To the Board of Directors of Pasqua TLE Holdings Inc.:

We have audited the accompanying financial statements of Pasqua TLE Holdings Inc., which comprise the statement of financial position as at December 31, 2016, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of Pasqua TLE Holdings Inc. as at December 31, 2016 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Other Matter
The financial statements of Pasqua TLE Holdings Inc. for the year ended December 31, 2015 were audited by another auditor who expressed an unqualified opinion on those financial statements on August 9, 2016.

MNP LLP

Regina, Saskatchewan

October 27, 2017

Chartered Professional Accountants

Pasqua TLE Holdings Inc.
Statement of Financial Position
As at December 31, 2016

	2016	2015
Assets		
Current		
Cash	**66**	3,629
Accounts receivable *(Note 5)*	**-**	8,022
Due from Pasqua First Nation TLE Revenue Account *(Note 7)*	**14,638**	5,670
	14,704	17,321
Liabilities		
Current		
Accounts payable and accrued liabilities	**8,180**	2,500
Goods and Services Tax payable	**6,524**	14,821
	14,704	17,321

Approved on behalf of the Board:

"Original signed by Board of Directors"

Director **Director**

The accompanying notes are an integral part of these financial statements

Pasqua TLE Holdings Inc.
Statement of Comprehensive Income
For the year ended December 31, 2016

	2016	*2015*
Revenue		
TLE land lease	**196,032**	190,379
Other revenue	**84**	41
	196,116	190,420
Expenses		
Property taxes	**32,432**	31,695
Consultants and contractors	**26,658**	8,573
Professional fees	**5,000**	2,500
Bad debts	**494**	-
Bank charges	**891**	171
	65,475	42,939
Income before other expenses	**130,641**	147,481
Other expenses		
Annual disbursement *(Note 7)*	**(130,641)**	(147,481)
Comprehensive income	**-**	-

The accompanying notes are an integral part of these financial statements

Pasqua TLE Holdings Inc.
Statement of Changes in Equity
For year ended March 31, 2017

	2017	*2016*
Retained earnings, beginning of year	**-**	-
Comprehensive income	**-**	-
Retained earnings, end of year	**-**	-

The accompanying notes are an integral part of these financial statements

Pasqua TLE Holdings Inc.
Statement of Cash Flows
For the year ended December 31, 2016

	2016	2015
Cash flows from (used in) operating activities		
Changes in working capital accounts		
Accounts receivable	**8,022**	22,193
Accounts payable and accrued liabilities	**5,680**	(301)
Goods and Services Tax payable	**(8,297)**	5,479
	5,405	27,371
Investing activities		
Amounts advanced to Pasqua First Nation TLE Revenue Account	**(8,968)**	(33,600)
Decrease in cash resources	**(3,563)**	(6,229)
Cash resources, beginning of year	**3,629**	9,858
Cash resources, end of year	**66**	3,629

The accompanying notes are an integral part of these financial statements

1. Reporting entity

Pasqua TLE Holdings Inc. (the "Company") is incorporated in the Province of Saskatchewan on July 4, 2008 under the Business Corporations Act. The purpose of establishing the Company was to provide the vehicle to hold title to properties purchased by the Pasqua First Nation Treaty Land Entitlement Trust Fund until such time as the properties become reserve status and ownership is transferred to Pasqua First Nation. The Company will collect rental revenue and pay expenses related to the land until it is converted to reserve status. The Company is 100% owned by Pasqua First Nation.

The address of the registered office is:

Box 79
Pasqua, Saskatchewan
S0G 5M0

The financial statements were approved by the Board of Directors on behalf of the partners and authorized for issue on October 27, 2017.

2. Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") and interpretations adopted by the International Accounting Standards Board ("IASB").

3. Basis of preparation

Basis of measurement

The financial statements have been prepared in the historical basis except for certain financial instruments.

Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the Company's functional currency.

Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainties about these assumptions and estimates could result in outcomes that would require a material adjustment to the carrying amount of the asset or liability affected in the future.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Fair Value of financial instruments
The estimated fair value of financial assets and liabilities, by their very nature, are subject to measurement uncertainty.

Collectibility of trade, other and related party receivables
Receivables are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary.

4. Significant accounting policies

These financial statements are prepared in accordance with International Financial Reporting Standards. The significant policies are detailed as follows:

Cash and cash equivalents

Cash and cash equivalents include cash and term deposits with maturities of three months or less from their date of acquisition, which are readily convertible into a known amount of cash, and are subject to an insignificant risk to changes in their fair value.

Revenue recognition

Revenue from lease and rental agreements is recognized over the lease or rent term pursuant to the rental agreements. Receipts of rental fees for future monthly periods are deferred and recognized as revenue when each respective monthly period commences. Interest is recognized as it is earned.

Income taxes

Pasqua TLE Holdings Inc. is a corporation subject to income taxes. Due to no income being reported there are no taxes payable. Accordingly, no provision for income taxes has been provided for in the financial statements.

Financial instruments

Financial assets at fair value through profit or loss:

The Company has classified its cash at fair value through profit (loss). The Company's financial assets at fair value through profit (loss) are initially recognized at their fair value. Fair value is determined by the instrument's initial cost in a transaction between unrelated parties. Transactions to purchase or sell these items are recorded at their trade date.

Financial assets at fair value through profit (loss) are subsequently measured at their fair value with changes in fair value recognized in the statement of comprehensive income. Transaction costs are expensed as incurred.

Loans and receivables:

The Company has classified the following financial assets as loans and receivables: accounts receivable and due from Pasqua First Nation TLE Revenue Account. These assets are initially recognized at their fair value. Fair value is determined by reference to recent arm’s length market transactions for the same instrument. Transactions to purchase or sell these items are recorded on the trade date. Total interest income, calculated using the effective interest rate method, is recognized in net income.

Loans and receivables are subsequently measured at their amortized cost. Amortized cost is the amount at which the financial asset is measured at initial recognition less principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, and less any reduction for impairment or un-collectability. Gains and losses arising from changes in fair value are recognized in net income upon de-recognition or impairment.

Financial liabilities measured at amortized cost:

The Company has classified it's accounts payable and accrued liabilities as financial liabilities measured at amortized cost. These liabilities are initially recognized at their fair value. Fair value is approximated by the instrument’s initial cost in a transaction between unrelated parties. Transactions to purchase or sell these items are recorded on the settlement date. Total interest expense, calculated using the effective interest rate method, is recognized in net income.

Financial liabilities measured at amortized cost are subsequently measured at amortized cost, subsequent to initial recognition. Amortized cost is the amount at which the financial liability is measured at initial recognition less principal repayments, and plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount. Gains (losses) arising from changes in fair value are recognized in net income upon de-recognition.

4. Significant accounting policies *(Continued from previous page)*

Comprehensive income

Comprehensive income includes all changes in equity of the Company, except those resulting from investments by owners and distributions to owners. Comprehensive income is the total of net income and other comprehensive income. Other comprehensive income comprises revenues, expenses, gains and losses that, in accordance with International Financial Reporting Standards, require recognition, but are excluded from net income. The Company does not have any items giving rise to other comprehensive income.

Fair value measurements

The Company classifies fair value measurements recognized in the statement of financial position using a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

- Level 1: Quoted prices (unadjusted) are available in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices in active markets that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Unobservable inputs in which there is little or no market data, which require the Company to develop its own assumptions.

Fair value measurements are classified in the fair value hierarchy based on the lowest level input that is significant to that fair value measurement. This assessment requires judgment, considering factors specific to an asset or a liability and may affect placement within the fair value hierarchy.

Standards issued but not yet effective

The Company has not yet applied the following new standards, interpretations and amendments to standards that have been issued as at December 31, 2016 but are not yet effective. Unless otherwise stated, the Company does not plan to early adopt any of these new or amended standards and interpretations.

IFRS 9 Financial instruments

The final version of IFRS 9 (2014) was issued in July 2014 as a complete standard including the requirements for classification and measurement of financial instruments, the new expected loss impairment model and the new hedge accounting model. IFRS 9 (2014) will replace IAS 39 *Financial instruments: recognition and measurement*. IFRS 9 (2014) is effective for reporting periods beginning on or after January 1, 2018. The Company has not yet determined the impact of the standard on its financial statements.

IFRS 15 Revenue from contracts with customers

IFRS 15, issued in May 2014, specifies how and when entities recognize, measure, and disclose revenue. The standard supersedes all current standards dealing with revenue recognition, including IAS 11 *Construction contracts*, IAS 18 *Revenue*, IFRIC 13 *Customer loyalty programmes*, IFRIC 15 *Agreements for the construction of real estate*, IFRIC 18 *Transfers of assets from customers,* and SIC 31 *Revenue – barter transactions involving advertising services*.

Amendments to IFRS 15, issued in April 2016, clarify some requirements and provide additional transition relief for when an entity first applies IFRS 15.

IFRS 15, and the amendments, are effective for annual periods beginning on or after January 1, 2018. The Company has not yet determined the impact of this standard on its financial statements.

IFRS 16 Leases

IFRS 16, issued in January 2016, introduces a single lessee accounting model that requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The standard will supersede IAS 17 *Leases*, IFRIC 4 *Determining Whether an Arrangement Contains a Lease*, SIC-15 *Operating Leases - Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

4. Significant accounting policies *(Continued from previous page)*

IFRS 16 is effective for annual periods beginning on or after January 1, 2019. The Company has not yet determined the impact of this standard on its financial statements.

5. Trade and other receivables

Trade and other receivables are unsecured and non-interest bearing. Normal settlement terms for the balances owing is 30 days. All receivables are current and collectible at year end.

In determining the recoverability of a trade or other receivable, the Company performs a risk analysis considering the type and age of the outstanding receivable and the credit worthiness of the counterparties.

6. Land leases

The Company holds 8,991 acres of land in trust for the Pasqua First Nation. The land was purchased at a cost of $8,209,300. The Company has signed leases from individuals relating to this land.

7. Due from Pasqua First Nation TLE Revenue Account

The Company's sole owner is the Pasqua First Nation. Pasqua First Nation also owns other entities. All transactions with related parties were conducted 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. Amounts due from related parties are unsecured, non-interest bearing and have no fixed terms of repayment.

Pasqua First Nation TLE Revenue Account is related to the Company by common ownership.

	2016	*2015*
Due from Pasqua First Nation TLE Revenue Account	**14,638**	5,670

The total annual disbursement for the year was $130,461 (2015 - $147,481).

8. Share capital

The Company has issued one Class "A" share which is held in trust for the Pasqua First Nation by the Chief, or other authorized representatives of the Band Council.

9. Capital management

The Company’s objectives when managing capital are to safeguard the entity’s ability to continue as a going concern, so that it can continue to provide returns for Pasqua First Nation and its members and to provide an adequate return to members.

The Company sets the amount of capital in proportion to risk and manages the capital structure and makes adjustments to it in light of changes to economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust contributions to/from the First Nation.

There were no changes to the Company’s approach to capital management during the year.

10. Financial instruments

The Company as part of its operations carries a number of financial instruments. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

Fair value of financial instruments

The carrying amount of accounts receivable, due from Pasqua First Nation TLE Revenue Account, and accounts payable and accrued liabilities approximate to their fair value due to their short-term nature.

Financial assets at fair value through profit or loss:
Cash is recorded at its fair value (level 1).

Liquidity risk

Liquidity risk arises from the possibility of the Company not having sufficient debt and equity capital available to fund its growth and refinance its liabilities as they mature. Actual cash flows are monitored on an ongoing basis and budgets are used to evaluate future financial requirements. Management believes that future cash flows from operations will be adequate to support these financial liabilities.

Credit risk

As at December 31, 2016, amounts due from a tenant from its rental represent nil% (2015 - 100%) of the accounts receivable of which none has been allowed for. The Company believes that there is no unusual exposure associated with the collection of the receivables. The Company manages its credit risk by performing regular credit assessments of its customers and provides allowances for potentially uncollectible accounts receivable.