

TR'ONDĚK HWĚCH'IN TRUST

Annual Report

2023





The Trust's mandate is to preserve the Trust Property for future generations of the Tr'ondëk Hwëch'in and to receiving, holding, managing, investing, allocating and otherwise any income earned by the Trust for the purposes of promoting, funding or carrying out social, community or economic development activities of direct benefit to the Tr'ondëk Hwëch'in.

Table of Contents

Meet the Trustees	2
Trustees' Report	4
Message from the Protector	6
About the Trust	8
Organizational Structure	9
Distribution from the Trust	10
Tr'ondëk Hwëch'in Trust Portfolio	12
T.E. Wealth Indigenous Services - 2023 Annual Investment Report	14
The Corporations	
Chief Isaac Group of Companies	20
Chief Isaac Inc.	21
Mackenzie Petroleum Ltd.	23
Chief Isaac Mechanical / Tr'ondëk Heavy Equipment	23
Kilrich Industries Limited	24
Northern Vision Development LP	26
Dawson Downtown Limited Partnership ("DDL")	28
Yukon Inn	30
Citizens' Discounts	32
NVD Partner Rates	33
Employment Opportunities	35

Meet the Trustees



Kalilah Olson

My name is Kalilah Olson. I have completed my Bachelor of Education program with a minor in Indigenous studies at Mount Royal University in Calgary, AB. I work at Trinke Zho daycare as the day camp supervisor. As a trustee, I appreciate the opportunity I have to be able to make informed and meaningful contributions from a youth, community, and citizen perspective.

Austin Taylor

My name is Austin Taylor. I have been a trustee for almost three years now and have been enjoying my role. I am proud to have this opportunity to grow my knowledge and experience by committing to preserve the benefits of the Trust for future generations and citizens of today.



Darren Kates

Darren is a citizen of Tr'ondëk Hwëch'in First Nation, born in Dawson City and is Crow Clan. Following his mother's family clan. Darren's Grandfather is originally from Alaska and Grandmother originally from the Selkirk area. Darren's family are all Tr'ondëk Hwëch'in First Nation citizens. Serving as Tr'ondëk Hwëch'in First Nation trustee comes naturally to Darren as he sees it as a continuation of his obligation to family and community to promote, grow and protect our future potential.

Darren has a deep connection to our traditional territory and is proud to serve his citizens as a Trustee.



Maureen Birckel

Maureen has been a Trustee with the Tr'ondëk Hwëch'in Trust since its creation in 2009 and continues in her role as the Secretary/Treasurer responsible for the day-to-day administrative matters and primary contact for the Trust.



Trustees' Report

We are pleased to present the 2023 Annual Report of the Trust. This report provides an overview of the Trust's investment activities in both private and public markets throughout the year.

The mandate of the Trustees remains to safeguard and grow the Trust's assets for the benefit of present and future generations. We are excited to report that the total portfolio value has exceeded \$100 million dollars as at December 31, 2023. What a great milestone to reach!

The performance of the public markets rebounded from 2022 which allowed for a distribution to our beneficiary on behalf of all citizens in the amount of \$1,705,616.76. This allowed for a per capita distribution this year.



As we look ahead to 2024, we maintain an optimistic outlook that our portfolio will continue to grow. As trustees, we remain committed to our fiduciary duties and diligently pursuing opportunities that align with our mission.

We would like to thank Erin McQuaig for her contribution as a trustee before being elected as our Deputy Chief.

Thank you for your continued trust and support.

Mähsj,

Maureen Birckel, Kalilah Olson, Darren Kates and Austin Taylor



Message from the Protector



Since the establishment of the Tr'ondëk Hwëch'in Trust in 2009, the Trustees have taken steps to diversify the investments of the Trust in order to preserve and grow the Trust's property.

The Trustees have invested the Trust's property in public markets in North America, Europe and other areas around the world in accordance with the Trust's investment policy. These public markets investments include stocks and bonds. The Trust's fund managers have been rated among the top balanced fund managers.

In addition to these public market investments, the Trustees have also made significant investments in the certain Yukon businesses, including Northern Vision Development ("NVD"), Kilrich, Yukon Inn, Chief Isaac Incorporated ("CII") and Dawson Downtown Limited Partnership ("DDL"). The value of the Trust's investment in these businesses has appreciated over time and the Trust has also received dividend payments from their profits. Over the past few years, these business investments have provided stability to the Trust's investment portfolio as public markets around the world have been turbulent.

Each of these businesses has a board of directors that is responsible for management decisions and operations for its business. Each board provides regular reports to the Trustees and may consult with the Trustees, from time to time, with respect to specific matters.

I appreciate the TH citizens who agreed to be members of these boards to represent the interests of the Trust, including Joe Fraser (CII), Darwyn Lynn (Yukon Inn and DDLP), Jenny Whitehouse (Yukon Inn), Lori Simcox (NVD) and Dustyn Van Bibber (Kilrich). I also acknowledge that Neil Fletcher (CII and DDLP), Richard Reaume (Kilrich), Jorn Meier (Kilrich) and other non-TH citizens have also agreed to be board members representing the Trust's interests.

The Trustees host an annual general meeting in Dawson in early summer to provide a comprehensive investment report to TH citizens and, as part of these meetings, the management of these businesses provide reports about their operations and objectives. I encourage TH citizens to attend the annual general meeting to learn about our public market and business investments and ask questions.

Mähsi,

Daryn Leas,

Protector, Tr'ondëk Hwëch'in Trust



About the Trust



How was the decision made to create the Trust?

Chief and Council created the Trust Committee (Doris Martin, Ronald Johnson, Angie Joseph-Rear, Pat Titus and Majida Lord) in 2008 at the direction of the General Assembly. This committee held community meetings in both Whitehorse and Dawson and asked citizens what was important to them in creating a Trust Indenture. The Trust Indenture was finalized and submitted to the General Assembly for final approval in 2009.

Who is the Tr'ondëk Hwëch'in Trust?

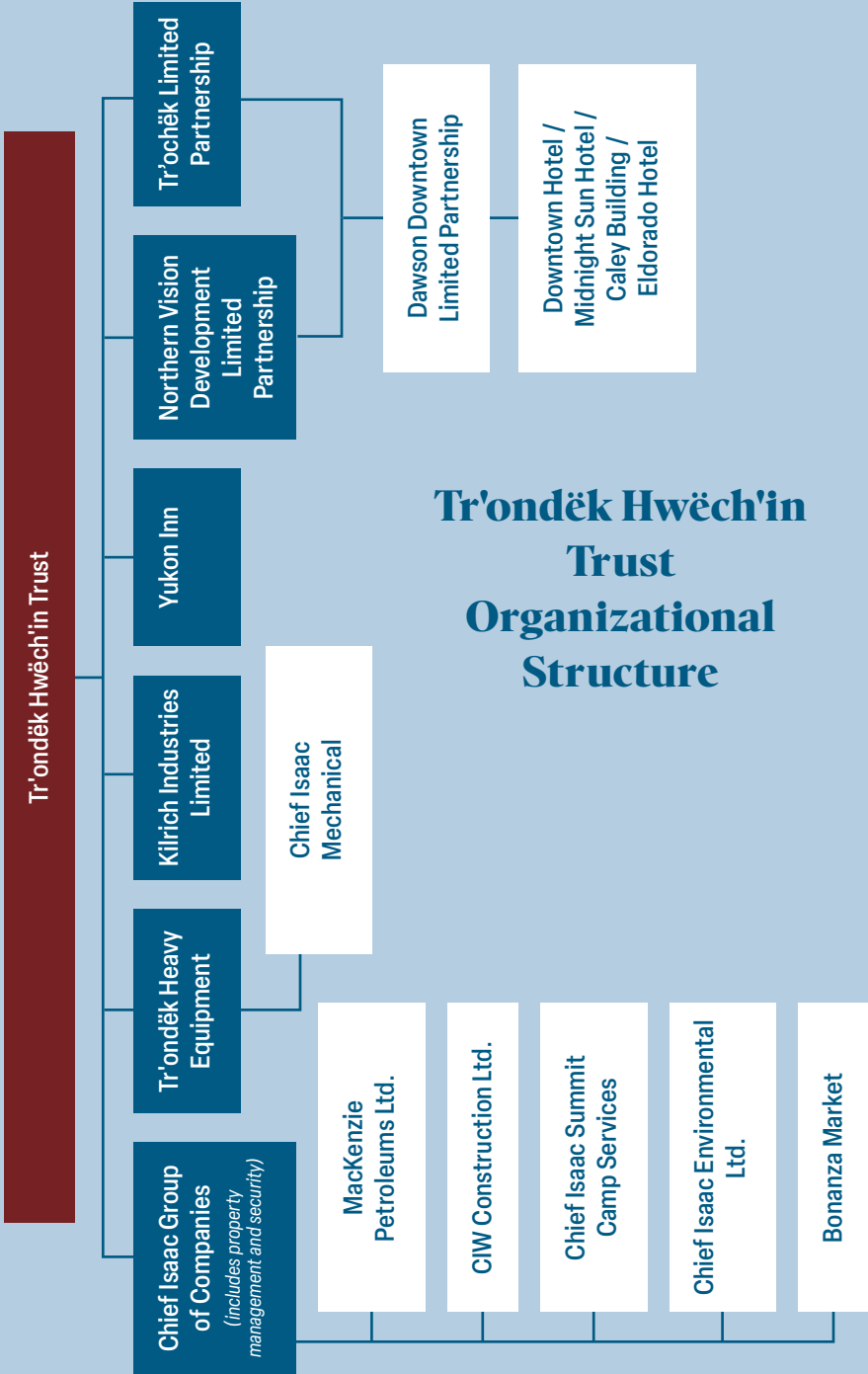
The Tr'ondëk Hwëch'in Trust was formally established on September 24, 2009 through the irrevocable Trust Indenture approved by the General Assembly in August 2009. The Trust is a separate legal entity from Chief and Council and the Government. The Trust Indenture provides the Trustees with authority to manage and invest the compensation dollars.

What is a Trust?

A legal relationship where one party transfers property to another party for the benefit of a third-party. (Example: Tr'ondëk Hwëch'in transferred its compensation dollars and business assets to the Tr'ondëk Hwëch'in Trust for the benefit of all Tr'ondëk Hwëch'in citizens).

What is the purpose and objectives of the Tr'ondëk Hwëch'in Trust?

- ▶ To preserve the Trust Property for future generations.
- ▶ To receive, hold, manage, invest and allocate income earned from Trust Property for the purpose of:
 - ▶ promoting, funding or carrying out social, community or economic development activities of direct benefit to the Tr'ondëk Hwëch'in;
 - ▶ for the benefit of all citizens of Tr'ondëk Hwëch'in.



Tr'ondëk Hwëch'in Trust Organizational Structure



Distribution from the Trust

The Trustees have the sole authority to make distributions of the Trust's property to Tr'ondëk Hwëch'in ("TH") in accordance with the Trust Indenture. Annual distributions have been made of the Trust's property since 2019 and the Trustees intend to make a distribution each year.

The General Assembly directed the Trustees not to make any distributions for the ten years following the establishment of the Trust so that the Trust's property would be able to grow for the benefit of future generations, unless a distribution was required for taxation purposes.

Who makes the decision to make a distribution from the Trust?

1

Only the Trustees have the authority to make a decision to make a distribution of the Trust's property. The TH Council and General Assembly cannot direct or demand the Trustees to make a distribution from the Trust. The Trustees have a legal duty to manage the Trust's power in the best interest of TH and TH citizens, including future generations, in accordance with the Trust Indenture. However, the Trustees have no authorities or powers as to how TH may use or allocate the funds distributed from the Trust's property made to them.

The General Assembly approved a policy in 2019 (the "**Disbursement Policy**") to govern the allocation and use of distributions from the Trust: the total amount of the annual distribution would be allocated equally all TH citizens. Under the Disbursement Policy, TH citizens are required to provide receipts for certain expenses to receive their share of the distribution in the form of a reimbursement for those receipts. This ensures that TH citizens will not have to pay any tax with respect to their share of the distribution.

2 Why are distributions made?

The Trustees make distributions for two primary reasons.

Firstly, annual distributions provide benefits for the current generations of TH citizens with respect to the Trust's property while ensuring that the interests of our future generations are respected and protected.

Secondly, distributions are used to ensure that the Trust does not have to pay any tax. If the Trust is operated in accordance with the Trust Indenture, any income earned in the Trust should not be subject to tax. While the Trust's primary income — that is, the earnings on the funds that were transferred to the Trust by TH — are not subject to tax. While the Trust's secondary income — which is the earnings of the primary income — would be taxable, the Trust would not have to pay any tax if the Trustees distribute the secondary income to TH and TH maintains its tax status under the *Tr'ondëk Hwëch'in Self-Government Agreement*.

3 How is the annual distribution amount calculated?

The Trust's investment policy sets out the process to determine the amount of the annual distribution made from the Trust's property to TH. It is based on the value of the Trust's public market investment portfolio and takes into account the investment performance

of that portfolio. The amount of the distribution is calculated to:

- a. ensure that the Trust property can grow over time for the benefit of future generations; and
- b. provide that the investment earnings can cover the Trust's administration and management costs and the costs of inflation for that year.

4 Will future annual distributions be made by the Trustees?

Although the Trustees intend to make annual distributions to TH each year, there is no requirement for the Trustees to make these distributions. If the investment performance of the Trust is not meeting the investment targets or inflation costs increase dramatically, the Trustees may not be able to make a distribution for one or more years to ensure that the Trust's property is protected for both current and future generations.

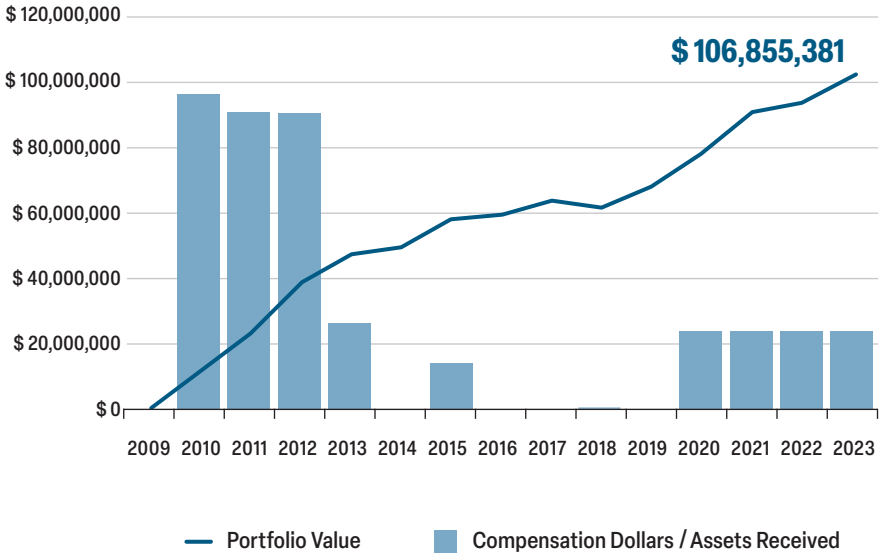
Since the establishment of the Trust, the investment returns of the Trust's property have been consistently meeting the investment targets and, as a result, Trustees have been able to make distributions.

If you have questions related to disbursements, please contact the TH Finance Services and Procurement Officer at 867-993-7100 (extension 135) or toll-free at 1-844-993-7100.

You can also email: disbursements@trondek.ca.

Tr'ondëk Hwëch'in Trust Portfolio

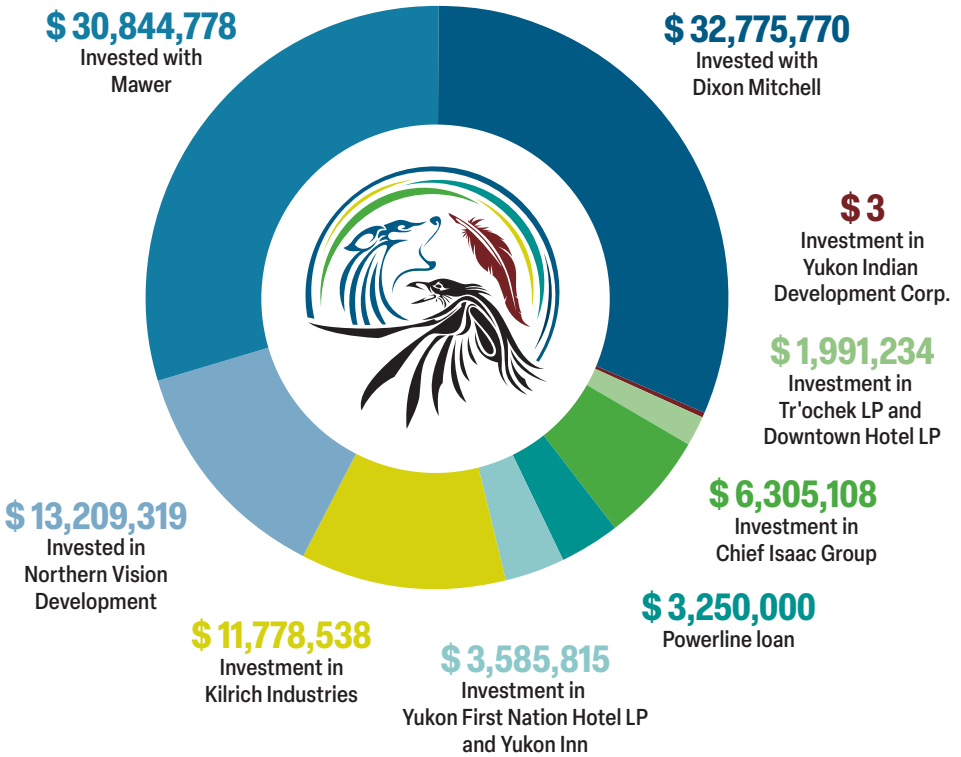
VALUE OF PORTFOLIO SINCE INCEPTION - 2009
AS AT DECEMBER 31, 2023



2010	\$ 11,773,975	Compensation Dollars settled on Trust
2011	\$ 11,104,317	Compensation Dollars, Powerline loan, Kilrich, THE settled on Trust
2012	\$ 11,058,780	Compensation Dollars, CII Group of Companies, Tr'ochëk LP settled on Trust
2013	\$ 3,202,121	Compensation Dollars settled on Trust
2015	\$ 1,724,062	Yukon Inn settled on Trust
2018	\$ 3	Yukon Indian Development Corporation settled on Trust
2020	\$ 2,920,096.17	Compensation Loan Repayment settled on Trust
2021	\$ 2,920,096.17	Compensation Loan Repayment settled on Trust
2022	\$ 2,920,096.17	Compensation Loan Repayment settled on Trust
2023	\$ 2,920,096.18	Compensation Loan Repayment settled on Trust

Long-term investments

AS AT DECEMBER 31, 2023



2023 Annual Investment Report



T.E. Wealth Indigenous Advisory Services is proud to support the Tr'ondëk Hwëch'in Trust. We work closely with your Trustees to provide specialized, independent, and objective trust advisory services to help ensure the Trust is structured optimally and is meeting its investment objectives. A key part of our role is to provide ongoing performance monitoring of your portfolio and the Investment Managers, ranking their performance against their peers and benchmarks to confirm they continue to add value.

Market Commentary – “A Year in Review”

In 2023, we witnessed a U.S. banking crisis that would see three of the largest U.S. bank failures in history, raging inflation, and interest rates that continued to rise. A recession seemed inevitable.

However, for 2023 most major stock markets were up double digits on a total return basis. Economic growth proved more resilient than expected. Inflation started to move towards a more suitable level, which caused a pause in interest rate hikes and a look towards potential cuts in 2024. This was all good news for investments.

From a market perspective, strategists are forecasting rosy year ahead. Corporate earnings are expected to grow by 14% in the U.S., 8% in Canada and 5% in Europe. As a bonus, interest rates are expected to fall, raising expectations for another strong year for bonds (Canadian bonds earned returns of 6.7% in 2023).

Although we generally agree with the direction of the economic outlook, we do not necessarily agree with all market forecasts. There are too many factors and uncertainties to accurately predict what will happen in any given year. For instance, there was no recession in 2023 and stock markets had a very strong year. In 2022, a positive market was expected but we got a negative one. The boldest of all post-COVID-19 predictions was that inflation

was transitory, and that proved to be completely wrong. A lot of rate hikes and a much longer period were needed to get inflation to a point where it is just now starting to come under control.

It is important to keep in mind that a Trust invests for the long term. Anything can happen in a year, and while it is tempting to try using the crystal ball, we know that wealth generation and preservation are long-term propositions.

How Have the Public Market Securities of the Tr'ondëk Hwëch'in Trust Performed?

We expect the Trust's Investment Managers make us money in the good times, but it is equally important that they protect our investments during down markets. Since the outbreak of COVID 19 in 2020, it has been a volatile and challenging time for all investors. If we consider performance in 2022, there were negative returns for all asset classes; something that had not occurred in over 50 years and negatively impacted every investor.

Despite some continued pessimism heading into 2023 the markets rebounded, with the Trust having appreciated in value by \$8,546,067 during 2023, representing a respectable return of 15.19% for the year. The flow of funds through the Trust are summarized in the table below:

	1 Year 2023	3 Years (2020 to 2022)	Since Inception*
Starting Value	\$ 56,170,381	\$ 46,642,373	\$ 39,878,727
Payments into/(out of) the Trust	(\$ 800,000)	\$ 8,628,169	\$ 4,972,715
Total Invested	\$ 55,370,381	\$ 55,270,542	\$ 44,851,442
Portfolio Appreciation in Value	\$ 8,546,067	\$ 8,645,906	\$ 19,065,006
Ending Value	\$ 63,916,448	\$ 63,916,448	\$ 63,916,448

*Inception date of T.E. Wealth's performance monitoring is the quarter ending January 1, 2017

We are pleased to report that the strong performance to the end of 2023 has continued into 2024. The Public Market Securities of the Tr'ondëk Hwëch'in Trust having gained a further \$5,029,735 in value since December 31, 2023 with the closing balance of the Trust being \$68,946,183 as of May 31, 2024.

Trust Performance: Overall Combined Holdings

The overall combined performance of the Trust has exceeded the Trust benchmark performance over all periods since inception.

	1 Year	3 Year	5 Year	Inception
Total Account	15.19%	5.22%	7.70%	6.10%
Total Benchmark*	13.41%	4.27%	7.25%	6.18%

*custom benchmark index was comprised of 23.00% S&P/TSX, 21.00% MSCI EAFE, 21.00% S&P 500, 33.00% FTSE Canada Universe, 2.00% TBILL
Until 12/31/2018; comprised of 5.00% TBILL, 40.00% FTSE Canada Universe, 18.00% S&P 500, 18.00% MSCI EAFE, 19.00% S&P/TSX
Until 07/31/2021 ; now comprised of 5.00% TBILL, 35.00% FTSE Canada Universe, 20.00% S&P/TSX, 40.00% MSCI WORLD

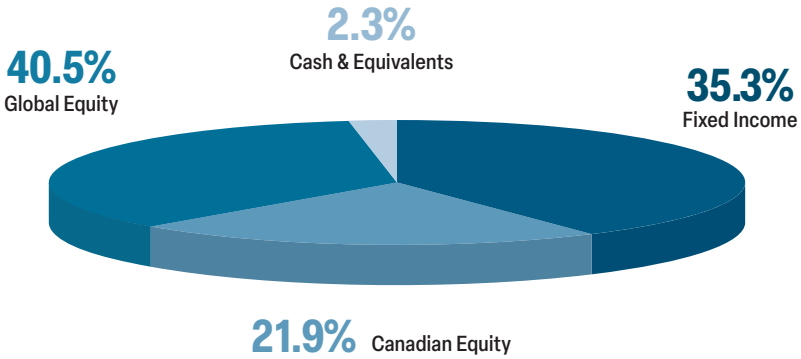
Trust Performance: By Asset Class

Individual Asset Class returns and their respective benchmarks are shown in the chart below and, in combination with the portfolio's Asset Mix, ultimately determines the Trust's overall investment returns. Investing in multiple asset classes just one of the ways th Trust is able to diversify to better manage the risk of underperformance.

Asset Class	1 Year	3 Year	5 Year	Inception
Canadian Fixed	6.87%	-2.07%	1.22%	1.50%
FTSE Canada	6.69%	-2.80%	1.30%	1.49%
Canadian Equity	16.60%	10.77%	10.17%	6.37%
S&P/TSX	11.75%	9.60%	11.30%	7.86%
Us Equity	26.77%	10.88%	14.12%	11.64%
S&P 500	23.22%	11.26%	14.97%	13.13%
Global Equity	15.93%	1.34%	-	-
MSCI WORLD	21.39%	9.02%	-	-
International Equity	18.35%	7.58%	9.71%	7.57%
MSCI EAFE	15.96%	5.73%	8.02%	7.15%

Combined Holdings: Asset Mix

The following highlights the breakdown of the Trust's investment holdings by Asset Class, as of December 31, 2023.



Asset Class	Range (%)	Target (%)	Portfolio (%)
Cash & Cash Equivalent	0 - 10%	5%	2.3%
Fixed Income	25 - 45%	35%	35.3%
Canadian Equity	10 - 30%	20%	21.9%
Global Equity	35 - 55%	40%	40.5%

Investment Management Structure

The public market securities of the Tr'ondëk Hwëch'in Trust are managed using a multi-manager, multi-style structure as a risk management strategy. This strategy spreads investment risk amongst two investment management firms, helping mitigate the risk of prolonged underperformance by a single investment management firm.

The Trust has engaged investment management firms Dixon Mitchell Investment Counsel and Mawer Investment Management which both manage a combination of stocks and bonds.

Markets will tend to favour growth stocks or value stocks in any given period and consequently the Trust has benefited from Dixon Mitchell's value-style of investment management combined with Mawer's growth-oriented investment approach. This multi-manager and multi-style diversification ensures that the portfolio is well positioned to take advantage of all market environments and provides a smoother pattern of returns with less volatility.

Investment Manager Performance and Distribution of Funds



Investment Management Firm Returns to December 31, 2023

	1 Year (2023)	3 Years (2021 to 2023)	Dixon Mitchell Inception*	Mawer Inception**
Dixon Mitchell	19.34%	N/A	5.40%	
Mawer	11.06%	3.14%		4.67%
Market Benchmark	13.41%	4.27%	2.68%	5.11%

* Inception for Dixon Mitchell was Q3-2021. Custom benchmark index is comprised of 5.00% TBILL, 35.00% FTSE Canada Universe, 20.00% S&P/TSX, 40.00% MSCI WORLD

** Inception for Mawer was Q1-2020. Custom benchmark index was comprised of 5.00% TBILL, 40.00% FTSE Canada Universe, 19.00% S&P/TSX, 18.00% S&P 500, 18.00% MSCI EAFE Until 07/31/2021; now comprised of 5.00% TBILL, 35.00% FTSE Canada Universe, 20.00% S&P/TSX, 40.00% MSCI WORLD

Looking Forward

The current investment environment continues to experience volatility, however more stable market conditions emerged during 2023 and we are encouraged by the strength of returns in the markets during the first quarter of 2024.

One of the key principles of long-term investing is to stay the course. History has shown that sharp declines in stock markets tend to be concentrated in short periods of time, which was proven again by the strong returns experienced in 2023 after a challenging 2022. While most markets will experience periods of short-term volatility, over the long term they historically have maintained a steady, upward growth path. Although nobody has perfect insight as to the future markets ahead, those investors who remain invested have historically been rewarded by the long-term upward market trends.

In Closing

We thank the Trustees for their tireless work and dedication to the success of the Tr'ondëk Hwëch'in Trust. T.E. Wealth's Indigenous Services considers it a privilege and an honor to support the Tr'ondëk Hwëch'in First Nation and we are pleased to confirm that the Trust portfolio continues to exceed market returns as at December 31, 2023.

Your T.E. Wealth Indigenous Advisory Team



Jack Jamieson, B.COMM, PFP
Vice President



Gordon Clissold, FCPA, FCGA
Associate Vice President



100%

OWNED BY THT

DIRECTORS:

**Joe Fraser
Darwyn Lynn
Neil Fletcher**

Chief Isaac Group of Companies

The mandate of the Chief Isaac Group of Companies is to maximize profitable and sustainable revenues for our shareholder, the Tr'ondëk Hwëch'in Trust on behalf of all Tr'ondëk Hwëch'in Citizens.

This year we bought the Bonanza Grocery store, opened a new 5,000 square feet heavy-duty shop at Chief Isaac Mechanical and began construction on the Oasis, a luxury accommodation facility for contractors and staff.

It was a busy year. We couldn't have done this without the hard work and commitment of all our staff, so a big thank you to them.

A big thank you also to all our customers. We wouldn't have a business without them. Last, but not least, a big thank you to all our partners. They help us grow our business, provide expertise and allow us to win larger contracts.

Our job is to capture more of the wealth that's generated in the Traditional Territory for Citizens. Chief Isaac's staff, customers and partners all help us do that. If you buy your gas at MacKenzie, stock up on groceries at Bonanza or get your truck serviced at Chief Isaac Mechanical, those profits stay in the Traditional Territory and flow back to the Tr'ondëk Hwëch'in Trust for all Citizens.

Citizens' Benefit Fund

Several of our partners contribute money to the Citizens' Benefit Fund. This fund provides grants to Citizens to support education, training, health & wellness and for Elders' living expenses.

Look out for the quarterly announcements in Kentra Täy and don't forget to apply.



100%
OWNED BY THT

Chief Isaac Inc.

It has been an eventful year. On the one hand, the price of gold has hit new highs and on the other, Newmont announced it was selling Coffee Creek. Mining has been a boom and bust for us over the years.

However, we have been diversifying more into some other sectors. Construction of all kinds has been busy, there is always activity on the Dempster and Klondike Highways, and we have been exploring a number of other opportunities.



Our biggest transaction this year was buying the Bonanza Grocery store. This is an important addition to Chief Isaac for several reasons. A grocery store provides daily positive cashflow into the business. Food security is an issue for Dawson, and this gives Citizens their own food business, through the Tr'ondëk Hwëch'in Trust. We also have opportunities to invest in and grow the business,

but we need to operate the business for a while to understand it and then make plans for the future.

Our other businesses are growing, and our partnerships continue to develop. These include:

- ▶ **Property management** – including the Eliza Isaac Building and our portfolio of other properties.
- ▶ **Security** – we operate a number of contracts safeguarding properties and businesses.
- ▶ **Custodial** – Covid showed the importance of cleanliness and we continue to serve a variety of customers to keep their offices and other workplaces clean and hygienic.

- ▶ **Catering** – the focus has shifted to the highway camps where we keep the crews well fed and watered.
- ▶ **Chief Isaac Environmental** – our partnership with KBL that’s expanding the soil, snow and water treatment facility at Callison, treated soil can be re-used at the dump.
- ▶ **Chief Isaac Wildstone** – our construction partnership with three major projects now started and revenues starting to flow in the 2024 financial year.
- ▶ **Klondike Wholesale** – our partnership with G-P Distributing that supplies groceries into the Traditional Territory.
- ▶ **Chief Isaac Summit** – projects included Newmont Coffee Creek Camp Catering & Construction (5 Citizens employed), Klondike Camp 651 Camp Catering - for Sidhu, Dempster Fibre Optic Line (2 camps), Camp 208 km and Camp NWT 6 km

The Oasis

We also started construction on the Oasis, a 28-unit luxury accommodation facility with on-site catering. This will provide accommodation for staff, contractors and others who are working in the Traditional Territory. The facility is due to open in fall 2024.





Mackenzie Petroleum Ltd.

This business provides bulk and retail fuels, as well as propane, lubes and welding supplies. We have extended our contract with Yukon Energy and continue to supply fuel for the Dawson Ferry and for YG's other services. We are proud to be the chosen fuel supplier for the Tr'ondëk Hwëch'in Government.

Our 24-hour cardlock services mean gas and diesel is available at any time of the day and night. The large space we have makes it easy for large vehicles like RVs, trailers and big trucks to fill up.

Most importantly, **every Citizen gets a discount of 5¢ per litre!** Come and fill up and don't forget to tell your friends and family!



Chief Isaac Mechanical/ Tr'ondëk Heavy Equipment

Chief Isaac Mechanical's new heavy equipment facility opened. This is a 5,000 square feet heated building beside our existing shop that allows us to service heavy equipment all year round.

Our recovery business continues to grow, and we have rescued semis, trucks and tourists from the Dempster and Klondike Highways throughout the year.

Our light duty repairs and tire service have also grown over the year and Chief Isaac Mechanical is now looking to expand its team.



41.33%

OWNED BY THT

DIRECTORS:

Richard Reaume

Jorn Meier

Dustyn Van Bibber

Kilrich Industries Limited

Kilrich Building Centres strives to be the contractor's choice for professional grade construction materials, custom trusses, building supplies and tools.

Founded in 1977, Kilrich is the largest building materials supplier and truss manufacturer north of 60. Based in Whitehorse, Kilrich delivers a full range of building and construction materials to communities across Yukon, Northwest Territories, Northern BC, and Alaska.

Kilrich failed to achieve economic growth in 2023 for the first time in a decade. Revenues declined by approximately 10% under the previous year, and net income totals decreased by 17%. On the surface this could appear troublesome; however, the company projected an even greater decline. Many other suppliers, distributors and manufacturers of building materials in western Canada realized 20% to 30% year over year declines. The extreme growth from 2020 through 2022 of over 57% was largely a result of heavily inflated material costs due to high demand and reduced supply. Material prices declined in 2023 back to more realistic levels, so despite Kilrich maintaining our volumes of materials sold, we inevitably earned less revenue dollars.

2023 Operations Highlights

- ▶ Successfully expanded our product offering into chemical supply and completed two large YG contracts on Sodium and Calcium resulting in revenues of over \$4.5 million.
- ▶ Established exclusive distribution agreements with two Yukon harvesters/manufacturers of processed bagged firewood. To date we have distributed over 1,500 bags (500 cord) and continue to increase our capacity.



- ▶ Developed and implemented a nationally certified truss design & manufacturing quality control program.
- ▶ Kilrich Building Centers Yukon Native Hockey Tournament was an overwhelming success with the inclusion of a Women's Division and over 1000 total players involved.
- ▶ Continued partnership with Tr'ondëk Hwëch'in Citizen Benefit Fund.
- ▶ Made largest cash payment to shareholders for the second consecutive year.

Kilrich has been extremely fortunate to have the unwavering support and leadership from our Shareholders and Directors. This guidance has allowed our leadership team the opportunity to not only grow the business financially; but also to become a Yukon pioneer in corporate citizenship, community involvement, and employee health & wellness.





Northern Vision Development Limited Partnership

15.57%

OWNED BY THT

DIRECTORS:

Lori Simcox

Last year was one of transition for NVD, as Rich Thompson passed the CEO torch to Michael Hale. Rich retained the role of Executive Chairman and also stepped in to fill the CFO role, while a new finance leader search took place. Matt Hall, a Yukon First Nation citizen with extensive finance experience in large northern companies, was hired as with the intent of transitioning into the CFO role late in 2024.

Operationally, the company continued its climb out of the pandemic years and returned to pre-2020 performance levels in Hotels and Real Estate. Restaurants struggled in 2023, as they did across the Yukon and Canada. And Normandy, a new senior living facility, had its first full year of operations.

Looking forward, NVD formed a partnership with Da Daghay Development Corporation, KZA Architects and Ketza with the intention of acquiring and developing a large parcel in Whitehorse called 5th and Rogers (subsequently renamed Këjän + Rogers). In early 2024, the partnership won the competitive bid process and began early-stage planning work.

And of course, Hyatt Place Whitehorse construction continued with a planned completion date of early Summer 2025.

Some other highlights from 2023:

- ▶ Net book value of assets increased by 5.1% from \$91.1 million to \$95.8 million and total enterprise value of the Partnership increased 7.2% to \$147.2 million from \$137.4 million in 2022.
- ▶ Available Funds from Operations (“AFFO”) was \$1.15 million in 2023, a 40.3% increase over the \$820,000 recorded in 2022.

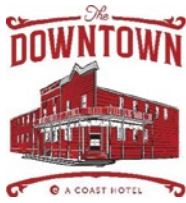
- ▶ NAV per unit was \$3.69 in 2023, a 6.1% increase over \$3.48 at the end of 2022
- ▶ In December 2023 the Partnership distributed \$1,000,000 or 3.1 cents per unit to Unitholders (2022 - \$7,983,646 or 25.9 cents per unit via two distributions in Apr. and Dec.).
- ▶ The Partnership continued to maintain high cash balances at year end, at \$7.2 million (\$15.8 million at Dec. 31, 2022), in order to support development projects such as the Hyatt Place. These balances helped generate \$995,000 in interest income in 2023 (2022 - \$487,000).
- ▶ Overall debt increased by 5.8% to \$28.6 million (2022 - decreased 32% to \$27.0 million).
- ▶ Total Debt to Book Value of Equity increased to 0.46:1 at Dec. 31, 2023 from 0.44:1 a year earlier, and Total Debt to Market Value of Equity remained at 0.24:1 at Dec. 31, 2023, the same ratio as at Dec. 31, 2022 as both debt and equity increased at similar rates.
- ▶ Revenues were up 3.6% to \$22.4 million (2022 - up 24.9% to \$21.6 million).
- ▶ Gross Profit was up 11.7% to \$8.23 million (2022 - up 3.2% to \$7.37 million) due to gains in Rental, Restaurant and Management Fee margins, and flat margin performance in the Hotel division.
- ▶ Interest expenses increased 2.7% during the year to \$1.55 million compared to \$1.51 million a year earlier. Increases in variable interest rates,



Conceptual plans for the 5th and Rogers site (renamed Këjän + Rogers) in Whitehorse.

- that pushed up expenses recorded on NVD's variable loans and fixed loan renewals, were mostly offset by a reduction in the amount of debt outstanding during the year.
- ▶ Net Income decreased 83.1% from to \$1.8 million (2022 - \$10.65 million). The strong 2022 performance relied on gains from sales.
 - ▶ In 2023 the impact of KBC Developments Inc. ("Normandy Living") was included for the first time which reduced overall net income by approximately \$400,000. Management expects Normandy to eventually have a strong positive impact on Partnership income, but that will likely not occur until 2025.
 - ▶ NVD took a \$450,000 provision for a write down in 2023 related to the bankruptcy of Nomodic Modular Structures, Inc., a supplier for the Hyatt project. This matter will likely continue to impact NVD in 2024.

Michael Hale, CEO, Northern Vision Development Limited Partnership



50%

OWNED BY THT

DIRECTORS:

Darwyn Lynn
Neil Fletcher

Dawson Downtown Limited Partnership

The year ended December 31, 2023 was a step back for the partnership. While still profitable and the best year since pre-COVID operations, results fell short of 2022. Like all businesses in the Yukon, inflation and interest rates hit hard and undermined what was otherwise a very strong revenue year.

Overall return was \$368,258 (\$184,129 per partner) despite record setting revenues of more than \$3.3M. While the revenues speak to the overall strength of the partnership and the market, the challenges of increased costs, labour shortages, wage increases and ongoing capital investment requirements in aging assets kept the return below expectations.

Major investments were made in the assets with more than \$500,000 being invested in room upgrades, kitchen and bar upgrades and other hotel improvements. While necessary investments, those expenses reduced year-end returns.

At the same time, the Eldorado went up for sale and was at risk of being purchased by a bargain operator, which would undercut our business. So, DDLP purchased the Eldorado and added it to the existing portfolio for 2024. This purchase has already been shown to be a strong investment with a recent appraisal valuing the property and associated assets at more than double the purchase price.

Given the growth in the number of businesses in the partnership and recognizing recent challenges, the DDLP board and management team are developing a long term plan that aims to increase positive community impact, while protecting the businesses profitability.

The highlights for the year included:

- ▶ Launch of the Midnight Sun Hotel which exceeded revenue expectations
- ▶ A return to CAPEX investments in all assets now that cash flow has improved
- ▶ Change to the Coast Hotels Brand for the Downtown Hotel
- ▶ Catch up on maintenance that was deferred during COVID due to low cash flow levels
- ▶ Record EBITDA of over \$650,000

The assets of the DDLP are now overseen by a board that includes Darwyn Lynn and Neil Fletcher representing 50% partner Tr'ochëk Limited Partnership (100% owned by Tr'ondëk Hwëch'in Trust) and Rich Thompson and Katja Schmidt representing 50% partner Northern Vision Development Ltd (who counts by Tr'ondëk Hwëch'in Trust as its major unitholder).

Michael Hale, CEO, Northern Vision Development Limited Partnership (operating partner of DDLP)





33.33%

OWNED BY THT

DIRECTORS:

**Darwyn Lynn
Jenny Whitehouse**

Yukon Inn

Drin Hqzo Tr'ondëk Hwëch'in Citizens,

Over the past two years, the Yukon Inn – “Your Home Away from Home” – has achieved a series of remarkable milestones. We’ve enhanced our hotel with cutting-edge technology for meetings, renovated all our guest rooms (including 22 kitchenettes), and improved our social spaces.

Our employees remain empowered and satisfied, contributing to our consistent, professional service and high employee retention rates. Our unwavering commitment to communication and client satisfaction has not gone unnoticed as we continue to provide a safe destination for special events, such as comedy shows. With our loyal employee base and excellent customer service, we’ve become the go-to place for communities and repeat clients. We take pride in knowing our clients and welcoming them into a personalized environment.

While we continuously make improvements and diversify our offerings, such as hotel booking sites, we also recognize areas where we could improve and are dedicated to finding new strategies to address them.

The Yukon Inn Management Team and Board of Directors are committed to pursuing a long-term vision of success. Our goal is to increase profitability and efficiency while providing our guests with the highest quality services possible. We understand that there are always opportunities for improvement and strive to leverage new technologies to remain competitive in the rapidly changing hospitality industry.

Your feedback is welcomed and appreciated, as it helps us further understand our customers' needs and how we can best meet them. We thank you for your continued support and look forward to continued success in providing "Your Home Away from Home."

Tr'ondek Hwech'in citizens receive a **25% discount** on room rentals.

Mähsi,
**Yukon Inn Management Team
& Board of Directors**



Citizens' Discounts

Rates effective August 2024*

Kilrich Industries Limited

Tr'ondëk Hwëch'in citizens are eligible for a discount on building supplies and tools purchased from Kilrich Industries Ltd. – “their best contractor’s rate”. Call Kilrich at 867-668-5958 or sales@kilrich.ca to obtain a price quote and identify yourself as a Tr'ondëk Hwëch'in citizen.

Yukon Inn

The Yukon Inn is proud to offer a unique loyalty program to Tr'ondëk Hwëch'in citizens. Citizens' names are provided by TH Trust on a regular basis. All citizens will receive a discounted rate of 25% from the regular rate for rooms booked and paid for by the individual. In addition, all citizens are automatically enrolled in our loyalty program where each night you stay at the Yukon Inn, points will be awarded to your account. Points are non-transferable – can only be redeemed by the account holders. Points can be redeemed for various benefits, including free room nights.

MacKenzie Petroleums Ltd.

Tr'ondëk Hwëch'in citizens are eligible for a discount (5 cents off/per litre) on fuel. Contact MacKenzie Petroleum for more information.

Air North (courtesy of Chief Isaac Inc.)

Tr'ondëk Hwëch'in citizens are eligible for a 10% discount on airfares. To qualify for this discount citizens are required to inform Air North that they are a TH citizen and Air North will verify the name with the list they currently have on file, which was provided by TH. There are restrictions on this discount and does not apply to seat sales.

**Subject to Change without notice*

NVD **Partner Rates** 2025

Whitehorse

Best Western Gold Rush Inn: \$129 Winter / \$169 Summer
Edgewater Hotel: \$169 Year-Round

Dawson City

The Downtown, a Coast Hotel: \$129 Winter / \$169 Summer
Eldorado, a Coast Hotel: \$129 Winter / \$169 Summer
Midnight Sun, a Coast Hotel: \$169 (Summer Only)

Carmacks

Hotel Carmacks: \$169 Year-Round

Mayo

Bedrock Motel: \$129 Winter / \$169 Summer
North Star Motel: \$129 Winter / \$169 Summer

For Reservations:

reservations@yukonhotels.com

867-332-8665

Quote the NVD Partner Rate



YUKON SAW

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WILSON

Employment Opportunities

For employment opportunities, please contact the following:

Northern Vision Development Corp.

Robyn Gillespie,
People and Culture Coordinator

Email: rgillespie@nvdpl.com
Tel: 867-333-0198

Downtown Hotel

Wray Morrell,
Director of Hotels
Email: wray.morrell@yukonhotels.com
Tel: 867-332-3140

Kilrich Industries Limited

Lisa Martin
Email: lisa@kilrich.ca
Tel: 867-668-5958

Yukon Inn

Joe Beckett,
General Manager
Email: joe@yukoninn.com
Tel: 867-667-2527

Chief Isaac Group of Companies

Shirely Paraluman
Email: shirely.paraluman@chiefisaac.ca
Tel: 867-993-5384

The Trust has also worked with its advisors and businesses to create “mentorship” opportunities for citizens. If you are a TH citizen who is interested in becoming a Chartered Accountant, Red Seal Chef, Investment Manager or Hotel & Restaurant Manager, please contact any one of trustees and we connect you with one of our professionals.**

*** It is the advisor who makes the final decision whether to work with an individual, not the TH Trust***





Tr'ondëk Hwëch'in Trust

P.O. Box 929
Dawson City, YT Y0B 1G0
Canada

info@thtrust.com

thtrust.com