

20 YEARS

Building a
Stronger North



2025 Annual Report





The Fort St. James Sled Dog Association received a \$2,500 Fabulous Festivals and Events grant to support the annual Caledonia Classic Sled Dog Races.

Photo: Fort St. James Sled Dog Association

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Our Vision

Northern British Columbia is recognized as a global leader in innovative, inclusive rural development.

Our Values

We strive to be trusted for our integrity, accountability, collaboration and passion.

We are responsive, yet responsible.

Our Mission

Northern Development is a catalyst for transformative rural development that stimulates entrepreneurial creativity and community resiliency.

Our Ethics

As stewards of a public trust incorporated under legislation by the Province of British Columbia, we promise to:

- Dedicate ourselves to building economic capacity and sustainability throughout the Trust’s service area
- Responsibly steward a capital base to support Trust area communities in perpetuity
- Develop strong partnerships throughout the region and uphold the values of the communities we serve

But not to:

- Favour one region, community or business over another
- Adopt or promote a political affiliation or put our interests ahead of central and northern B.C.’s

Four Strategic Pillars

Deliver effective and impactful funding opportunities

Catalyze community resilience through relationships and partnerships in our region

Invest in a sustainable future for Northern B.C.

Advance corporate effectiveness and operational processes

Message from the Chair and CEO

2025 marked the twentieth anniversary of Northern Development as an organization and we have much to celebrate together with our friends and neighbours.

Within the organization, leadership remained steadfast as Ben began the year as the interim CEO and was shortly after appointed CEO by the Board after a months-long competitive recruitment process. During this time of transition, the Board/CEO relationship quickly began to take shape, leading to a smooth adjustment as Ben fully took the operational helm. Colleagues around the Board table and each and every one of the staff in the office were instrumental to ensuring that the impact of the organization never wavered in the North.

And what an impact was made in 2025! For the first time in recent history at the Trust, 100% of the annual granting allocation through each of the four regional development accounts was fully allocated. At its core, this means that 262 non-profits, First Nations governments and local governments received an infusion of investments totalling more than \$10 million. By receiving grant funding from Northern Development, each of these organizations are able to increase their community's resiliency without relying wholly on their residents, members and visitors to shoulder the costs. We hope you enjoy learning more about some of the projects that were approved in 2025 by reading this report. One of the unique insights Board or Regional Advisory Committee members, or staff, gain is observing the innovative ways residents in our region are working to make our corner of the world a better place. And the \$47.6 million disbursed in 2025 goes a long way in catalyzing these projects.

Investing a total of \$12.6 million into community resiliency projects in Northern B.C. is only possible through strong financial management. Our role as stewards of a public trust is a solemn responsibility that we carry, knowing full well the tangible and intangible value of our resources to the region. In fact,

two of our four strategic pillars centre on sustainable investments to deliver impactful funding. In 2025, we again achieved this goal, earning a 12.0% return on investment, which is crucial to our mandate to exist in perpetuity.

Our successful investment approach, relationships in Northern B.C. and expertise at effectively administering funds has allowed us to support provincial ministries and other organizations in efficiently deploying their funds into our region and beyond. This is another way that we are utilizing our skillset and systems to benefit Northern B.C. while aligning with others who also have a responsibility to contribute to the community resiliency of the northern 70% of the province. New this year, we asked a few provincial ministers to share a few words about the value they experience through our Partner Programs for inclusion in our annual report. We hope you find enjoyment from reading these sentiments and encouragement from how people around B.C. view the importance of the North.

As you'll discover for yourself in the coming pages, the charm of Northern B.C. can be readily found in the people who call this place home and care for their neighbours. You'll also learn how Northern Development is well-positioned to remain a reliable organization for years to come. Thanks for your ongoing support and interest.



Margo Wagner
Board Chair



Ben Campbell
Chief Executive Officer

2025 By The Numbers

596 applications in 2025

\$50,016,235
approved for **381** projects in 2025

\$539,572,230
approved for **6,162** projects since inception

\$12,651,144
approved for **313** projects through core funding programs

\$746,117
approved for **31** business development projects in 2025

\$7,146,246
approved for **169** community development projects in 2025

\$251.7 million
of investment through all projects leveraged for our service region in 2025

\$3,296,083
approved for **100** capacity building projects in 2025

Who We Support

Indigenous-related projects

Across northern and central B.C., 89 First Nation governments are part of Northern Development's service region, representing a diversity of nations, treaties and languages. This funding supports locally driven projects that contribute to economic development and community well-being.

► **\$2,617,933 approved through core programs for 41 Indigenous-related projects in 2025**

► **\$20,206,090 approved through core programs for 558 Indigenous-related projects since inception**

Dunne-Za Lodge launches upgrades



Photo: Dunne-Za Lodge

Dunne-Za Lodge is taking important steps towards becoming a full-service destination, with upgrades that will enhance both visitor experience and long-term sustainability of the site. Owned by West Moberly First Nations, the lodge has been welcoming guests for more than 15 years and is now being revitalized to better reflect its vision as a year-round resort that showcases local culture and hospitality. This work builds on earlier support from Northern Development that contributed to planning efforts for the lodge's long-term development.

"These improvements are helping the Lodge move toward our vision of a sought-after year-round destination that reflects our culture and hospitality," said Tamara Dokkie, operator, Dunne-Za Lodge. "It's about creating a place that works for our community and offers visitors something meaningful."

With \$218,600 in funding from Northern Development's Economic Infrastructure program, and a supporting

\$29,750 from the Competitiveness Consulting Rebate, key improvements are underway across the property. The upgrades focus on modernizing existing spaces, including the cabins, meeting room and upper lodge unit, while also addressing important structural repairs to improve comfort and energy efficiency. A central piece of the project is the conversion of the existing kitchen into a fully equipped commercial space, complete with proper ventilation and fire suppression systems. This will allow the lodge to expand its food services and support events.

These improvements will help position Dunne-Za Lodge as a more welcoming and competitive destination, while also creating space for tourism, events and cultural experiences to grow. Open year-round, the lodge offers visitors a chance to connect with the traditions of the Dunne-Za and Cree peoples in a setting that reflects community values and hospitality.

Local Government-led projects

Northern Development works with municipalities and regional districts across northern and central B.C. to support community planning, infrastructure and economic development. This work is guided in part by representatives from local governments through Regional Advisory Committees and the Board of Directors.

▶ **\$4,661,607 approved through core programs for 155 local government-led projects in 2025**

▶ **\$100,626,785 approved through core programs for 2,670 local government-led projects since inception**

Interns provide positive professional and community impacts

Every year, Northern Development offers intern placements at several different local and First Nation governments. These paid internships offer hands-on training and experience for recent graduates as they start their careers and provide additional capacity for local and First Nation government offices.



Northern Development's Local and First Nation Government Internship programs continue to support capacity building across Northern B.C. by placing recent graduates in 12-month positions with host governments. Through grant funding, municipalities, regional districts and First Nation governments are able to bring on emerging professionals who contribute to local priorities while gaining valuable, hands-on experience that helps launch their careers.

In the Village of Telkwa, intern Nabat Osman has quickly become part of both the workplace and the broader community. After relocating from Vancouver, she embraced life in a small northern community, volunteering at the Annual Fishing Derby and joining the Telkwa Volunteer Fire Department just weeks after arriving. Through her volunteer work, she has completed several certifications and is currently training to become a Certified First Responder, gaining a deeper appreciation for the commitment required to serve the community. Outside of work, she has explored the Bulkley Valley and even tried skiing for the first time, sharing it was "both terrifying and exhilarating. Something I never imagined I'd experience growing up in Zimbabwe." She has also built strong relationships with colleagues and residents, reflecting

the program's ability to foster both professional growth and meaningful connections within the community.

At the Regional District of Kitimat-Stikine, Tatiana Block has returned to her hometown of Terrace to begin her career after completing her degree in History at Thompson Rivers University. During her internship, she has contributed to a variety of community-focused initiatives, including business outreach activities and local events such as the Thornhill Bike Rodeo and the Region's first ever Pumpkin Smash.

Together, these experiences highlight the value of investing in people and place, strengthening communities while launching meaningful careers.



Non-Profit-led projects

Registered non-profit organizations across the service region are supported through a range of funding programs offered by Northern Development. As valuable assets in communities, non-profits receive funding each year to support significant projects and events that contribute to community well-being and vitality.

▶ **\$4,309,387 approved through core programs for 87 non-profits in 2025**

▶ **\$62,336,051 approved through core programs for 1,408 non-profits since inception**

Williams Lake welcomes women's bike fest



The Ride Your Ride Women's Bike Festival returned to Williams Lake, building on the momentum of its inaugural year and continuing to grow a strong, supportive riding community in the Cariboo. Held over three days on Fox Mountain, it continued to create space for women to connect, build skills and spend time on the trails together.

"After seeing how quickly the first year filled up, we knew there was a real demand for something like this," said Beth Holden, Williams Lake Cycling Club. "Bringing it back for a second year gave us the chance to build an even stronger experience—one that's all about riding, connection, and women lifting each other up."

The festival responds to a growing interest in mountain biking among women, while making use of Williams Lake's extensive trail network. By offering hands-on instruction, promoting safe trail use and creating opportunities to ride with others, the event helps reduce barriers for those who may be new to the sport or hesitant to ride alone.

Supported by \$2,500 from the Fabulous Festivals and Events program, the event featured bike clinics led by certified instructors, group rides, shared meals and opportunities to connect both on and off the trails. All supports were provided by women, helping create a space where participants felt comfortable learning and trying new things.

Now in its second year, and already renewed for a third, Ride Your Ride continues to build community, encourage active lifestyles, and support a more inclusive outdoor recreation scene in the Cariboo. The festival not only creates opportunities for women to get involved in mountain biking, but also strengthens connections within the local riding community. This work continues a long-standing funding relationship with the Williams Lake Cycling Club, with Northern Development contributing more than \$160,000 across seven projects to support trail development and infrastructure, helping create a network that supports both events like this and year-round recreation opportunities.

Business-led projects

Northern Development supports small and medium-sized businesses across northern and central B.C. by providing funding to access professional expertise and bring innovative projects to life. Through this support, businesses can strengthen operations, adopt new technologies and pursue growth opportunities that contribute to long-term sustainability and local economic development.

▶ **\$746,117 approved through core programs for 31 business development projects in 2025**

▶ **\$17,471,517 approved through core programs for 801 business development projects since inception**

Rebate aids Vanderhoof manufacturer to reach new markets

Photos: White River Contracting



As wildfire seasons continue to grow longer and more intense, communities across B.C. and beyond are feeling the impacts in a real way. With support from the Competitiveness Consulting Rebate program, White River Contracting Ltd. is taking a meaningful step towards addressing this challenge. The Vanderhoof-based company received \$25,000 towards a \$50,000 consulting project that will help guide its expansion from logging services into manufacturing. The project is focused on bringing its locally built wildfire suppression unit, the Fawcett Cannon, to a larger market. The funding will support strategic planning, marketing development, website creation and training materials.

"We've been working toward this for quite a while," said Rob Fawcett, owner of White River Contracting Ltd. "With wildfires risks increasing for so many communities, we

wanted to build something that could actually help on the ground. This support is helping us take the next step to grow the business and get the Fawcett Cannon out where it can make a difference."

Designed and built in Vanderhoof, the Fawcett Cannon is a heavily modified Caterpillar skidder equipped with a high-capacity water tank and hydraulically operated system that allows a single operator to respond quickly while remaining safely inside the cab. Built with wildfire conditions in mind, it can draw water from nearby sources and navigate rugged terrain to reach active fire zones. The unit has already been used across Canada and has generated international interest, highlighting its potential to support faster, safer response efforts.

“When communities have the right tools and trusted local partners, they’re best positioned to shape their own economic futures. Our government’s long-standing support for Northern Development Initiative Trust has helped unlock opportunities that grow local businesses, support workers, and strengthen industries that northerners rely on. This work aligns with our Look West strategy and delivers lasting benefits: good jobs, resilient communities, and a stronger future for northern B.C.”

Ravi Kahlon,

Ministry of Jobs and Economic Growth

Partner Programs

Northern Development is recognized throughout the province as a sought-after expert fund administrator, resulting in efficient disbursement of funds throughout Northern B.C. and beyond to address key priorities. Through these collaborations, the programs are developed to respond to specific opportunities or challenges and bring focused investment to communities. Many partner programs are time-limited, created to make meaningful progress on important issues.

▶ **\$37,365,091 approved for 381 projects through all partner programs in 2025**

▶ **\$327,576,720 approved for 874 projects through all partner programs since inception**

In 2025, Northern Development administered the following partner programs:

Atlin Community Development Initiative since 2024

Connecting British Columbia since 2015

BC Hydro GO Fund since 2016

Northern Healthy Communities Fund since 2020

Rural and Remote Employment Initiatives Fund since 2025

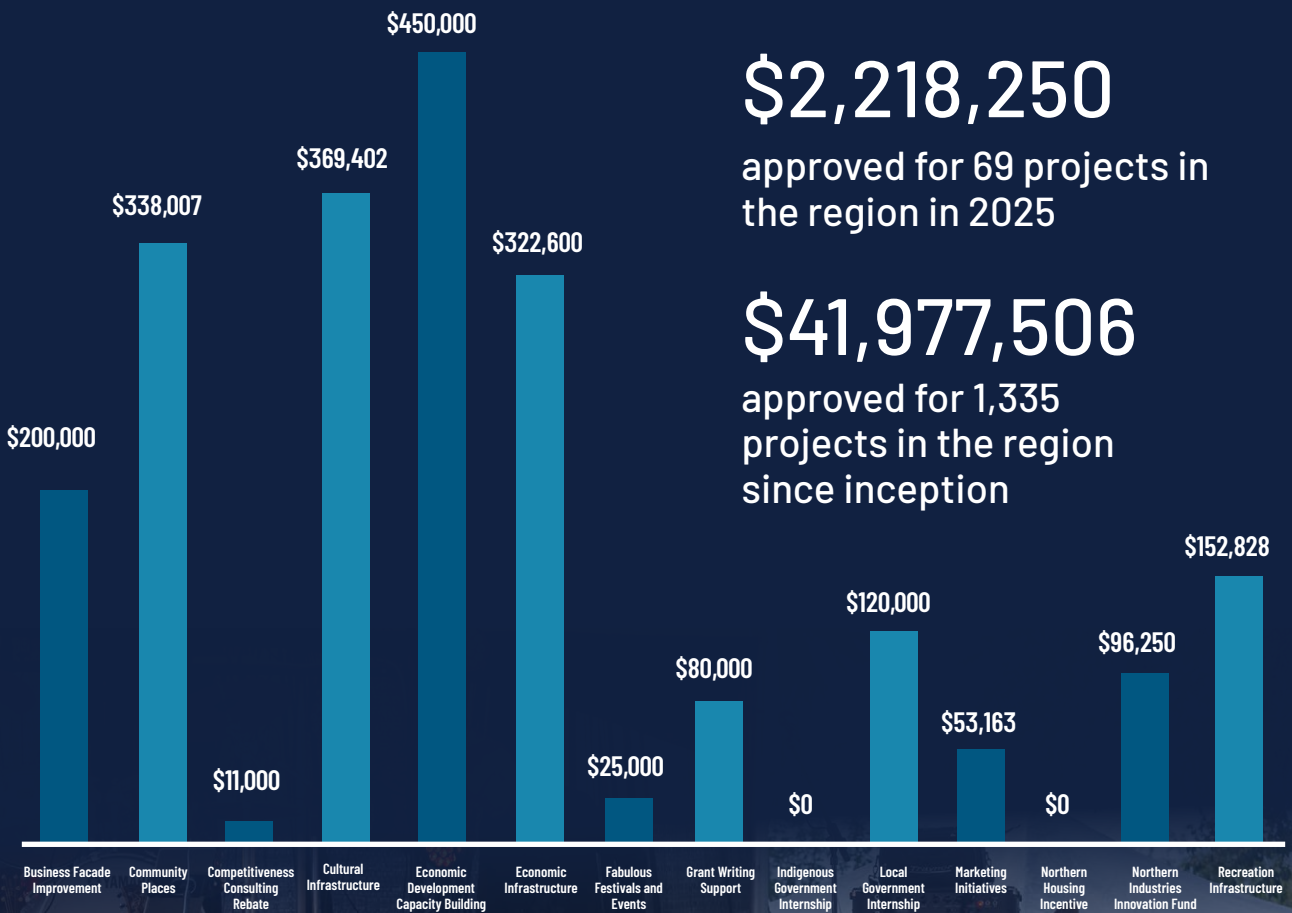
Northern Passenger Transportation Service since 2021

BC Hydro Peace Agricultural Compensation Fund since 2018

Rural Business and Community Recovery Regional Business Liaison since 2021

Our Regions

Cariboo-Chilcotin/Lillooet



\$2,218,250

approved for 69 projects in the region in 2025

\$41,977,506

approved for 1,335 projects in the region since inception

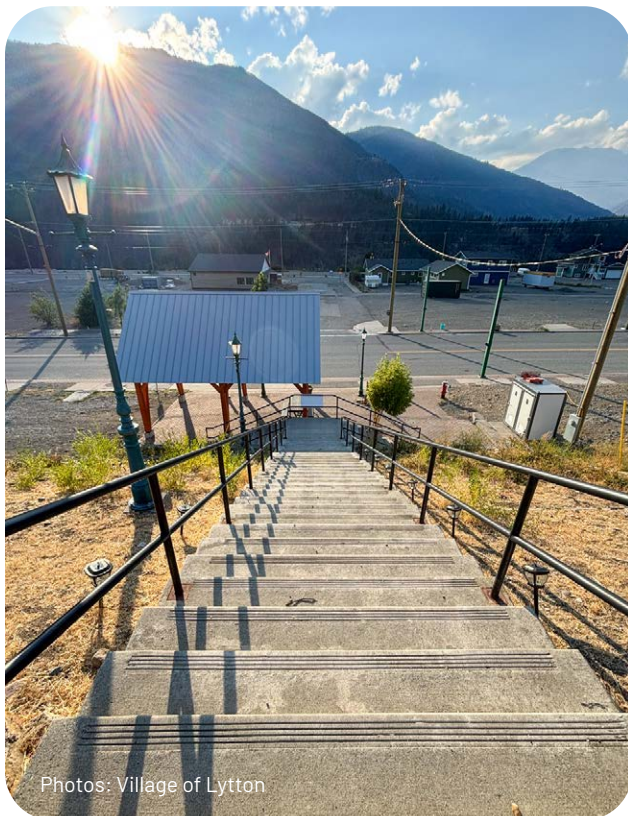
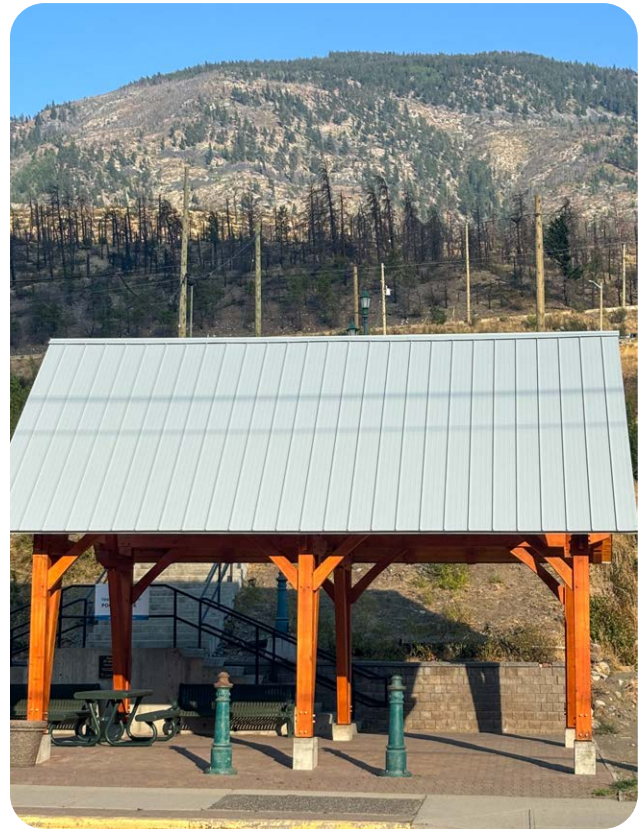


Growing forward with Lytton's Pocket Park

In downtown Lytton, a small but meaningful space is taking shape as part of the community's recovery following the 2021 wildfire that forced the evacuation of the community. Pocket Park, located along Main Street, is being enhanced to provide a welcoming place for residents and visitors to gather, rest and reconnect in the heart of the community.

The Village of Lytton is moving forward with the next phase of improvements with \$30,000 in support from the Community Places program. Building on the installation of a timber frame shade structure, recent upgrades also include fire-resistant landscaping, an accessible picnic table and a water misting station designed to improve comfort during the summer months. A relocated washroom will further support the space as a central stop along Main Street.

"This is an important step forward in Lytton's rebuilding process," said Caroline Lamont, director of development, Village of Lytton. "Investments in projects like the Pocket Park are a key recovery milestone in creating a place where people can gather again and bring vibrancy back to downtown."



Photos: Village of Lytton

These enhancements are part of a broader effort to rebuild and reimagine Lytton following the wildfire. While modest in size, Pocket Park plays an important role in creating a visible and welcoming place for people to gather, whether that's for a quick rest, a community event or simply time spent outdoors.

As Lytton continues to rebuild, projects like this help restore a sense of place and support the return of activity to the downtown core. Pocket Park is a small step forward, but one that reflects the resilience of the community and its focus on creating spaces that bring people together.

"Investments in projects like the Pocket Park are a key recovery milestone in creating a place where people can gather again and bring vibrancy back to downtown."

Cariboo business creates new life from recycled goods



In William's Lake, Delve Recycled Inc. is expanding its work to turn local plastic waste into useful products, building momentum around a more circular approach to manufacturing in Northern B.C. What began as a small-scale operation is now growing into a more established and scalable recycling studio.

"We're trying to build a system where materials don't just leave the region as waste but can be transformed into something useful locally," said Emma Swabey P.Ag., founder, Delve Recycled Inc. "This expansion helps us move closer to that by giving us the tools and space to develop products and share that process with others."

With \$46,250 in funding from the Northern Industries Innovation Fund, the Delve Recycled expansion project is helping move that transition forward. The investment supports the development of a purpose-built recycling studio, allowing for increased production capacity, improved storage and space for new equipment and staff.

The project also includes the creation of a mobile recycling studio, designed to bring workshops and services directly to rural and remote communities. Alongside this, new equipment such as a CNC machine and high-heat polymer 3D printer will support product development and reduce the cost of design and testing.

Together, these elements support Delve Recycled's broader goal of creating a practical model for small scale, community-based recycling. By working with local partners and engaging communities through hands-on learning, the project helps build awareness around waste reduction while creating new opportunities for innovation and economic activity in the region.



Photos: Delve Recycled

Pickleball pops in the South Cariboo



Pickleball has quickly become one of the fastest-growing sports in recent years, and that growth is being felt in the South Cariboo. At 108 Mile Ranch, a project to create a dedicated space for the community to play, bringing a local option to an area where access has been limited has been completed.

“We’ve seen how quickly pickleball has grown, and this project helps make sure the community has a place to keep that momentum going,” said Larry Davis, president, SCPA. “With the new courts, we’re aiming to double our membership and create a facility that can host large tournaments down the road.”

The Recreation Infrastructure program provided the South Cariboo Pickleball Association (SCPA) with \$50,000 to assist in the construction of a seven-court outdoor facility. Designed as a regional hub, the courts will follow best practices from Pickleball BC, with space to support both organized play and casual drop-in use. The design also includes an acoustic earth berm to help manage sound and ensure the facility fits well within the surrounding community.

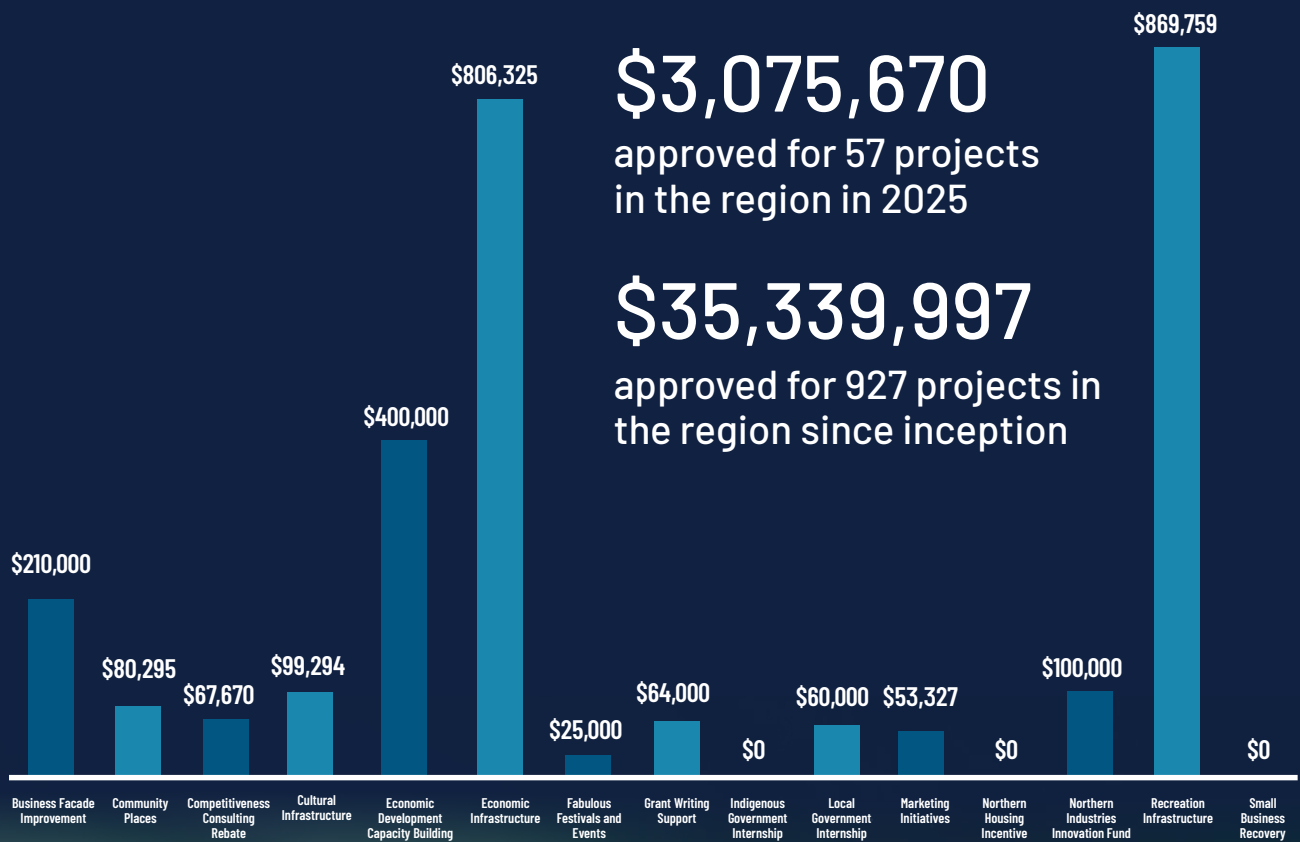
Prior to the project’s completion at the end of 2025, players in the area had to travel significant distances to find available courts, often navigating limited space and

changing schedules. By creating a centralized facility, the project will provide reliable access to the sport while helping reduce overcrowding and improve the overall playing experience.

Beyond recreation, the courts are expected to support community well-being and create a space for people to gather, stay active and connect. The addition of a dedicated pickleball hub also helps strengthen local amenities, contributing to the appeal of the South Cariboo as a place to live and visit.



Our Regions: Northeast



Aurora experience to attract visitors for B.C.'s far north

On clear winter nights in remote northeast B.C., the sky comes alive with waves of green and violet light moving across the horizon. It's an unforgettable experience, and one that Northern Rockies Adventures Ltd. is working to share with more visitors.

"Nestled in BC's Rockies and surrounded by nature, we are located in a unique northern lights destination, a true hidden gem with natural hot springs and striking scenery," said Daniel Schildknecht, co-owner, Northern Rockies Adventures Ltd. "This project is focused on helping people discover and experience it firsthand, while increasing year-round visitation and employment."

With support from the Competitiveness Consulting Rebate program, the company developed a targeted marketing strategy to grow awareness of its all-inclusive aurora tour and attract more travellers to the Muncho Lake area. Supported by \$7,525 in funding, the project focuses on



Photos: Northern Rockies Adventures



strengthening how the experience is shared and helping position Northern B.C. as a destination for northern lights viewing.

Working alongside the consultant, Northern Rockies Adventures created high-quality digital content, including photos, video and promotional materials that better capture the experience. These assets will support a broader marketing effort aimed at increasing bookings for future seasons to come.

The all-inclusive tour offers a unique blend of comfort and wilderness in a remote setting known for its dark skies and minimal light pollution, creating the ideal conditions for viewing the aurora. Visitors travel into the Muncho Lake area, where they stay in a lakeside lodge and enjoy chef-prepared meals, while also taking part in guided winter activities like snowshoeing, skating, and visits to nearby hot springs. The experience is designed to make the most of the northern landscape, both day and night.

Projects like this help bring more people north, creating new opportunities for tourism while showcasing the landscapes and experiences that make Northern B.C. unique.

Half acre garden blooms in Halfway River



In Halfway River, a new community garden is taking root, one that is far beyond growing food. Supported by \$30,000 in funding from the Community Places program, the project is creating a shared space where community members can come together to learn, grow and support one another while working toward a more food-secure future.

The community garden is about taking care of the Halfway River community. It's about making sure that people have access to nutritious and fresh food, while also creating a space where people can gather and support one another.

The half acre garden will be built and managed by members of the Halfway River First Nations (HRFN) community. The space will include irrigation, protective fencing and a thoughtfully designed layout with benches, workspaces and dedicated areas for tools and equipment. A produce storage shed will help extend the use of harvested crops, while orchard trees planted around the perimeter will provide additional food sources, creating a welcoming and functional environment.

Food insecurity has been an ongoing challenge for the community, impacting both physical and mental health. Limited access to healthy, affordable food can affect daily well-being, as well as children's development and ability to focus in school. By growing food locally, the community is taking a step toward more consistent access to fresh, nutritious options.

Just as important, the garden creates a place for people to connect. It will serve as a gathering space where elders can share knowledge, youth can learn new skills and families can spend time together during planting and harvest seasons.

This project is a simple idea with meaningful impact: bringing people together to grow food, support one another and build a healthier community.

Para Cup launches Dawson Creek to earn national award



The 2025 Para Cup transformed Dawson Creek into a hub of high-performance sport, bringing elite international para hockey athletes to the community and showing what is possible when a place comes together to host something special. The event created opportunities for residents and visitors to connect with para sport through in-person experiences, educational outreach and community programming, helping build awareness and a strong sense of inclusion that will last beyond the games.

The success was supported in part by \$13,327 in funding from Northern Development’s Marketing Initiatives program, which helped expand the event’s reach and strengthen local engagement, ensuring Dawson Creek was well positioned to welcome athletes, visitors, and fans from across the globe. Working alongside Hockey Canada, the City delivered a targeted marketing campaign that included media outreach, promotions, and grassroots efforts to encourage community participation. A key focus was recognizing First Nation partners, including Doig River, Sauteau and West Moberly First Nations, with their contributions highlighted throughout the event.

“The 2025 Para Cup showcased the Peace Region to the world.” said Chelsea Mottishaw, tourism, emergency & climate readiness manager, City of Dawson Creek. “With support from NDIT, a comprehensive marketing campaign was developed in partnership with the Ovintiv Events Centre, leading to record-breaking ticket sales and generating an economic impact of \$420,000 in Dawson Creek alone.

Sporting events like this leave a lasting legacy both on and off the ice for the region and para hockey in the north. A sincere thank you to all who contributed to this event’s success.”

The impact extended well beyond the rink. The Para Cup generated approximately \$1.2 million in economic activity across the province, including \$385,000 in visitor spending and \$800,000 in initial expenditures. It brought 716 out-of-town visitors to Dawson Creek and supported local jobs and wages, while also contributing to provincial GDP and tax revenues. The event’s success was further recognized nationally, earning International Sport Event of the Year at the Sport Tourism Canada PRESTIGE Awards, showcasing the growing role of Northern B.C. communities in hosting events of this scale.

Photos: City of Dawson Creek



Our Regions: Northwest

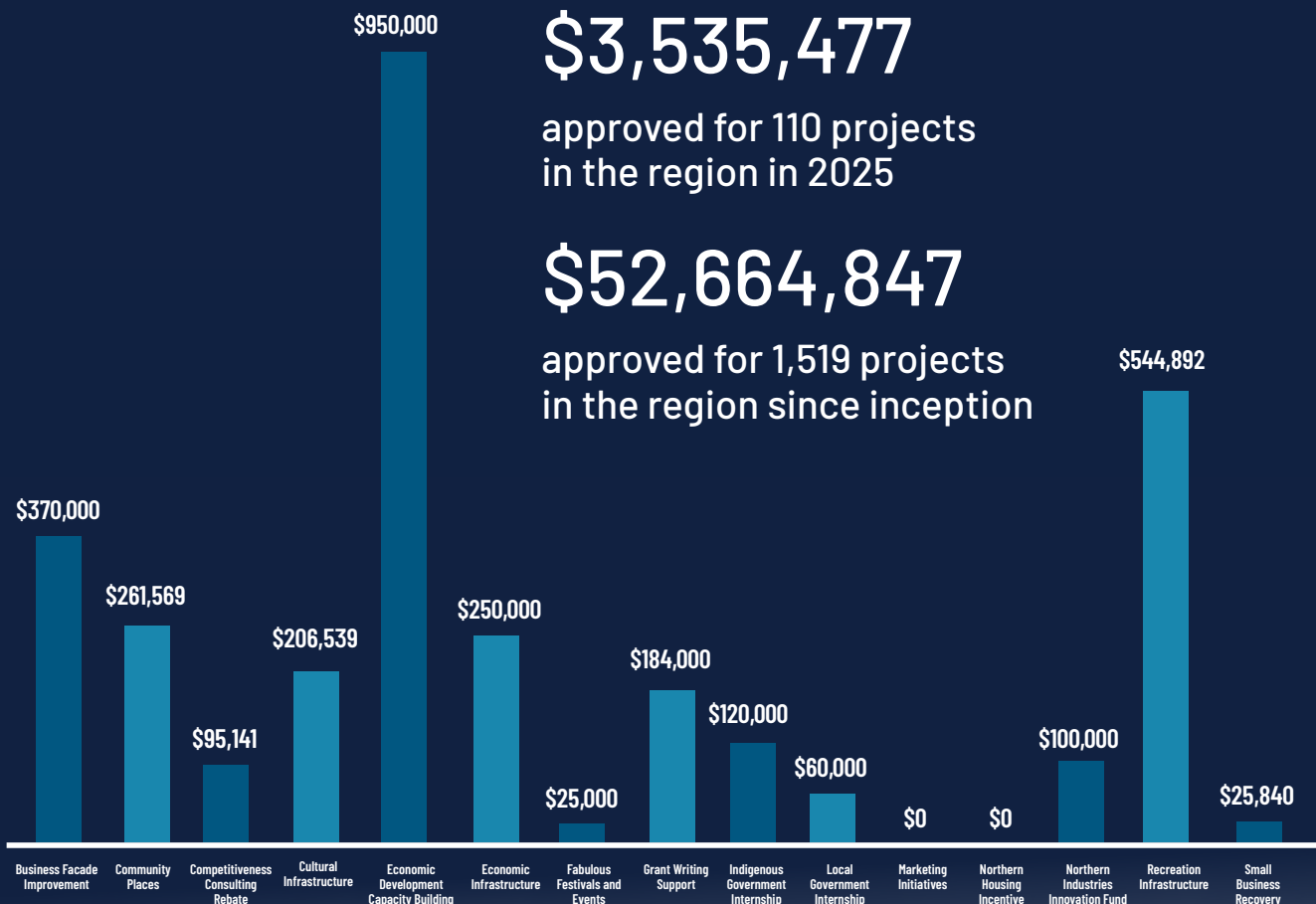
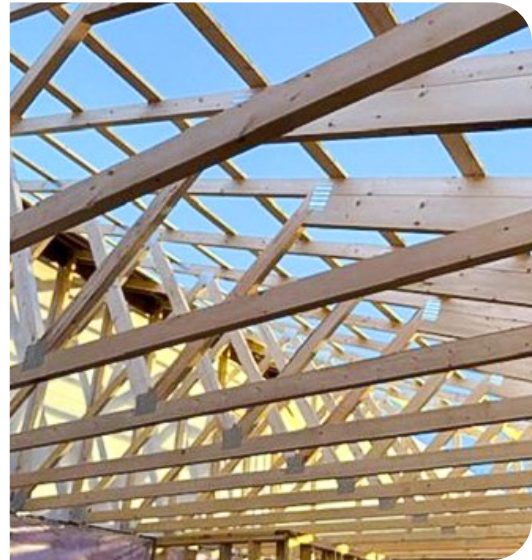


Photo: Northern Development

Cheslatta Contracting creates training opportunities

Photos: Cheslatta Contracting



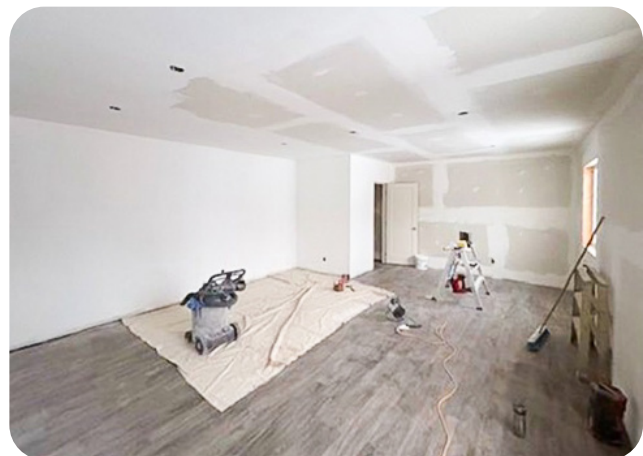
In Southbank B.C., near Burns Lake, a familiar space is being reimaged to better support the community's future. The Danskin Garage and Training Centre will transform an existing auto shop into a place where people can build skills, access services and explore new opportunities close to home.

"By creating a new multipurpose training and service facility at Danskin Garage, we will be able to provide accessible and affordable education, trade certifications, and automotive services to Cheslatta members and residents in the Southbank and Burns Lake, area," said Ojay Matias, director, partnerships & development, Cheslatta Contracting LP. "This will help diversify and stabilize our local workforce during industry shifts and provide new services in the area."

With \$150,000 in funding from Northern Development's Economic Infrastructure program, supporting a \$727,200 project, Cheslatta Contracting LP is leading renovations to create a multipurpose training and service facility. The centre will offer hands on training in areas such as carpentry, automotive maintenance and renewable energy technologies, while also restoring access to vehicle and equipment repair services that have been limited in the region.

The project comes at a time when the region is navigating significant change in the forestry sector. With many workers historically tied to forestry, recent shifts have created a need for new training pathways and employment opportunities. This facility will help support that transition by offering access to skills development and certification in fields with growing demand.

By combining training with essential services, the Danskin Garage and Training Centre reflects a practical approach to economic diversification. It creates space for learning, supports local employment, and helps strengthen the foundation for long-term community resilience.



New health and safety plan lights the way in Gitanmaax



Photo: Torchlight Enterprises

“This project is helping us build that capacity, while also creating opportunities for our team to take on more work in this field.”

In Gitanmaax, Torchlight Enterprises is strengthening its operations to better support wildfire mitigation and emergency response work. As demand grows for skilled, safety-focused crews in this field, the company is taking steps to ensure it can operate at a higher standard while creating new opportunities for its team.

“With wildfire risk continuing to grow in the region, it’s important that crews are well trained and properly equipped,” said Wii Laxha, Lennis Combs, executive director, Torchlight Enterprises. “This project is helping us build that capacity, while also creating opportunities for our team to take on more work in this field.”

The company is developing and implementing a comprehensive health and safety program, and to help move this forward, \$25,840 was approved through the Small Business Recovery program. This work is helping position the company to meet the requirements needed to pursue larger wildfire mitigation and emergency response contracts, while also supporting the need for more trained and prepared crews in a region where wildfire risk continues to grow.

Working with a specialized consultant, the project includes the creation of a full safety manual, job-specific procedures and emergency response protocols tailored to high-risk field environments. It also includes staff training and the introduction of a digital system to manage safety processes and track ongoing performance, helping ensure workers have the tools and knowledge needed to respond effectively in the field.

By investing in its service capacity, Torchlight is building a stronger foundation for long-term growth. Projects like this help local businesses adapt, remain competitive, and continue contributing to economic activity in communities across Northern B.C.

Façade improvements freshen regional businesses



Photo: Copperside Foods

In communities across Northern B.C., the Business Façade Improvement program is delivered in partnership with local governments, helping support projects that enhance the appearance and vibrancy of commercial areas. Northern Development provides funding to participating municipalities and regional districts, who then administer the program locally. Businesses apply through their local government, ensuring projects reflect community priorities and contribute to local economic development.

In the Regional District of Kitimat-Stikine, the program continues to support small but impactful improvements in communities like Thornhill. In 2025, three projects were completed through the program, including a façade enhancement at Copperside Foods. Supported by \$5,000 in funding, the project introduced a new mural on the side of the building facing the highway, transforming an otherwise industrial corridor into a more welcoming and visually engaging space.

The Business Façade Improvement program enables local governments to support local businesses while strengthening the overall character of their communities and the north. In areas like Thornhill in B.C.'s northwest, projects that enhance storefronts while incorporating public art make a tangible difference in creating more welcoming and engaging spaces. These investments and physical improvements result in a more welcoming atmosphere for residents and visitors.

Created by a local artist whose work can be seen throughout the Terrace area, the mural adds to a growing collection of public art that helps define the region's character. Beyond improving curb appeal, projects like this help draw in both highway and local traffic, encouraging people to stop, explore and engage with local businesses.

Through locally delivered programs like this, communities are able to support small-scale improvements that have a broader impact, strengthening business visibility and contributing to more vibrant and inviting commercial spaces.

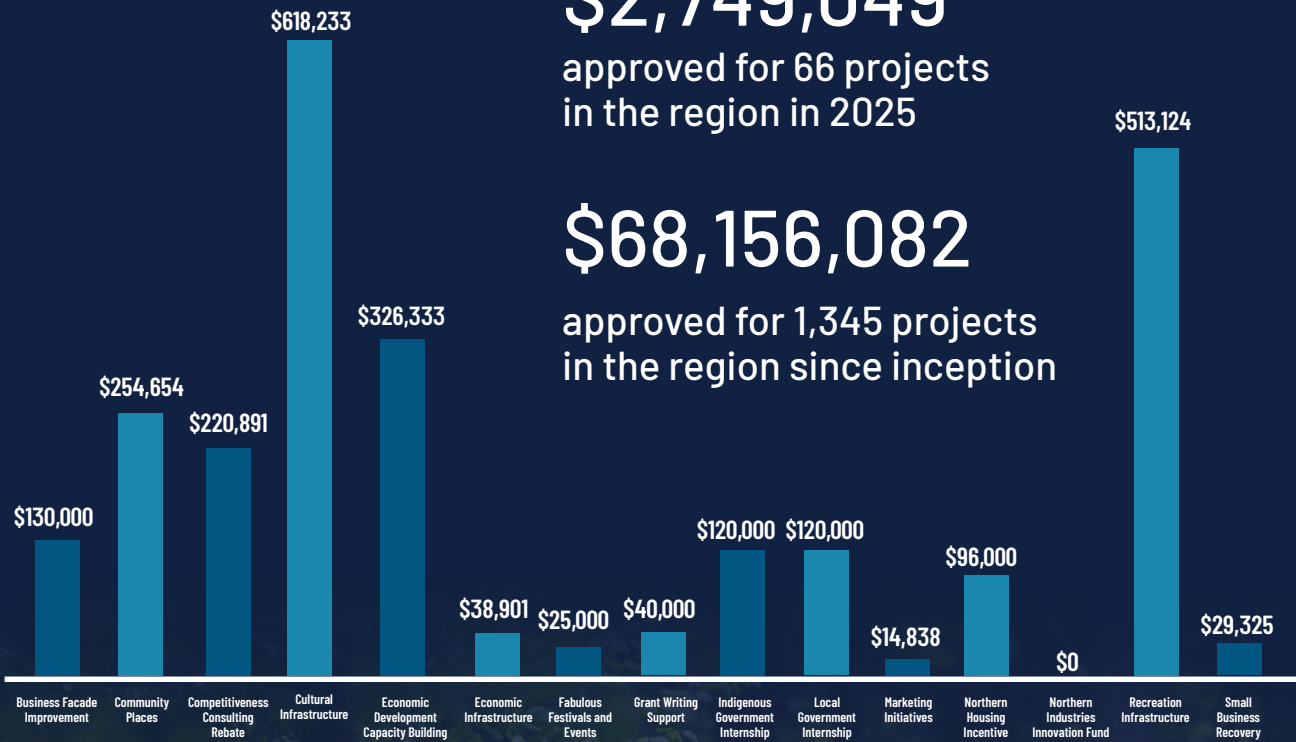
Our Regions: Prince George

\$2,749,049

approved for 66 projects
in the region in 2025

\$68,156,082

approved for 1,345 projects
in the region since inception



Modern structure coming to Ancient Forest



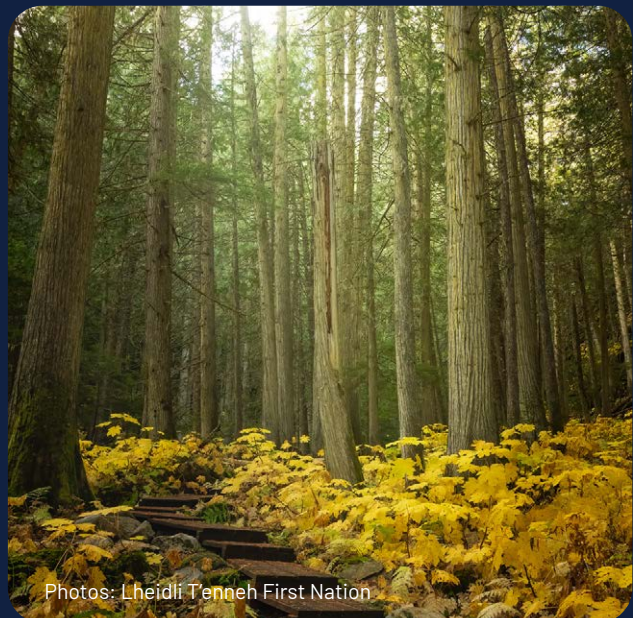
The Chun T'oh Whudujut Ancient Forest has long been a place of quiet awe, where towering trees draw visitors into one of B.C.'s rare inland temperate rainforests. Now, new infrastructure is helping deepen that experience by creating opportunities for visitors to connect with the land through culture, history and learning.

"The new interpretive centre at the Ancient Forest represents an important step in sharing the deep history and cultural significance of this place for the Lheidli T'enneh people," said Chief Dolleen Logan, Lheidli T'enneh First Nation. "As we look toward its opening in spring 2026, we are proud to welcome visitors in a way that honours our stories, our stewardship, and our connection to the land. This holistic enhancement project not only preserves the intrinsic beauty of the Ancient Forest but also ensures sustainable tourism, cultural enrichment, and environmental conservation. This is a meaningful opportunity to educate and build understanding for generations to come."

With \$200,000 in approved funding from the Cultural Infrastructure program, Lheidli T'enneh First Nation is leading the development of the Chun T'oh Whudujut Ancient Forest Interpretive Centre. Part of a broader enhancement project, the centre will share the history, ancestral knowledge and traditional practices of the forest from a Lheidli T'enneh perspective. It will also include a gift shop featuring cultural items and provide access to equipment that helps make the trails more accessible to a wider range of visitors.

The project supports both tourism and long-term economic development for the Nation and surrounding communities. In addition to enhancing the visitor experience, it will create employment opportunities through construction, operations and ongoing site management. These opportunities are especially meaningful as the community looks to diversify beyond the forestry sector and build new pathways for economic stability.

As part of a broader vision for the provincial park, the interpretive centre complements ongoing improvements to trails and amenities, helping create a more complete and welcoming destination for visitors.



Photos: Lheidli T'enneh First Nation

ACT increases accessible recreation options



Tabor Mountain is expanding what accessible outdoor recreation can look like in Northern B.C. with new trail development creating more opportunities for people of all abilities to get outside and ride. The Association of Caledonia Trailbuilders (ACT) is building on the success of its initial adaptive trail to grow a network that welcomes a wider range of users, including hikers, families with young children, less experienced cyclists, seniors and those looking to improve their fitness.

more technical riding in one destination. The work is being done in collaboration with organizations that specialize in adaptive sport, helping ensure the trails meet the needs of the community.

Northern Development is contributing \$65,113 through the Recreation Infrastructure program toward the \$93,019 project, supporting the continued growth of accessible recreation in the region.

“We’ve had the chance to see riders experience these trails for the first time, and it really shows how important access is,” said Les Szerencsi, president, Association of Caledonia Trailbuilders. “This expansion is about creating more of those moments, where people can build confidence, develop skills, and feel like they belong out here. Tabor has the terrain to support all kinds of riding, and this project helps open that up to more people.”

This next phase will extend the existing adaptive trail system and create a full 4.1 kilometre loop designed to meet adaptive standards. The trails are being built with gentle grades, wide surfaces and smooth turns to support riders using adaptive equipment, while still offering an enjoyable experience for users. A short training track will also be added, providing a dedicated space for beginners to build skills and confidence in a safe setting.

Tabor Mountain’s natural terrain makes it an ideal location for this type of project, offering a mix of accessible and



Photos: Association of Caledonia Trailbuilders

Mackenzie leverages capacity building program

The District of Mackenzie is continuing to build local capacity to support economic growth, with a dedicated role focused on advancing key priorities across the community. From supporting local businesses to promoting tourism and attracting new investment, this work helps ensure momentum continues across a range of initiatives.

The District supported its economic development coordinator position for 2025 through Northern Development's Economic Development Capacity Building program, with \$50,000 contributing to the role. The program is designed to help local governments strengthen their ability to plan and deliver economic development activities by supporting staff roles and local initiatives. In Mackenzie, the coordinator focused on driving efforts that support business retention and expansion, including shop local campaigns, while also promoting the community's outdoor assets and events to grow tourism.

"Economic development in Mackenzie is about sharing our story and creating opportunity. My work focuses on increasing exposure for the community as a place to live, visit and invest, while supporting initiatives that help strengthen the local economy," said Rachelle Richman, economic development coordinator, District of Mackenzie.

The role also played an important part in advancing marketing efforts to attract new residents and investment, including the development of a three-year marketing plan. This work established a clear framework for promoting Mackenzie, supported by the creation of a new brand for the initiative to strengthen the community's identity and positioning. The coordinator also supported regional programs and helped organize initiatives such as the Northern Roots Symposium, further enhancing community visibility.

By investing in dedicated capacity, Mackenzie strengthened its ability to respond to change, support local businesses and build a more diverse economy over time.

"Economic development in Mackenzie is about sharing our story and creating opportunity. My work focuses on increasing exposure for the community as a place to live, visit and invest, while supporting initiatives that help strengthen the local economy,"



Photos: Northern Development

Our Partners

Through our Partner Programs, Northern Development administers funding on behalf of partners, using its expertise in fund administration and regional insight to deliver programs effectively and maximize impact while

supporting regional and provincial priorities. Delivered in partnership with a variety of funding partners, including multiple provincial ministries, these programs focus on connectivity, agriculture, health and wellness and transportation.

Connecting British Columbia



▶ \$22,618,729 approved for 11 projects in 2025

▶ \$243,454,926 approved for 248 projects since inception



Photo: Northern Development

“Reliable high-speed internet in rural areas means supporting stronger, more resilient communities, improving access to essential services, and enabling new opportunities for people and businesses. In partnership with Northern Development, we are committed to ensuring more British Columbians can stay connected and thrive through the Connecting BC program, no matter where they live.”

Minister Diana Gibson

Ministry of Citizens' Services

The Connecting British Columbia program, launched in March 2015, supports the expansion of high-speed internet in rural and remote communities, where the cost of infrastructure can be a significant barrier to connectivity. Funded by the Province of British Columbia and administered by Northern Development, the multi-phase program helps internet service providers, local governments, First Nations, and non-profit organizations deliver reliable broadband services that support economic growth, access to services, and overall quality of life.

As part of Phase 4, the Haida Gwaii Resiliency Initiative led by GwaiiTel Society represents a major investment in digital infrastructure, with up to \$24 million committed. The initiative will design, construct, and implement a subsea fibre-optic cable connecting Haida Gwaii to the

mainland northern coast, creating a high-capacity, reliable telecommunications link. Designed to serve approximately 2,400 households, the project will also support emergency communications, cellular services, and key community institutions, while offering open access to encourage competition and improve service delivery.

By strengthening network capacity and reliability in a region where geography and weather present unique challenges, the project will enhance access to essential services such as healthcare, education, government programs and local business operations. Investments like this reflect the long-term impact of the Connecting British Columbia program, helping ensure rural and Indigenous communities remain connected in an increasingly digital world.

BC Hydro GO Fund



The BC Hydro Generating Opportunities (GO) Fund has supported non-profit organizations across the Peace Region since 2016, helping fund projects that benefit children, families, and seniors. Established as part of BC Hydro's commitment during construction of the Site C Clean Energy Project, the fund provided \$100,000 annually to support community-based initiatives. Guided by a committee of local representatives, funding was distributed through grants of up to \$10,000, ensuring support reached projects that reflected community priorities. The program accepted its final intake in early 2025 and is now closed.

improving quality of life for vulnerable populations. One example is the Chetwynd Public Library Seed Library Patio Gardens project, which received \$4,692 to create a hands-on learning space for children and families.

Located at the library, the patio garden will include raised beds, soil, and seeds, allowing participants to learn how to grow their own food. By offering a free and accessible space for learning, the project helps address barriers to healthy food access while building practical skills and community connections.

Through the GO Fund, a wide range of projects have been supported, each focused on creating opportunities and

▶ **\$18,810 in funding for 3 projects in 2025**

▶ **\$993,976 in funding for 118 projects since inception**

BC Hydro Peace Agricultural Compensation Fund



The BC Hydro Peace Agricultural Compensation Fund (Ag Fund) supports agricultural priorities across the Peace Region through a \$20 million endowment designed to provide long-term, sustainable funding. Administered by Northern Development since 2018 and guided by a regional decision-making board, the fund supports initiatives that strengthen agricultural production and related economic activity across the region.

create opportunities that benefit multiple producers while supporting long-term growth and sustainability in the Peace Region.

In 2025, \$1 million was made available through the Impact and Opportunities Initiative, a proposal-based funding stream that opens every three years to support larger, high-impact projects. These investments are intended to

One of the approved projects was led by Optimum Grains Inc., which received \$230,000 to upgrade and expand its fertilizer facility serving producers in the Buick Creek, Prespatou and Montney areas. As a result of the project, the loading and blending of fertilizer will be streamlined, increasing loadout capacity and overall efficiency from 150 to 200 metric tons per hour, helping ensure producers can access the inputs they need during the critical seeding window.

▶ **\$1,479,317 in funding for 22 projects in 2025**

▶ **\$5,396,005 in funding for 143 projects since inception**

Northern Healthy Communities Fund

The Northern Healthy Communities Fund (NHCF) supports initiatives that help build healthy, sustainable, and resilient communities facing rapid and large-scale economic development. Launched in 2021 as a \$25 million investment, the fund focuses on communities near LNG Canada and Coastal GasLink developments, where growth has increased demand for infrastructure and services. Through its Capacity Building and Capital programs, the fund has supported local governments, First Nations, and non-profits in strengthening community readiness.

One of the projects supported in 2025 is the Saik'uz First Nation 2-Bay Firehall, which received \$500,000 through the Capital program. The project established critical emergency response infrastructure by constructing a new firehall facility, including space for fire trucks and equipment,

firefighter training and essential amenities to support operations.

Previously, Saik'uz First Nation did not have a dedicated firehall or emergency operations centre, limiting its ability to respond effectively to emergencies in a region increasingly affected by wildfire risk. The new facility supports volunteer firefighters, improve response times and enhance overall community safety and preparedness.

With the final intake approved in August 2025, the Northern Healthy Communities Fund has now concluded. As funded projects move forward, the program leaves a lasting impact through improved infrastructure and increased community capacity across Northern B.C.

- ▶ **\$6,079,081 approved for 19 projects in 2025**
- ▶ **\$28,481,843 approved for 135 projects since inception**

Rural Business and Community Recovery Regional Business Liaison

The Rural Business and Community Recovery (RBCR) Regional Business Liaison program was designed to strengthen local capacity by providing a financial incentive to hire locally based talent to deliver business support services across the region. These liaison roles provided direct, one-on-one advisory services to local governments, businesses, not-for-profits and communities, supporting economic redevelopment and helping regions respond to forestry disruptions and changing economic conditions. Funded by the Province of British Columbia through the Ministry of Jobs, Economic Development and Innovation, the program was a one-time initiative administered by Northern Development to support rural communities that may otherwise lack the capacity to navigate these challenges.

The program's final projects wrapped up in 2025. Reporting was received and reviewed by Northern Development staff and final grant funding is being disbursed. These final activities will bring the Rural Business and Community Recovery Initiative to a close in 2026 after two phases of funding. Through phase two of the RBCR Regional Business Liaison program, 17 positions were created across Northern Development's service region to support communities, businesses and not-for-profits impacted by a series of mill curtailments or closures, declining fibre supply or other significant impacts to the forest sector.

- ▶ **\$170,000 approved for 1 project in 2025**
- ▶ **\$2,265,425 approved for 51 projects since inception**

Northern Passenger Transportation Service



BRITISH COLUMBIA

Supported by the Province of British Columbia

▶ **\$6,686,659 approved for 10 projects in 2025**

▶ **\$13,744,290 approved for 32 projects since inception**

The Northern Passenger Transportation Service Fund was created after the Ministry of Transportation and Transit approached Northern Development in March 2021 to administer a \$7.9 million fund to improve passenger transportation in Northern B.C. The fund supports both long-haul and community-based services, helping address ongoing challenges northerners face in accessing safe, reliable and affordable transportation, particularly when travelling long distances between communities. By strengthening connections and supporting coordinated services, the fund plays an important role in improving mobility across the region.

Through the Northern Community Shuttle program, eight projects were approved in 2025, with approximately \$1.3 million supporting services from April 2025 to March 2027. One example is the Get Up & Go Van operated by the Autumn Services Society for Senior Support, which received \$187,139 to continue and expand its service.

Since launching in 2022, the van has travelled more than 155,000 kilometres, providing door-to-door transportation for medical appointments, including ongoing treatments such as chemotherapy. The service prioritizes medical travel, offering passengers privacy and comfort, while also coordinating additional trips for shopping and other essential needs. Drivers assist passengers into buildings and provide support for those with mobility or vision challenges.

Alongside these community-based services, the fund continues to support long-haul travel through BC Bus North, which remains a key part of the regional transportation network. Together, these investments are helping connect communities across Northern B.C., with more than 36,000 passenger trips recorded, while ongoing collaboration continues to improve how services meet the needs of residents.

“The Northern Passenger Transportation Services program demonstrates what’s possible when strong partnerships are in place. Northern Development Initiative Trust’s stewardship and deep understanding of regional needs have helped ensure this program connects people in northern communities to essential services, employment, and opportunity. Together, we’re strengthening mobility, resilience, and economic participation throughout the North.”

Minister Farnworth,
Minister of Transportation and Transit

Atlin Community Development Initiative



The Atlin Community Development Initiative supports economic development in the rural community of Atlin, where the absence of a local government can create barriers to accessing funding and advancing local priorities. Supported by the Province of B.C.'s Ministry of Housing and Municipal Affairs, the initiative began accepting applications in 2025 and brings targeted investment to the community through two programs, the Atlin Business Façade Improvement Program and the Atlin Capital Program. Funding decisions are guided by a locally based advisory committee, helping ensure projects reflect community priorities and respond to local needs.

Through the Atlin Capital Program, \$150,000 is supporting accessibility upgrades to the historic Atlin Courthouse. Led by the Atlin Historical Society, the project will introduce a fully accessible washroom, an exterior ramp and additional improvements to enhance the building's usability and condition. These upgrades will help ensure the courthouse remains a safe and welcoming space for community programs, services and events year-round.

At the same time, the Atlin Business Façade Improvement Program is supporting smaller-scale projects like the revitalization of the Atlin Trading Post. A \$5,000 investment is helping improve the storefront of one of the first businesses visitors encounter, contributing to a more inviting and vibrant community.

Together, these projects highlight how targeted, community-guided investment can support both essential infrastructure and local businesses. By addressing immediate needs while building toward long-term opportunities, the initiative is helping strengthen Atlin's economy and enhance the spaces that bring the community together.

\$192,496
approved for 7 projects
since inception in 2025

Rural and Remote Employment Initiatives Fund



The Rural and Remote Employment Initiatives Fund was introduced in 2025 to support Northern B.C. communities, businesses, and the workforce in responding to tariff-related pressures and broader economic impacts. Funded by the Government of Canada and the Province of British Columbia, the program is designed to address current economic gaps while helping communities build resilience in the face of ongoing change.

The fund is delivered through two targeted streams. The Business Advisory Supports program helps small and medium-sized businesses offset the cost of accessing third-party professional services, enabling them to respond to tariff impacts, strengthen operations, and support job retention or creation. The Labour Market Research Plans program provides funding to local governments to better understand labour challenges and opportunities, supporting the development of informed, actionable strategies to maintain strong and sustainable employment.

While the Labour Market Research Plans stream opened and closed in 2025, the Business Advisory Supports program remains open, continuing to provide support to businesses navigating a shifting economic landscape. No approvals were made through either funding stream in 2025.

"We are taking action to support people impacted by Trump's unjust tariffs. Whether it's supporting communities to better understand local workforce needs or helping businesses adapt to changing economic conditions, we're investing in people's ideas and their futures."

Minister Sheila Malcolmson
Ministry of Social Development and Poverty Reduction

Northern Development's 20th Anniversary

For the past two decades, Northern Development has been a driving force in economic development, supporting projects in business development, connectivity, transportation, agriculture, innovation and community resiliency. These initiatives have helped build a stronger, more sustainable North where communities can thrive.

"When I think about the legacy that the Trust is building, I am humbled by the ways we're helping communities and organizations bring meaningful projects to life," said Ben Campbell, CEO, Northern Development.

During the Trust's 20th anniversary celebration at the 2025 UBCM Convention in Victoria, more than a hundred partners, leaders and friends came together to commemorate this milestone. It was a proud moment to see how deeply Northern Development's work has touched individuals,

communities and industries throughout the region. As we celebrate this milestone, we're looking to the future with the same commitment that started it all, to strengthen Northern B.C. through partnership, collaboration and investment in meaningful projects.



Photos: Northern Development

**Our impact.
Their words.**

Curious about the real-world impact of our investments across Northern B.C.? Hear directly from community leaders in video interviews on our website.

▶ northerndevelopment.bc.ca/about/ndit-20th-anniversary

Our People



Photo: Northern Development

Governance

Board of Directors

Northern Development is governed by a 13-member board of directors with a blend of appointees from the four regional advisory committees (eight) and Province of BC (five). Every director must reside within the Trust's service region to ensure that local knowledge is incorporated into decision-making.

The Board is responsible for setting and maintaining the Trust's strategic priorities and stimulating economic development in Northern B.C. In 2025, the Board appointed Ben Campbell as the Trust's third chief executive officer in its 20-year history.

Regional Advisory Committees

Elected leaders from all local governments in Northern Development's service region comprise the four regional advisory committees (RAC). The four RACs are: Cariboo-Chilcotin/Lillooet RAC, Northeast RAC, Northwest RAC and Prince George RAC. Each RAC elects a chair, vice-chair and two board appointees. This method ensures that local knowledge from the Trust's diverse communities and micro-economic climates are brought to the board table and incorporated into all decisions.

The RACs meet quarterly to review funding applications, policy recommendations and discuss economic challenges that their communities or region may be facing.

Staff team

Northern Development's staff is a focused group of passionate economic development and finance professionals who work to carry out the organization's mission to act as a catalyst for transformative rural development each day. This involves connecting with potential proponents from idea conception to final reporting. Often staff meet with organizations to guide project ideas and set realistic expectations regarding funding. The relationship continues through to after the project is completed and final reporting is submitted.

The team also builds relationships with economic development and community resiliency colleagues throughout the province to understand current conditions, future plans and to actively participate in the economic development fabric of a stronger B.C.

Public Interest Disclosure Act

The Public Interest Disclosure Act (PIDA), B.C.'s new whistleblower protection law, came into force on December 1, 2019.

One of the requirements is that *“Each year, a chief executive, or a delegate of the chief executive, must prepare a report on all disclosures of wrongdoing that have been made in that year in respect of the ministry, government body or office for which the chief executive is responsible, including disclosures made to the Ombudsperson, if a designated officer of the relevant ministry, government body or office has been notified about the disclosures or investigations.”*

In accordance with the following sections of PIDA, for the reporting period of January 1, 2025 to December 31, 2025, the following information is reported:

Section 38 (1)

Disclosures of wrongdoing in respect of Northern Development Initiative Trust 0

Section 38 (2)

- (a) the number of disclosures received, including referrals of disclosures and the number acted on 0
 - and not acted on 0
- (b) the number of investigations commenced as a result of a disclosure..... 0
- (c) in the case of an investigation that results in a finding of wrongdoing 0
 - (i) a description of the wrongdoing
 - (ii) any recommendations, including those made by the Ombudsperson
 - (iii) any corrective action taken in relation to the wrongdoing or the reasons why no corrective action was taken
- (d) any other information prescribed by regulation 0

Ben Campbell, CEO
Northern Development Initiative Trust

Best Practices in Fund Management

Managing the Trust's funds in a sustainable manner for perpetuity is vital to the economic well-being of Northern B.C. By preserving the original \$185 million capital infusion into the Trust, the capital investment will continue to benefit the region into the future.



Photo: City of Prince George

Return on investment

In 2025, Northern Development's accounts were invested with the British Columbia Investment Management Corporation (BCI). To guide investment decisions, asset management and performance goals, the Trust follows its Statement of Investment Policies and Procedures. The strategic investment of Northern Development's financial assets, and third-party funding, allows for returns to be re-invested into the region.

2025: 12.0% ROI

2025: \$36.7 million ROI

Average ROI since 2005: 7.2%

Granting allocation

Each year, the Board approves the annual granting allocation to ensure the Trust continues to operate in a financially responsible manner while guaranteeing the funds' longevity. The balance of each funding account and its existing commitments are reviewed before calculating how much money to make available to grant applicants.

2025 total grant allocation: \$ 13.3M

*not including Partner Programs

2025 granting disbursed by account*:

- Cariboo-Chilcotin/Lillooet regional account: \$1.3 million
- Northeast regional account: \$1.2 million
- Northwest regional account: \$1.4 million
- Prince George regional account: \$1.4 million
- Pine Beetle Recovery account: \$1.2 million
- Cross Regional account: \$2.3 million

▶ *Disbursements represent the amount of funds paid out following project completions, or via advances or interim payments. This is different than the amount of funding approved for projects in a given year.

Appendix A

Financial Statements of

Northern Development Initiative Trust

And Independent Auditor's Report thereon

Year ended December 31, 2025



KPMG LLP
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Canada
Telephone 250 563-7151
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Northern Development Initiative Trust

Opinion

We have audited the financial statements of Northern Development Initiative Trust (the Trust), which comprise:

- the statement of financial position as at December 31, 2025
- the statement of operations and fund balances for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies (Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as at December 31, 2025 and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other responsibilities in accordance with these requirements.

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

Other Information

Management is responsible for the other information. Other information comprises:

- the information, other than the financial statements and the auditor's report thereon, included in the Schedule of Externally Restricted – Committed Funds.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.



In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information, other than the financial statements and the auditor's report thereon, included in the Schedule of Externally Restricted – Committed Funds as at the date of this auditor's report.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

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 Canadian accounting standards for not-for-profit organizations, 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 Trust'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 Trust or to cease operations, or has no realistic alternative but to do so.

Those charged with Governance are responsible for overseeing the Trust'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 generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

We also:

- Identify and assess the risks of material misstatement of the 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 Trust'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 Trust'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 Trust's 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.
- 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.

KPMG LLP

Chartered Professional Accountants

Prince George, Canada

February 25, 2026

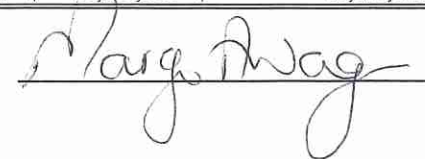
Appendix B

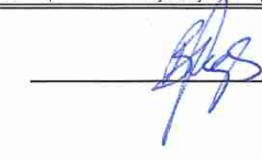
Northern Development Initiative Trust
Statement of Financial Position

As at December 31, 2025, with comparative information for 2024

	Unrestricted and Endowment	Restricted									Total	
	Operating	Invested in Capital Assets	Cross Regional	Pine Beetle	Cariboo-Chilcotin Lillooet Regional Development	Northwest Regional Development	Northeast Regional Development	Prince George Regional Development	Other Trust Funds	Province of British Columbia	2025	2024
ASSETS												
Current Assets												
Cash	\$ 6,250,987	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 606,857	\$ 245,648,939	\$ 252,506,783	\$ 281,900,974
Accounts receivable and accrued interest	14,083	-	-	-	-	-	-	-	1,325	548,794	564,202	909,252
Prepaid expenses	170,222	-	-	-	-	-	-	-	-	-	170,222	141,166
Current portion of loans receivable (Note 2)	-	-	-	-	-	-	-	-	-	-	406,837	393,200
Derivative financial instruments (Note 3)	1,954,053	-	4,550,176	1,446,494	1,582,125	1,695,145	2,194,318	1,923,939	1,395,209	-	16,741,459	-
Total Current Assets	8,389,345	-	4,550,176	1,446,494	1,582,125	1,695,145	2,194,318	2,330,776	2,003,391	246,197,733	270,389,503	283,344,592
Other Non-Current Assets												
Loans receivable (Note 2)	-	-	-	-	-	-	-	839,270	-	-	839,270	1,183,923
Investments (Note 4)	43,214,372	-	100,628,284	31,989,566	34,989,092	37,488,545	48,527,890	42,548,382	31,119,531	-	370,505,662	337,361,750
Tangible capital assets (Note 5)	-	60,586	-	-	-	-	-	-	-	-	60,586	106,002
Derivative financial instruments (Note 3)	1,972	-	4,592	1,460	1,597	1,711	2,215	1,942	1,405	-	16,894	-
TOTAL ASSETS	\$ 51,605,689	\$ 60,586	\$ 105,183,052	\$ 33,437,520	\$ 36,572,814	\$ 39,185,401	\$ 50,724,423	\$ 45,720,370	\$ 33,124,327	\$ 246,197,733	\$ 641,811,915	\$ 621,996,267
LIABILITIES AND EQUITY												
Current Liabilities												
Accounts payable and accrued liabilities (Note 6)	87,726	-	-	-	-	-	-	-	-	214,850	302,576	227,020
Due to (from) other funds	(157,716)	-	157,716	-	-	-	-	-	-	-	-	-
Funds administered for others (Note 7)	-	-	-	-	-	-	-	-	30,912,927	-	30,912,927	28,350,100
Unearned revenue (Note 8)	3,731,557	-	-	-	-	-	-	-	-	-	3,731,557	4,386,041
Current portion of obligation under capital lease (Note 9)	-	6,708	-	-	-	-	-	-	-	-	6,708	6,546
Derivative financial instruments (Note 3)	1,958,858	-	4,561,364	1,450,050	1,586,015	1,699,313	2,199,713	1,928,669	1,398,612	-	16,782,594	-
Total Current Liabilities	5,620,425	6,708	4,719,080	1,450,050	1,586,015	1,699,313	2,199,713	1,928,669	32,311,539	214,850	51,736,362	32,969,707
Other Non-current Liabilities												
Obligation under capital lease (Note 9)	-	-	-	-	-	-	-	-	-	-	-	6,708
Derivative financial instruments (Note 3)	1,980	-	4,610	1,466	1,603	1,717	2,223	1,949	1,411	-	16,959	-
TOTAL LIABILITIES	5,622,405	6,708	4,723,690	1,451,516	1,587,618	1,701,030	2,201,936	1,930,618	32,312,950	214,850	51,753,321	32,976,415
Equity												
Endowment fund (Note 10)	25,000,000	-	-	-	-	-	-	-	-	-	25,000,000	25,000,000
Externally restricted - uncommitted	-	-	96,913,835	29,999,828	31,868,800	33,233,151	44,307,683	41,169,331	752,832	107,536,627	385,782,087	382,082,040
Externally restricted - committed	-	-	3,545,527	1,986,176	3,116,396	4,251,220	4,214,804	2,620,421	58,545	138,446,256	158,239,345	164,515,723
Invested in tangible capital assets (Note 11)	-	53,878	-	-	-	-	-	-	-	-	53,878	92,748
Unrestricted	20,983,284	-	-	-	-	-	-	-	-	-	20,983,284	17,329,341
TOTAL EQUITY	45,983,284	53,878	100,459,362	31,986,004	34,985,196	37,484,371	48,522,487	43,789,752	811,377	245,982,883	590,058,594	589,019,852
Contingencies (Note 12)												
Commitments (Note 13)												
TOTAL LIABILITIES AND EQUITY	\$ 51,605,689	\$ 60,586	\$ 105,183,052	\$ 33,437,520	\$ 36,572,814	\$ 39,185,401	\$ 50,724,423	\$ 45,720,370	\$ 33,124,327	\$ 246,197,733	\$ 641,811,915	\$ 621,996,267

Northern Development Initiative Trust Approval:

 Board Chair

 Vice Chair

Northern Development Initiative Trust
Statement of Operations and Fund Balances

As at December 31, 2025, with comparative information for 2024

	Unrestricted and Endowment	Restricted									Total	
	Operating	Invested in Capital Assets	Cross Regional	Pine Beetle	Cariboo-Chilcotin Lillooet Regional Development	Northwest Regional Development	Northeast Regional Development	Prince George Regional Development	Other Trust Funds	Province of British Columbia	2025	2024
REVENUE												
Investment income, net of fees (Note 4)	\$ 1,282,275	\$ -	\$ 2,967,867	\$ 949,160	\$ 1,037,174	\$ 1,114,870	\$ 1,431,428	\$ 1,254,115	\$ 21,994	\$ -	\$ 10,058,883	\$ 2,657,737
Interest income	211,013	-	-	-	159	-	-	-	1,414	7,838,204	8,050,790	14,569,252
Contributions (Note 14)	-	-	-	-	-	-	-	-	60,000	4,500,000	4,560,000	10,240,000
Net unrealized gains	3,419,309	-	7,854,444	2,497,838	2,749,937	2,971,220	3,803,479	3,325,416	58,555	-	26,680,198	26,583,462
Financial services revenue	-	-	-	-	-	-	-	-	-	-	-	25,000
Third party revenue	1,294,487	-	-	-	-	-	-	-	-	-	1,294,487	1,435,792
TOTAL REVENUE	6,207,084	-	10,822,311	3,446,998	3,787,270	4,086,090	5,234,907	4,579,531	141,963	12,338,204	50,644,358	55,511,243
EXPENSES												
ADMINISTRATION EXPENSES												
Amortization	-	58,253	-	-	-	-	-	-	-	-	58,253	55,387
General administration	193,912	-	-	-	-	-	-	-	-	-	193,912	198,669
S/C, fees, dues, licenses	9,800	-	-	-	-	-	-	-	2	5,009	14,811	13,469
Office expenses	291,179	-	-	-	-	-	-	-	-	-	291,179	291,801
Professional services	282,905	-	-	-	-	-	-	-	-	-	282,905	262,326
Rentals and maintenance	72,829	-	-	-	-	-	-	-	-	-	72,829	78,305
Office supplies	28,313	-	-	-	-	-	-	-	-	-	28,313	23,269
Salaries and benefits	1,588,100	-	-	-	-	-	-	-	-	-	1,588,100	1,624,083
TOTAL ADMINISTRATION EXPENSES	2,467,038	58,253	-	-	-	-	-	-	2	5,009	2,530,302	2,547,309
BOARD & RAC EXPENSES												
Board costs	51,758	-	-	-	-	-	-	-	-	-	51,758	57,939
RAC - Prince George	5,063	-	-	-	-	-	-	-	-	-	5,063	5,143
RAC - Northeast	4,408	-	-	-	-	-	-	-	-	-	4,408	6,242
RAC - Cariboo-Chilcotin/Lillooet	6,723	-	-	-	-	-	-	-	-	-	6,723	7,283
RAC - Northwest	8,768	-	-	-	-	-	-	-	-	-	8,768	9,740
TOTAL BOARD & RAC EXPENSES	76,720	-	-	-	-	-	-	-	-	-	76,720	86,347
TOTAL ADMINISTRATION COSTS	2,543,758	58,253	-	-	-	-	-	-	2	5,009	2,607,022	2,633,656
INCREMENTAL PROJECT EXPENSES												
Salesforce implementation	-	-	-	-	-	-	-	-	-	-	-	482,927
TOTAL INCREMENTAL PROJECT EXPENSES	-	-	-	-	-	-	-	-	-	-	-	482,927
Grants and loans	-	-	2,344,215	1,214,486	1,285,517	1,383,969	1,244,590	1,352,969	1,455	38,298,986	47,126,187	38,920,700
Fair value adjustment for interest free loans receivable (Note 2)	-	-	-	-	-	-	-	(127,593)	-	-	(127,593)	(214,246)
NET GRANTS	-	-	2,344,215	1,214,486	1,285,517	1,383,969	1,244,590	1,225,376	1,455	38,298,986	46,998,594	38,706,454
TOTAL EXPENSES	2,543,758	58,253	2,344,215	1,214,486	1,285,517	1,383,969	1,244,590	1,225,376	1,457	38,303,995	49,605,616	41,823,037
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ 3,663,326	\$ (58,253)	\$ 8,478,096	\$ 2,232,512	\$ 2,501,753	\$ 2,702,121	\$ 3,990,317	\$ 3,354,155	\$ 140,506	\$ (25,965,791)	\$ 1,038,742	\$ 13,688,206
Fund Balances, Beginning of Year	42,329,341	92,748	91,981,266	29,753,492	32,483,443	34,782,250	44,532,170	40,435,597	670,871	271,958,674	589,019,852	575,331,646
Investment in Capital Assets	(19,383)	19,383	-	-	-	-	-	-	-	-	-	-
Transfer	10,000	-	-	-	-	-	-	-	-	(10,000)	-	-
FUND BALANCES, END OF YEAR	\$ 45,983,284	\$ 53,878	\$ 100,459,362	\$ 31,986,004	\$ 34,985,196	\$ 37,484,371	\$ 48,522,487	\$ 43,789,752	\$ 811,377	\$ 245,982,883	\$ 590,058,594	\$ 589,019,852

Northern Development Initiative Trust

Statements of Cash Flows

Year ended December 31, 2025, with comparative information for 2024

	2025	2024
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenditures	\$ 1,038,742	\$ 13,688,206
Items not involving cash:		
Amortization	58,253	55,387
Net unrealized gains	(26,680,198)	(26,583,462)
Accrued interest on loans receivable	(158)	(228,681)
Fair value adjustment for interest free loans receivable	(127,593)	(214,246)
	(25,710,954)	(13,282,796)
Changes in non-cash operating working capital:		
Accounts receivable	345,050	553,068
Prepaid expenses	(29,056)	24,749
Funds administered for others	2,562,827	1,634,115
Accounts payable and accrued liabilities	75,556	(81,747)
Unearned revenue	(654,484)	(1,360,793)
	(23,411,061)	(12,513,404)
Financing:		
Repayment of obligations under capital lease	(6,546)	(6,388)
Investing		
Investments	(6,463,714)	(5,362,946)
Repayment of loans receivable	458,767	4,652,988
Acquisition of tangible capital assets	(12,837)	(39,131)
Derivative financial instruments	41,200	-
	(5,976,584)	(749,089)
Increase (decrease) in cash	(29,394,191)	(13,268,881)
Cash, beginning of year	281,900,974	295,169,855
Cash, end of year	\$ 252,506,783	\$ 281,900,974

See accompanying notes to financial statements.

Northern Development Initiative Trust

Notes to Financial Statements

Year ended December 31, 2025

Nature of Operations

Northern Development Initiative Trust (the "Trust"), a not-for-profit organization incorporated under the Northern Development Initiative Trust Act, operates primarily to be a catalyst for Northern B.C. and grow a strong diversified economy by stimulating sustainable economic growth through strategic and leveraged investments.

1. Significant accounting policies:

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The Trust's significant accounting policies are as follows:

(a) Restricted fund method of accounting:

The Trust follows the restricted fund method of accounting for contributions.

The Operating Fund accounts for the Trust's general activities.

The Restricted Funds are comprised of Invested in Capital Assets, Cross Regional Account, Pine Beetle Recovery Account, Cariboo-Chilcotin Lillooet Regional Development Account, Northwest Regional Development Account, Northeast Regional Development Account, Prince George Regional Development Account, Other Trust Funds and Province of British Columbia Account and report contributions restricted to activities outlined in their respective strategic plans. The Invested in Capital Asset fund reports the assets, liabilities, revenues and expenses related to the tangible capital assets of the Trust. The Other Trust Funds are comprised of the Prince George Agricultural Fund, Nechako Valley Regional Cattlemen's Association Fund, North Central Local Government Association Fund, BC Hydro AG Fund, and Local Government Management Association and report contributions restricted to activities outlined in their respective strategic plans.

The Operating Endowment Account reports restricted resources contributed for endowment. Investment income earned on endowment resources is used for purposes prescribed in the Northern Development Initiative Trust Act (Note 10).

(b) Investments:

Investments are recorded at fair value. The difference between historical cost and fair value is recorded as an unrealized gain or loss and recorded in the excess (deficiency) of revenue over expenditures in the period in which the difference occurred. Gains and losses realized during the year are computed using the average cost method and recognized directly in the excess (deficiency) of revenue over expenditures.

(c) Tangible capital assets:

Purchased tangible capital assets are recorded at cost. Contributed tangible capital assets are recorded at fair value at the date of contribution. Assets acquired under capital lease are amortized over the estimated life of the assets or over the lease term, as appropriate. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life of an asset are capitalized. When a tangible capital asset no longer contributes to the Trust's ability to provide services, its carrying amount is written down to its residual value.

Tangible capital assets are amortized on a straight-line basis using the following annual rates:

Asset	Rate
Computer hardware	33%
Computer software	100%
Furniture and fixtures	20%
Leasehold improvements	16%
Vehicles	33%
Assets under capital lease	20%

(d) Externally restricted - uncommitted funds:

Uncommitted externally restricted funds represents funds not committed at year end to specific project proposals.

(e) Externally restricted - committed funds:

Committed externally restricted funds represent funds at year end for specific project proposals that have been approved by the Board of Directors and cash disbursement will not occur until a future date after year end once the conditions of the signed funding agreement are met.

Northern Development Initiative Trust

Notes to Financial Statements (continued)

Year ended December 31, 2025

1. Significant accounting policy (continued):

(e) Externally restricted - committed funds (continued):

Funds committed are recorded as a payable when the final review of the project claim is completed and approved by management.

(f) Revenue recognition:

Externally restricted contributions received for the Cross Regional Account, Pine Beetle Recovery Account, Cariboo-Chilcotin Lillooet Regional Development Account, Northwest Regional Development Account, Northeast Regional Development Account, Prince George Regional Development Account, Other Trust Funds and Province of British Columbia are recognized as revenue in the year received. All other externally restricted contributions received are recognized in the Operating Fund as revenue in the year in which the related expenses are incurred.

Unrestricted contributions are recognized as revenue in the Operating Fund in the year received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured. Unrestricted contributions with related expenses are recognized as revenue in the year in which the related expenses are incurred.

Investment income is recognized to the extent received or receivable.

(g) Grants and repayable grants:

Grants and repayable grants awarded by the Trust are recognized when the conditions of the signed funding agreement are met.

Grants are advanced to proponents from time-to-time based on the conditions of the funding agreement. Funds advanced are expensed on advancement as it is considered that project requirements will be met and the funds are unlikely to be returned.

(h) Income taxes:

No provision has been made for income taxes in these financial statements as the Trust is exempt under Paragraph 149(1)(c) of the Income Tax Act.

(i) Foreign currency translation:

Monetary assets and liabilities denominated in foreign currencies, and that have not been hedged, are translated into Canadian dollars at the rates of exchange in effect at the statement of financial position date. Other assets, liabilities and items affecting earnings are translated into Canadian dollars at rates of exchange in effect at the date of the transaction. Gains or losses arising from these foreign currency transactions are included in the determination of excess (deficiency) of revenue over expenditures.

(j) Use of estimates:

The preparation of the financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. An item subject to such estimates and assumptions include the carrying amount and collection of loans receivable. Actual results could differ from those estimates.

(k) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently measured at cost or amortized cost, unless management has elected to carry the instruments at fair value. Management has elected to carry loans receivable at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the effective interest rate method.

Northern Development Initiative Trust

Notes to Financial Statements (continued)

Year ended December 31, 2025

1. Significant accounting policy (continued):

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment the Trust determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Trust expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future year, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(l) Cloud computing arrangement:

The simplification approach is used to record cloud computing expenditures. In applying this approach, the expenditures in the arrangement are treated as the supply of services. Included on the Statement of Operations and Fund Balances in incremental project expenses are Salesforce implementation expenditures of \$nil (2024 - \$482,927). Included in administrative costs are Salesforce licensing fees of \$65,621 (2024 - \$56,326) and Sage licensing fees of \$33,224 (2024 - \$33,224).

2. Loans receivable:

	2025	2024
Cariboo-Chilcotin Lillooet Regional Development Repaid during the year	\$ -	\$ 5,737
Prince George Regional Development Account Repayable in annual installments over the next four years of \$452,873 in 2026, \$339,362 in 2027, \$314,838 in 2028, and \$300,400 in 2029, non-interest bearing. Due July 2029	1,361,437	1,794,935
	1,361,437	1,800,672
Current portion of loans receivable	(452,873)	(458,610)
Current portion of fair value adjustment	46,036	65,410
	(406,837)	(393,200)
Fair value adjustment for interest free loans receivable	(115,330)	(223,549)
	\$ 839,270	\$ 1,183,923

During the year, the Trust recorded a recovery of \$127,593 (2024 - \$214,246) for the change in fair value adjustment for interest free loans receivable. This recovery was a result of fluctuations in the discount rate used to determine the adjustment.

3. Derivative financial instruments:

	Nominal value	Maturity	Fair Values	
			Asset	Liability
Current				
FX forward	\$ 206,201	2026	\$ 16,741,267	\$ 16,782,402
FX spot	(73)	2026	192	192
	206,128		16,741,459	16,782,594
Non-current				
Cross currency swap	1,569	2027	1,475	1,551
Interest rate swap	-	2027	15,419	15,408
	1,569		16,894	16,959
	\$ 207,697		\$ 16,758,353	\$ 16,799,553

Northern Development Initiative Trust

Notes to Financial Statements (continued)

Year ended December 31, 2025

4. Investments:

	2025	2024
Fixed income balances:		
Cash	3,205	-
Canadian Money Market Fund ST1	11,268,974	33,138,997
U.S. Dollar Money Market Fund ST3	9,172,389	-
Government Bond Fund	93,644,033	102,716,200
	114,088,601	135,855,197
Equity balances:		
Indexed Canadian Equity Fund	60,280,550	66,930,138
Emerging Markets Equity Fund	18,674,640	16,179,427
Indexed Global Equity Fund	95,481,289	102,204,046
Private Equity Fund	16,854,033	1,021
	191,290,512	185,314,632
Credit balances:		
BCI QuadReal Real Estate Debt	4,835,258	-
Mortgage Limited Partnership	2,943,975	-
Private Debt Limited Partnership	13,423,207	2,000
Corporate Bond Fund	26,667,657	16,189,921
	47,870,097	16,191,921
Real asset balances:		
BCI QuadReal Multi-Asset Realty	3,502,375	-
Real Estate Limited Partnership	2,732,895	-
Infrastructure Fund	2,176,992	-
Infrastructure Limited Partnership	8,844,190	-
	17,256,452	-
	\$ 370,505,662	\$ 337,361,750

Investment income is presented net of management fees charged for the year ended December 31, 2025, of \$742,895 (2024 - \$690,665).

5. Tangible capital assets:

	2025		2024	
	Cost	Accumulated amortization	Net book value	Net book value
Assets under capital lease	\$ 34,947	\$ 32,617	\$ 2,330	\$ 9,318
Computer hardware	461,141	430,571	30,570	37,684
Computer software	169,234	169,234	-	-
Furniture and fixtures	177,859	177,247	612	5,502
Leasehold improvements	217,283	190,209	27,074	53,498
Vehicles	77,473	77,473	-	-
	\$ 1,137,937	\$ 1,077,351	\$ 60,586	\$ 106,002

Northern Development Initiative Trust

Notes to Financial Statements (continued)

Year ended December 31, 2025

6. Accounts payable and accrued liabilities:

	2025	2024
Accounts payable and accrued liabilities	\$ 273,893	\$ 156,135
Payroll and withholding taxes	28,683	70,885
	\$ 302,576	\$ 227,020

7. Funds administered for others:

These funds are controlled by other organizations and are pooled for investment purposes with the Trust's cash and investments. Accordingly, these financial statements include assets administered for other organizations with a corresponding liability comprised of the following:

	2025	2024
Opening balance	\$ 28,350,100	\$ 26,715,985
Contributions	-	100,000
Investment income, net of fees	3,263,257	2,644,862
Administrative fees	(150,000)	(75,000)
Grants	(536,317)	(973,720)
Bank charges	(381)	(44)
Board travel	(12,156)	(13,081)
Website consulting	(1,576)	(1,023)
Funds returned	-	(47,879)
	\$ 30,912,927	\$ 28,350,100

8. Unearned revenue:

Unearned revenue consists of administrative fees that have been received but are recognized as income over time as they are earned.

	2025	2024
Connecting British Columbia	\$ 2,618,082	\$ 3,406,074
Ministry of Transportation	310,824	458,119
Northern Healthy Communities	329,637	462,660
Rural and Remote Employment Initiatives	473,014	-
Nechako Valley Rancher Cattlemen's Association	-	57
Rural Business & Community Recovery	-	59,131
	\$ 3,731,557	\$ 4,386,041

Northern Development Initiative Trust

Notes to Financial Statements (continued)

Year ended December 31, 2025

9. Obligation under capital lease:

	2025	2024
Wells Fargo lease with an implied interest rate of 2.45%, repayable in quarterly instalments of \$1,703. Due October 2026 and secured by equipment held by the Trust with a net book value of \$2,330.	\$ 6,708	\$ 13,254
	6,708	13,254
Repayment schedule		
2025	-	6,811
2026	6,811	6,811
Total minimum lease payments	6,811	13,622
Less amount representing interest at a rate of 2.45%	(103)	(368)
Present value of capital lease payments	6,708	13,254
Less current portion	6,708	6,546
	\$ -	\$ 6,708

During the year the Trust recognized \$265 (2024 - \$423) of interest on the capital lease.

10. Endowment fund:

The Endowment Fund was established to receive proceeds of \$25,000,000 from the Government of British Columbia pursuant to terms of the Northern Development Initiative Trust Act ("NDIT Act"). Interest or other income earned from the money invested may be used to cover operating expenditures incurred by the directors and officers of the Trust to perform their obligations under the NDIT Act. Income earned on the endowment is recorded fully in the Operating Fund. Included in operations is investment income of \$1,282,275 (2024 - \$339,901) and net unrealized gains of \$3,419,309 (2024 - \$3,367,272) for the year ended December 31, 2025.

11. Invested in tangible capital assets:

Invested in tangible capital assets is calculated as follows:

	2025	2024
Opening balance	\$ 92,748	\$ 102,616
Amortization	(58,253)	(55,387)
Acquisition of capital assets	12,837	39,131
Repayment of obligation under capital lease	6,546	6,388
	\$ 53,878	\$ 92,748

12. Contingencies:

The Trust has a revolving demand facility agreement with RBC with a maximum limit of \$10,000,000 by way of RBP based loans, letters of credit, and letters of guarantee. These facilities are secured by a general security agreement placing a first priority interest in present and future property of the Trust. The balance of these facilities at December 31, 2025 are \$nil (2024 - \$nil).

The Trust has provided certain partner program contracts to the Canada Revenue Agency in regards to Government Sales Tax requirements. The potential exposure is unknown at this time and the outcome of the ruling is not determinable.

Northern Development Initiative Trust

Notes to Financial Statements (continued)

Year ended December 31, 2025

13. Commitments:

The Trust leases premises under lease for \$12,170 monthly which expires May 2027. The Trust has a contract with Salesforce for \$50,319 yearly which expires September 2029. The minimum payments in the next five years are as follows:

2026	196,353
2027	111,166
2028	50,319
2029	37,739
2030	-
	\$ 395,577

14. Contributions:

	2025	2024
Ministry of Social Development and Poverty Reduction	\$ 4,500,000	\$ -
Local Government Management Association of British Columbia	60,000	-
Ministry of Jobs and Economic Growth	-	10,000,000
Ministry of Municipal Affairs	-	240,000
	\$ 4,560,000	\$ 10,240,000

In 2025, the funding from the Ministry of Social Development and Poverty Reduction is provided to address current economic gaps and potential economic impacts created by tariffs through several funding streams intended to help support rural and remote communities of Northern British Columbia.

15. Financial risks and concentration of credit risk:

(a) Currency risk:

The Trust is exposed to financial risks as a result of exchange rate fluctuations and the volatility of these rates. In the normal course of business, the Trust purchases investments denominated in a foreign currency. In order to minimize currency risk, the Trust has a policy to invest no greater than 40% (2024 - 40%) of its portfolio in global equities and no more than 10% (2024 - 10%) of its portfolio in emerging markets. As at December 31, 2025, global equities represents approximately 26% (2024 - 30%) and emerging markets represents approximately 5% (2024 - 5%) of the Trust's investment holdings.

(b) Market risk:

The Trust derives revenue from its cash equivalents, equity and fixed income investments which are subject to market fluctuations. Market risk is managed and mitigated through diversification between asset classes in which the Trust has set asset allocation guidelines in their investment policy. As at December 31, 2025, the Trust's investment holdings were aligned with their target asset allocations. Equity investments represent approximately 52% (2024 - 55%) of the holdings. It is estimated that a 10% change in returns would change the fair value of the equities portfolio by \$19,129,051 (2024 - \$18,531,463).

As at December 31, 2025, the Trust's annual return on investments was approximately a gain of 12.01% (2024 - 10.11%).

(c) Credit risk:

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered, resulting in a financial loss. It arises principally from debt instruments held, including government bonds and corporate bonds. Government bonds represent approximately 25% (2024 - 30%) of the Trust's investment holdings. Credit risk is minimized by dealing with borrowers considered to be of high quality and by monitoring their credit risk. The Trust has invested in AAA bonds to mitigate this risk. Corporate bonds represent approximately 7% (2024 - 5%) of the Trust's investment holdings. The corporate bond portfolio invests in high quality AAA to BBB bonds as well as higher risk BB to B bonds. Investment diversification is used to manage this risk.

The Trust is exposed to credit risk from the possibility that borrowers may default on their obligations. Management attempts to mitigate this risk by ensuring that proper due diligence is performed before loans are extended. As of December 31, 2025, all loan recipients are in full compliance of their agreement.

Northern Development Initiative Trust

Notes to Financial Statements (continued)

Year ended December 31, 2025

15. Financial risks and concentration of credit risk (continued):

(d) Liquidity risk:

Liquidity risk is the risk that the Trust will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Trust manages its liquidity risk by monitoring its operating requirements. The Trust prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations. There has been no change to the risk exposure from 2024.

(e) Interest rate risk:

The Trust's fixed income securities, credit securities, and certain loans receivable are subject to interest rate risk. Rising interest rates would impact the value of these investments and loans. The Trust is exposed to prime lending rate fluctuations on loans receivable in the amount of \$nil (2024 - \$nil). As at December 31, 2025, fixed income securities represent approximately 31% (2024 - 40%) of the Trust's investment holdings and credit securities represent approximately 13% (2024 - 5%) of the Trust's investment holdings. It is estimated that 1.75% change in interest rates would change the fair value of the portfolio by \$2,834,277 (2024 - \$2,660,825). The Trust employs investment diversification to manage this risk.

16. Employee future benefits:

The Trust, and its employees, contribute to the BC Public Service Pension Plan (the "Plan"), a jointly trustee pension plan. The Board of Trustees, representing Plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of the benefits. The Plan is a multi-employer contributory pension plan. Basic pension benefits provided are defined. The Plan has 79,532 active members and 57,519 retired members. Active members include approximately 100 contributors from the provincial government, crown corporations, government agencies and not-for-profit organizations.

Every three years an actuarial valuation is performed to assess the financial position of the Plan and the adequacy of Plan funding. The most recent valuation was performed as at March 31, 2023. The valuation shows an improvement in the actuarial position for the Basic Account, from a surplus of \$2,667 million as at March 31, 2020, to a surplus of \$4,491 million as at March 31, 2023. The actuary does not attribute portions of the surplus to individual employers. Consequently, the Trust's share of this surplus cannot be determined. The main reasons for the improvement in the actuarial position are that the investment returns were higher than were assumed and actual salary increases were lower than the long-term assumption offset by an excess investment return transfer to the Inflation Adjustment Account and changes in the economic assumptions. The Trust paid \$129,042 (2024 - \$129,008) for employer contributions to the Plan during the year.

Northern Development Initiative Trust

Schedule of Externally Restricted - Committed Funds

Year ended December 31, 2025

(Unaudited)

SCHEDULE 1

Account	Total Funding Approved	Grants and loans		2025	2024
		2025 Disbursements	2024 Disbursements	Outstanding Commitments	Outstanding Commitments
Cross Regional Account	\$ 61,761,842	\$ 2,344,215	\$ 1,847,425	\$ 3,545,527	\$ 2,867,793
Pine Beetle Recovery Account	38,836,830	1,214,486	1,891,478	1,986,176	1,951,250
Cariboo-Chilcotin/Lillooet Regional Development Account	25,572,483	1,285,517	962,844	3,116,396	2,859,363
Northwest Regional Development Account	29,424,277	1,383,969	904,309	4,251,220	4,024,691
Northeast Regional Development Account	23,645,843	1,244,590	1,225,083	4,214,804	3,054,658
Prince George Regional Development Account	32,704,244	1,352,969	1,379,024	2,620,421	2,110,489
Other Trust Funds	30,752,727	1,455	-	58,545	-
Province of British Columbia	289,284,693	38,298,986	30,710,537	138,446,256	147,647,479
TOTAL	\$ 531,982,939	\$ 47,126,187	\$ 38,920,700	\$ 158,239,345	\$ 164,515,723



NORTHERN
DEVELOPMENT

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