

**NAZKO GROUP**  
**BALANCE SHEET - FOR INTERNAL PURPOSES ONLY**  
As at March 31, 2018

	Nazko Logging LP	Besikoh Fuel LP	Nazko Silviculture LLP	3 Nations General Store & Lodge	Blackwater Camp Services Ltd	Nazko Economic Development Corp	Group Total
<b>ASSETS</b>							
<b>CURRENT ASSETS</b>							
Cash	-	-	-	400	-	-	400
Trade Receivables	410,335	46,991	20,282	32,379	1,563	7,036	518,586
Allowance for Doubtful Accounts	(81,058)	(1,137)	-	-	-	-	(82,195)
GST/PST Receivable	-	-	2,522	-	-	8,643	11,164
Work in progress	-	-	-	-	-	-	-
Prepaid expenses and deposits	57,503	5,313	-	5,278	-	1,008	69,102
Advances receivable	22,077	-	-	-	-	-	22,077
Loan Receivable	-	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>408,856</b>	<b>51,168</b>	<b>22,803</b>	<b>38,057</b>	<b>1,563</b>	<b>16,687</b>	<b>539,134</b>
Timber Development	-	-	-	-	-	-	-
Log Inventory	25,500	-	-	-	-	-	25,500
Inventory: Diesel Clear	-	-	-	-	-	-	-
Inventory: Diesel Dyed	-	-	-	-	-	-	-
Inventory: Gasoline Regular	-	-	-	-	-	-	-
Inventory Café & Store / Camp	-	-	-	9,953	9,138	-	19,091
<b>INVENTORY</b>	<b>25,500</b>	<b>-</b>	<b>-</b>	<b>9,953</b>	<b>9,138</b>	<b>-</b>	<b>44,591</b>
Invest. In Nazko Logging LP	-	-	-	-	-	(266)	(266)
Invest. In Besikoh Fuel LP	-	-	-	-	-	44	44
Invest. In Blackwater Camp Services	-	-	-	-	-	(242,654)	(242,654)
Invest. In Nazbec Wood	-	-	-	-	-	(2,126)	(2,126)
Invest. In Nazbec Limited Partnership	-	-	-	-	-	744,626	744,626
Invest. In NSLLP	-	-	-	-	-	(58)	(58)
Invest. In Three Nations	-	-	-	-	-	(294)	(294)
Other	34,285	59,366	255	2,135	-	-	96,042
<b>INVESTMENTS</b>	<b>34,285</b>	<b>59,366</b>	<b>255</b>	<b>2,135</b>	<b>-</b>	<b>499,272</b>	<b>595,314</b>
<b>DUE FROM:</b>							
Nazko Silviculture LLP	127,891	-	-	(17,488)	-	(26,153)	84,250
Nazko First Nation	(15,286)	19,259	999	999	(100,350)	(246,299)	(340,678)
Blackwater Camp Services	48,182	42,953	-	2,975	-	-	94,110
Nazko Economic Development	693,940	17,641	26,153	23,165	(158,924)	158,924	760,898
Nadaz. Properties	1,278	-	-	-	-	-	1,278
Besikoh Fuel LP	(459,545)	-	-	(138,584)	(42,953)	(17,641)	(658,723)
Nadaz Forest Management	330,839	-	-	-	-	-	330,839
Three Nations Store & Lodge	150,425	138,484	17,488	-	(2,975)	(23,167)	280,256
Ndaz. Holdings	153,966	-	-	-	-	(61,844)	92,122
Nazbec LP	-	-	149,987	-	-	-	149,987
Nazbec Wood Processing Ltd	-	-	-	-	-	(51)	(51)
Nazko Logging LP	-	456,311	(127,892)	(162,036)	(48,182)	(693,940)	(575,738)
	1,031,690	674,649	66,736	(290,970)	(353,384)	(910,170)	218,551
<b>PROPERTY, PLANT &amp; EQUIPMENT</b>	<b>1,193,373</b>	<b>237,713</b>	<b>2,160</b>	<b>457,040</b>	<b>152,852</b>	<b>4,099</b>	<b>2,047,236</b>
<b>OTHER ASSETS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,694</b>	<b>-</b>	<b>-</b>	<b>3,694</b>
<b>TOTAL ASSETS</b>	<b>2,693,704</b>	<b>1,022,896</b>	<b>91,954</b>	<b>219,909</b>	<b>(189,830)</b>	<b>(390,113)</b>	<b>3,448,520</b>
<b>LIABILITIES</b>							
<b>CURRENT LIABILITIES</b>							
Bank Indebtedness	1,027,054	141,000	640	72,274	34,678	10,185	1,285,831
Accounts Payable and Accrued Liabilities	1,047,618	296,240	32,160	56,073	19,918	69,653	1,521,662
Wages Payable	25,026	-	1,444	4,031	1,810	-	32,311
Corporate Taxes Payable	-	-	-	-	-	2,319	2,319
WCB Payable	345	-	590	506	269	167	1,877
GST/PST Payable	2,606	2,751	157	15,878	7,517	-	28,909
Current Portion of Obligations under Capital Lease	90,782	-	-	-	-	-	90,782
Current Portion of Long-Term Debt	1,831,723	-	-	-	-	-	1,831,723
<b>Total Current Liabilities</b>	<b>4,025,154</b>	<b>439,991</b>	<b>34,991</b>	<b>148,762</b>	<b>64,191</b>	<b>82,324</b>	<b>4,795,413</b>
<b>LONG TERM DEBT</b>	<b>1,113,644</b>	<b>64,807</b>	<b>-</b>	<b>443,366</b>	<b>-</b>	<b>-</b>	<b>1,621,817</b>
<b>NOTE REPAYABLE</b>	<b>997,454</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>997,454</b>
<b>DUE FROM SHAREHOLDERS</b>	<b>-</b>	<b>59,999</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>149</b>	<b>60,148</b>
<b>SILVICULTURE LIABILITY</b>	<b>332,466</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>332,466</b>
	6,468,718	564,797	34,991	592,128	64,191	82,473	7,807,298
<b>PARTNERS' EQUITY (DEFICIT)</b>							
PARTNERS' CAPITAL	532,183	10,001	1,000	1,000	1	1	544,186
RETAINED EARNINGS	(3,230,392)	432,629	(59,131)	(295,322)	(242,654)	(359,048)	(3,753,918)
CURRENT EARNINGS	(1,076,805)	15,468	115,094	(77,897)	(11,368)	(113,538)	(1,149,046)
	(3,775,014)	458,099	56,963	(372,219)	(254,021)	(472,585)	(4,358,778)
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>2,693,704</b>	<b>1,022,896</b>	<b>91,954</b>	<b>219,909</b>	<b>(189,830)</b>	<b>(390,113)</b>	<b>3,448,520</b>

**NAZKO GROUP**  
**STATEMENT OF INCOME - FOR INTERNAL PURPOSES ONLY**  
**For the Fiscal Year Ended March 31, 2018**

	Nazko Logging LP	Besikoh Fuel LP	Nazko Silviculture LLP	3 Nations General Store & Lodge	Blackwater Camp Services Ltd	Nazko Economic Development Corp	Group Total
<b>REVENUE</b>	<b>4,945,239</b>	<b>372,637</b>	<b>898,172</b>	<b>712,936</b>	<b>251,596</b>	<b>50,320</b>	<b>7,230,899</b>
Camp Expenses	63,062	-	-	-	-	-	63,062
Equipment Rental	14,327	-	11,860	13,501	3,416	-	43,103
Freight	3,280	-	-	-	214	37	3,531
Fuel & Lubricants	726,414	-	36,757	29	19,938	-	783,138
Inventory - Diesel & Gasoline	-	295,106	-	2,373	-	-	297,480
Inventory - Store/Café & Groceries	-	-	-	129,265	-	-	129,265
Inventory - Log	108,900	-	-	-	-	-	108,900
Materials & Supplies	75,912	-	20,067	-	57,358	-	153,337
Other	568	-	-	-	-	-	568
Repairs & Maintenance	725,848	-	13,228	-	10,424	-	749,501
Road Maintenance	(1,720)	-	-	-	-	-	(1,720)
Silviculture	1,389	-	-	-	-	-	1,389
Stumpage	34,401	-	-	-	-	-	34,401
Subcontractors	2,311,865	-	142,016	11,757	-	-	2,465,638
Wages & Benefits	1,043,202	-	553,780	178,592	114,767	-	1,890,342
Write-offs	-	-	-	-	-	-	-
Cost of Goods	5,107,448	295,106	777,708	335,517	206,117	37	6,721,934
<b>GROSS PROFIT (LOSS)</b>	<b>(162,209)</b>	<b>77,531</b>	<b>120,463</b>	<b>377,419</b>	<b>45,479</b>	<b>50,282</b>	<b>508,966</b>
<b>ADMINISTRATIVE EXPENSES</b>							
Advertising and Promotion	170	-	-	10,489	-	551	11,210
Amortization of Property & Equipment	361,701	11,690	540	31,018	22,356	2,501	429,806
Bad debts	-	-	-	-	-	-	-
Bank charges and Interest	46,245	9,238	1,349	9,282	2,331	9,574	78,020
Donations	500	-	-	-	-	750	1,250
Freight	-	-	-	-	-	-	-
Insurance	77,540	9,692	-	7,871	5,766	9,715	110,583
Interest on Long-Term Debt	123,716	28,040	-	21,935	-	-	173,691
Licenses, Dues, and Subscriptions	1,925	-	-	-	-	-	1,925
Management Fees	-	-	-	35,000	-	39,915	74,915
Meals and Entertainment	-	-	-	-	-	-	-
Office Expense	14,040	3,272	2,637	9,828	2,998	26,024	58,799
Professional Fees	38,707	294	382	377	(994)	45,701	84,468
Property Taxes	556	-	32	2,895	4,514	-	7,997
Rent	41,833	-	-	-	-	28,140	69,973
Repairs & Maintenance	125	(163)	99	273,909	-	-	273,971
Supplies	-	-	-	12,456	-	-	12,456
Telephone	15,294	-	-	1,126	2,853	-	19,273
Training	1,450	-	-	450	-	-	1,900
Travel	1,568	-	274	(479)	260	949	2,571
Wages and Benefits	188,527	-	-	-	-	-	188,527
Utilities	-	-	-	34,894	16,096	-	50,990
Vehicles	-	-	57	4,265	668	-	4,989
	913,898	62,063	5,370	455,316	56,847	163,821	1,657,315
<b>OPERATING INCOME (LOSS)</b>	<b>(1,076,107)</b>	<b>15,468</b>	<b>115,094</b>	<b>(77,897)</b>	<b>(11,368)</b>	<b>(113,538)</b>	<b>(1,148,349)</b>
<b>OTHER INCOME/EXPENSE</b>							
Interest Income	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-
Gain/Loss on disposal of assets	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Income taxes	698	-	-	-	-	-	698
<b>NET INCOME (LOSS) FOR THE PERIOD</b>	<b>(1,076,805)</b>	<b>15,468</b>	<b>115,094</b>	<b>(77,897)</b>	<b>(11,368)</b>	<b>(113,538)</b>	<b>(1,149,046)</b>