

The image is a cover for an annual report. It features a large, stylized graphic on the left side composed of various shades of blue and teal mosaic tiles. The tiles are arranged to form a shape that resembles a stylized plant or a cluster of leaves. The top right corner contains the text "2024" in a large, bold, dark blue font, and "2025" in a slightly larger, bold, dark blue font directly below it. Below the years, the words "ANNUAL" and "REPORT" are stacked in a smaller, dark blue, sans-serif font. The bottom half of the image is filled with a dense, intricate mosaic pattern of blue and teal tiles, creating a textured, water-like effect. The overall color palette is dominated by various shades of blue and teal.

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CHAIRPERSON'S MESSAGE

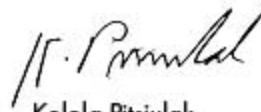
Dear Minister Akeeagok

I am pleased to present the Nunavut Development Corporation's 2024-25 Annual Report.

NDC's mandate is a broad one, emphasizing the use of equity financing to help advance essential elements of economic development throughout Nunavut. This ranges from the deployment of investment capital, the promotion of economic diversification and the growing of local business. The result is the creation of jobs and increased income potential across all our communities. This past year, we were able support the business arm of an Inuit Organization investing in the housing sector. It will be a game changer for many Inuit. We look forward to potentially more in the future.

Our venture investment fund continues to be a large part of who we are and is designed to support Nunavut entrepreneurs and innovators who risk their own capital investments to grow or start businesses in Nunavut. Along with providing an important injection of working capital for these businesses, we provide equity financing that is often used to leverage additional debt financing. This in turn helps support growth and expansion of Nunavut businesses.

In closing, I want to acknowledge all the Nunavummiut who work in one way or another to support NDC's operations and commitment to economic development across Nunavut. Your support is recognized and appreciated and were certainly seen through the past year.



Kolola Pitsiulak

Chairperson



BOARD OF DIRECTORS

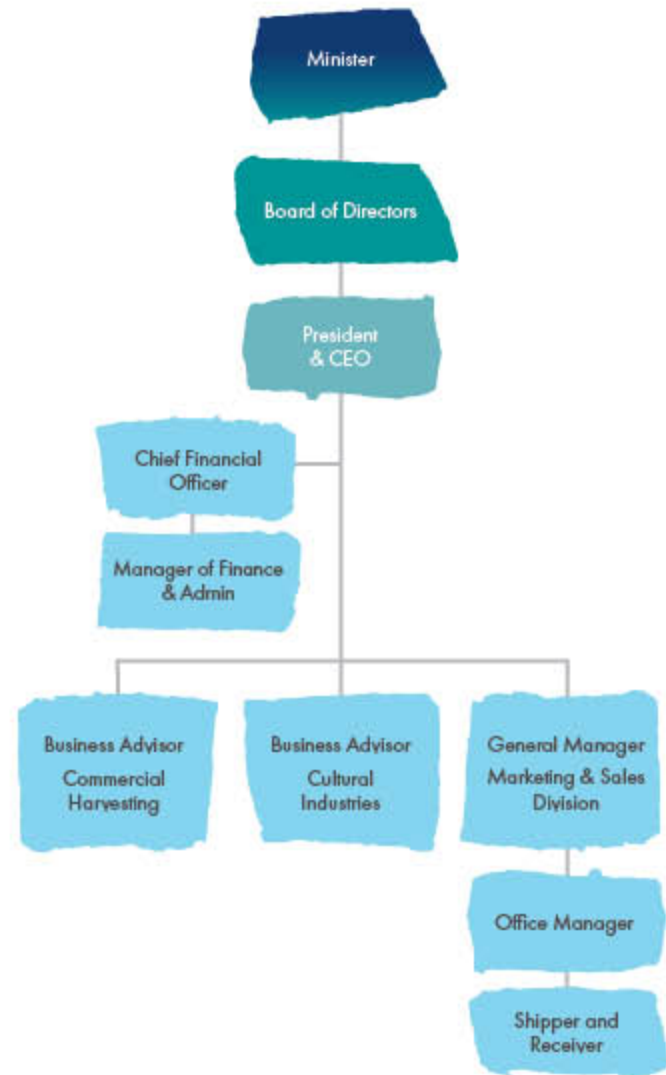
The Minister responsible for the Nunavut Development Corporation is the Honourable David Akeagok. NDC Board Members are appointed to three-year terms by the Government of Nunavut and represent a strong cross section of Nunavut's diverse population.

The NDC Board met twice in 2024-25 and the executive also met twice.

Section 20 of the Act establishes three subcommittees as follows:

- Investment Committee
- Audit Committee
- Personnel Committee

The NDC Board has elected to establish a single Executive Committee that in 2024-25 consisted of Chairperson Kolola Pitsiulak, Vice-Chairperson Sakiasie Sowdlooapik and Secretary Simeon Mikkungwak to undertake the responsibilities of the three committees set out in the Act.



BOARD

	POSITION	COMMUNITY	APPOINTMENT EFFECTIVE	APPOINTMENT EXPIRES
Kolola Pitsiulak	Chairperson	Kimirut	April 12, 2024	April 11, 2027
Sakiasie Sowdlooapik	Vice-Chair	Pangnirtung	April 12, 2024	April 11, 2027
Simeon Mikkungwak	Secretary/ Treasurer	Baker Lake	April 12, 2024	April 11, 2027
Helen Kaloon	Director	Gjoa Haven	December 13, 2022	December 12, 2025
Igah Hainnu	Director	Clyde River	April 12, 2024	April 11, 2027
Jonas Arreak	Director	Pond Inlet	April 12, 2024	April 11, 2027
Methusalah Kunuk	Director	Iqaluit	April 6, 2023	April 5, 2026
Darlene Hakanak	Director	Kugluktuk	April 6, 2023	April 5, 2026
Wilfred Wilcox	Director	Cambridge Bay	April 6, 2023	April 5, 2026

CORPORATE GOVERNANCE AND MANAGEMENT

OUR MANDATE (THE "ACT") To incorporate, establish and carry on the business of companies or corporations and to develop, establish, operate, manage and carry on the business of projects, directly or indirectly, within the Corporation in order to:

- Create employment and income for residents of Nunavut, primarily in small communities
- Stimulate the growth of business in Nunavut, and
- Promote economic diversification and stability

To invest in business enterprises in order to:

- Stimulate the growth of business in Nunavut, and
- Promote economic diversification and stability to promote the economic objectives of the Government of Nunavut.

OUR VISION We are responsible and transparent; we believe that employment and income-earning opportunities positively impact quality of life and lead to healthier communities. Job creation and maintenance will be measured and will be key indicators of our success.

OUR MISSION To make responsible investments in target Nunavut economic sectors, including fisheries, cultural industries and tourism that help create employment and income opportunities, stimulate the growth of business, and promote economic diversification and stability with an emphasis on investing in Nunavut's smaller communities.



The Nunavut Development Corporation (the "Corporation" or "NDC") is a territorial corporation of the Government of Nunavut named in Schedule B of the *Financial Administration Act* of Nunavut ("FAA") and operates in accordance with Part IX of the FAA, the *Nunavut Development Corporation Act* (the "Act") and the *Business Corporations Act* of Nunavut. The Act sets out the parameters under which the Corporation operates.

NDC HEADQUARTERS

	2025	2024
Total Revenues	\$1.86 million	\$2.30 million
Total Expenses	\$1.88 million	\$1.90 million
Annual Surplus	\$(17,389)	\$404,625
Jobs Created or Maintained	6.00	5.50
Core Funding - Operations*	\$1.45 million	\$1.45 million
Core Funding - Capital*	\$3,000	\$6,400

*(Operations Funding included in revenues)

President & CEO

Kyle Tattuinee

Chief Financial Officer

Balaji Ramamani

CF, FCMA, CPA, CGBA, FIPA (AUS); CGAP, CFSA, CIA, CMA, CRMA (USA), FCMA;
FCA (IN), FAIA, MCSI (UK), FCA, FCMA, MBA (IN)

Sr. Finance Officer

Brenda Tagalik

Sr. Finance Officer

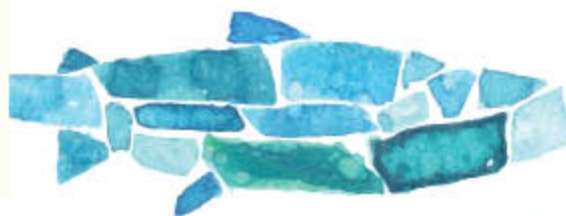
Kuutsiq Osmond

Business Advisor (Cultural Industries)

Goretti Kakuktinniq

Business Advisor (Commercial Harvesting)

Mikitok McLeod



JOB CREATION

The following Nunavut jobs were created or maintained during the 2024-25 fiscal year. These job creation or maintenance figures are consistent with the Corporation's Investment and Divestment Guidelines, which define:

- a Direct Job as 50 weeks of employment per year or 1,500 hours of work during the year
- a Direct Traditional Job as \$37,997 paid during the year directly to individuals such as artists, fishermen, hunters and seamstresses
- an Indirect Job as \$37,997 paid during the year by other organizations but as a result of NDC's programs and services

INVESTMENTS	DIRECT JOBS	DIRECT TRADITIONAL JOBS	INDIRECT JOBS	TOTAL JOBS 2025	TOTAL JOBS 2024
Subsidiaries					
Kivalliq Arctic Foods Ltd.	5.33	13.39	-	18.72	27.53
Kitikmeot Foods Ltd.	7.75	3.02	-	10.77	9.14
Ivalu Ltd.	2.00	0.98	-	2.98	4.10
Jessie Oonark Ltd.	3.73	0.98	-	4.71	6.48
Kiluk Ltd.	1.82	1.62	-	3.44	2.84
Taluq Designs Ltd.	1.20	1.06	-	2.26	2.00
Uqurmiut Arts & Crafts Ltd.	11.60	3.63	-	15.23	13.53
Venture Investments					
Arctic Fishery Alliance Ltd.	-	-	45.30	45.30	64.50
Sudliq Developments Ltd.	-	-	11.66	11.66	-
Tukumaaq Suites Inc.	-	-	-	-	2.51
CHOU Consulting & Dev Inc.	-	-	1.28	1.28	3.88
Arctic UAV	-	-	3.42	3.42	2.35
Sakku Properties	-	-	13.73	13.73	-
Projects					
WAG @ Forks	-	-	4.00	4.00	4.00
Sub-total	33.43	24.68	79.39	137.50	142.86
Nunavut Development Corporation	6.00	13.00	-	19.00	11.50
Total	39.43	37.68	79.39	156.50	154.36

VENTURE EQUITY INVESTMENTS

NDC invests equity capital (shares) in Nunavut-based companies that demonstrate significant employment and income-earning potential for Nunavummiut. Our investments are meant to help stimulate the growth of business and promote economic diversification with an emphasis on placing investments in Nunavut's smaller communities.

Arctic Fisheries Alliance LP.	\$250,000
Qikiqtarjuaq, Nunavut	
Non-Voting, Preferred Share Interest	
Sudliq Developments Ltd.	\$375,000 ¹
Coral Harbour, Nunavut	
Non-Voting, Preferred Share Interest	
Sakku Properties Ltd.	\$4,000,000
Rankin Inlet, Nunavut	
Non-Voting, Preferred Share Interest	

1. The investment in Sudliq Developments Ltd is \$375,000. However a provision for venture investment loss of \$375,000 was recorded in the 2019-20 financial statement.

CAMBRIDGE BAY

QIKIQTARJUAQ

CORAL HARBOUR

IQALUIT

SALES DIVISION

The Nunavut Development Corporation's Sales Division and retail outlet located in Toronto, focuses on the national and international marketing, distribution and sales of our Nunavut arts and crafts products. Ivalu Ltd, in Rankin Inlet, concentrates on the Northern and Nunavut market.

The Sales Division promotes Nunavut sculpture and many other unique art items to galleries across Canada, the U.S. and around the world. The convenient location close to Pearson International Airport, helps facilitate out of town and out of country sales to visiting galleries and dealers. Customers visit the showroom throughout the year and come from all over Canada, as well as from international cities, like Paris or Bern. Working with partner companies Kiluk Ltd., Taluq Ltd., Jessie Oonark Ltd., and Uqurmiut Arts and Crafts Ltd., helps ensure the diversity and the quality of Nunavut products that are in demand by retailers and their customers.

The Sales Division ensures locally produced Nunavut arts and crafts are distributed and promoted across the territory as well as nationally and internationally, with our partner galleries and resellers. The sales team at NDC are well recognized for their knowledge and expertise in the arts and crafts industry in Nunavut. The level of client and customer service care delivered by the sales team is known to be exceptional.

General Manager

Vacant

Office Manager

Teresa Silva

Shipper Receiver

Jhon Diaz

Contact

Tel: 1-800-509-9153

Fax: 1-800-509-9154

yha.ndcorp@bellnet.ca



	2025	2024
Total Revenues	\$0.75 million	\$1.04 million
Total Expenses	\$0.78 million	\$0.93 million
Annual Surplus	\$(30,000)	\$106,000
Jobs Created or Maintained	13.00	6.00
Core Funding - Operations*	\$200,000	\$200,000
Core Funding - Capital*	\$ Nil	\$850

*(Operations Funding included in revenues)

SUBSIDIARY OPERATIONAL SUMMARY



2024-25 HARVEST SUMMARY

Nunavut Development Corporation purchases harvesters harvests as part of the supply chain for Kivalliq Arctic Foods and Kitikmeot Foods. Also, hides and antlers are able to be turned into jewelry or other items.

816

CARIBOU

Arviat
(103 – 7,080 lbs)

Baker Lake
(160 – 15,553 lbs)

Chesterfield Inlet
(13 – 1,314 lbs)

Rankin Inlet
(540 – 46,741 lbs)

110,340LBS

ARCTIC CHAR FISH

Kivalliq Arctic Foods

Coral Harbour 948 lbs

Nauyasat 1,182 lbs

Pangnirtung 2,587 lbs

Qikiqtarjuaq 5,577 lbs

Clyde River 2,452 lbs

Whale Cove 11,374 lbs

Baker Lake 2,266 lbs

Rankin Inlet 6,529 lbs

Arviat 354 lbs

Kitikmeot Foods

77,071 lbs.



68

BELUGA WHALES

Whale Cove (30) and Rankin Inlet (38)

29

MUSK OX

Rankin Inlet (25) and Arviat (4)



IVALU LTD.

	2025	2024
Total Revenues	\$680,746	\$704,185
Total Expenses	\$770,713	\$684,690
Annual Surplus / (Deficit)	\$(89,967)	\$19,495
Jobs Created or Maintained	2.98	4.10
NDC Capital Fund Contributions*	\$0	\$7,000

*(Capital Fund contributions are included in revenues)

Address

Box 599
Rankin Inlet, NU
X0C 0G0

Board of Directors

Goretti Kakuktinniq
Brian Zawadski
Tommy Bruce

General Manager

Vacant
Tel: 867-645-3400
Fax: 867-645-2115
ivalu@ndcorp.nu.ca



**Rankin Inlet
Nunavut
Canada**

JESSIE OONARK LTD.

	2025	2024
Total Revenues	\$396,299	\$351,310
Total Expenses	\$435,302	\$345,992
Annual Surplus	\$(39,003)	\$5,318
Jobs Created or Maintained	4.71	6.48
NDC Subsidy Fund Contributions *	\$235,000	\$195,000
NDC Capital Fund Contributions *	\$3,000	\$10,570

*(Subsidy and Capital Funding are included in revenues)

Address

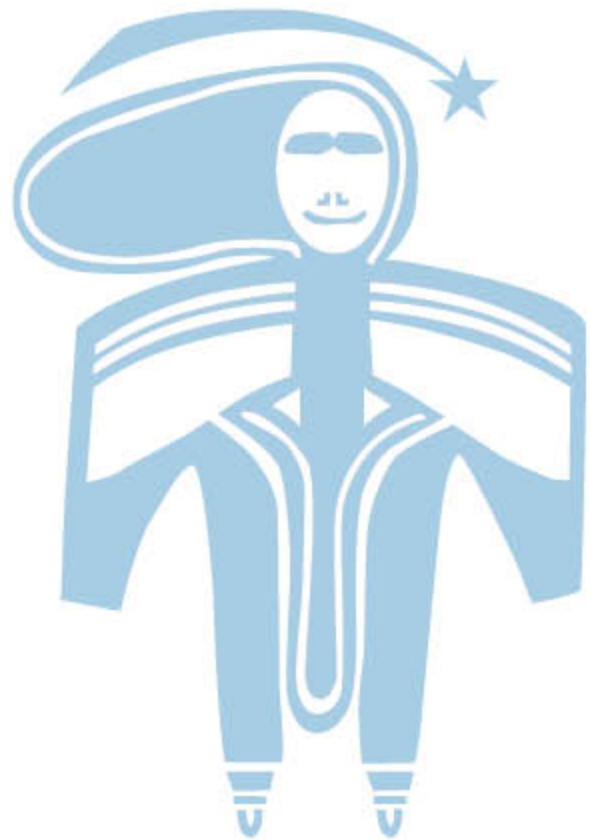
Box 280
Baker Lake, NU
X0C 0A0

General Manager

Kaytlyn Amitnaq
Tel: 867-793-2428
Fax: 867-793-2429
jessie_ndc@qiniq.com

Board of Directors

Hugh Tulurialik - Chairperson
Sarah Arhniq
Nathan Annauat



Jessie Oonark Ltd.

KILUK LTD.

	2025	2024
Total Revenues	\$407,614	\$324,978
Total Expenses	\$420,535	\$373,909
Annual Deficit	\$(12,921)	\$(48,931)
Jobs Created or Maintained	3.44	2.84
NDC Subsidy Fund Contributions *	\$107,000	\$100,000
NDC Capital Fund Contributions *	\$13,000	\$0

*(Subsidy and Capital Funding are included in revenues)

Address

Box 366
Arviat, NU
XOC OEO

General Manager

Sherlyn Kadjuk
Tel: 867-857-2713
Fax: 867-857-2714
Kiluk_ltd@qiniq.com

Board of Directors

Hattie Alagalak
Eva Arnalukjuaq
Goretti Kakuktinniq
Cecile Gibbons
Jackie King



KILUK

KITIKMEOT FOODS LTD.

	2025	2024
Total Revenues	\$1.36 million	\$1.23 million
Total Expenses	\$1.44 million	\$1.33 million
Annual Deficit	(\$78,186)	\$(103,387)
Jobs Created or Maintained	10.77	9.14
NDC Subsidy Fund Contributions *	\$300,000	\$320,000
NDC Capital Fund Contributions *	\$102,000	\$73,035

*(Subsidy and Capital Funding are included in revenues)

Address

Box 2268
Cambridge Bay, NU
X0B 0C0

General Manager

Brent Nakashook
Tel: 867-983-2881
kitikmeot@qiniq.com

Board of Directors

Jim MacEachern
Wilf Wilcox
Brian Zawadski
Mikitok McLeod
Jamie Maghagak



KIVALLIQ ARCTIC FOODS LTD.

	2025	2024
Total Revenues	\$1.76 million	\$2.07 million
Total Expenses	\$1.92 million	\$1.75 million
Annual Surplus	\$(169,097)	\$322,994
Jobs Created or Maintained	18.72	27.53
NDC Subsidy Fund Contributions *	\$100,000	\$260,000
NDC Capital Fund Contributions*	\$17,000	\$45,500

*(Subsidy and Capital Funding are included in revenues)

Address

Box 329
Rankin Inlet, NU
X0C 0G0

General Manager

Scott Saddler
Tel: 867-645-3137
tundra@qiniq.com

Board of Directors

Brian Zawadski
Mikitok McLeod
Tommy Bruce
Gavin Gee
Jeff Tulugak



	2025	2024
Total Revenues	-	-
Total Expenses	\$ 10,375	\$ 10,876
Annual Deficit	\$ (10,375)	\$ (10,876)
NDC Capital Fund Contributions	\$0	\$0

Box 329
Rankin Inlet, NU
X0C 0G0

Rankin Inlet, NU
X0C 0G0

Scott Saddler
Tel: 867-645-3170
tundra@qiniq.com

Tel: 867-645-3170
tundra@qiniq.com

tundra@qiniq.com

Brian Zawadzki



TALUQ DESIGNS LTD.

	2025	2024
Total Revenues	\$183,927	\$189,635
Total Expenses	\$208,947	\$188,743
Annual Surplus / (Deficit)	\$(25,020)	\$892
Jobs Created or Maintained	2.26	2.00
NDC Subsidy Fund Contributions *	\$75,000	\$90,000
NDC Capital Fund Contributions *	\$29,000	\$40,000

*(Subsidy and Capital Funding are included in revenues)

Address

Box 174
Taloyoak, NU
X0B 1B0

General Manager

Mona Igutsaq
Tel : 867-561-5280
Fax : 867-561-6500
tdesigns@qiniq.com

Board of Directors

Goretti Kakuktinniq
Elizabeth Aiyout
Anayok Alookee
Brian Zawadski
Gina Pizzo
Viola Neeveeachek



UQQURMIUT ARTS & CRAFT LTD.

	2025	2024
Total Revenues	\$928,650	\$945,217
Total Expenses	\$1.17 million	\$932,499
Annual Surplus / (Deficit)	\$(237,094)	\$12,718
Jobs Created or Maintained	15.23	13.53
NDC Subsidy Fund Contributions *	\$328,000	\$238,000
NDC Capital Fund Contributions*	\$84,500	-

*(Subsidy and Capital Funding are included in revenues)

Address

Box 453
Pangnirtung, NU
X0A 0R0

General Manager

Elena Akpalialuk
Tel: 867-473-8669
Fax: 867-473-8634
inuitart@qiniq.com

Board of Directors

Jacopie Maniapik
Geetee Maniapik
Geeold Kakkik
Johnelee Nakashuk
Jimmy Uniukshagak
Mathewsie Maniapik
Brian Zawadski
Goretti Kakuktinniq



DEPARTMENT INUIT EMPLOYMENT TARGETS

	AT MARCH 31, 2025		AT MARCH 31, 2026	
		CAPACITY %		CAPACITY %
Total Department Positions	5		5	
Total Filled Positions	5	100%	5	100%
Total Vacancies	0	0%	0	0%
Total Inuit	4	80%	4	80%
Total Executive Positions	1		1	
Total Filled Executive Positions	1	100%	1	100%
Total Vacant Executive Positions	0	0%	0	0%
Total Inuit in Executive Positions	1	100%	1	100%
Total Senior-Management Positions	2		2	
Total Filled Senior-Management Positions	2	100%	2	100%
Total Vacant Senior-Management Positions	0	0%	0	0%
Total Inuit in Senior-Management Positions	2	100%	2	100%
Total Middle-Management Positions	0		0	
Total Filled Middle-Management Positions	0	0%	0	0%
Total Vacant Middle-Management Positions	0	0%	0	0%
Total Inuit in Middle-Management Positions	0	0%	0	0%
Total Professional Positions	1		1	
Total Filled Professional Positions	1	100%	1	100%
Total Vacant Professional Positions	0	0%	0	0%
Total Inuit in Professional Positions	0	0%	0	0%
Total Paraprofessional Positions	0		0	
Total Filled Paraprofessional Positions	0	0%	0	0%
Total Vacant Paraprofessional Positions	0	0%	0	0%
Total Inuit in Paraprofessional Positions	0	0%	0	0%
Total Administrative Positions	1		1	
Total Filled Administrative Positions	1	100%	1	100%
Total Vacant Administrative Positions	0	0%	0	0%
Total Inuit in Administrative Positions	1	100%	1	100%

CONTRACT, PROCUREMENT AND LEASING ACTIVITY

2024-25 CONTRACTING ACTIVITY REPORT

COMMUNITY	VENDOR	PROJECT	AWARD METHOD	2024-25 VALUE	2023-24 VALUE	INUIT FIRM STATUS	NUNAVUT BUSINESS STATUS
Brandon, MB	Dean Food Safety Strategies	Food Safety Consulting HACCP / QMP & Acting General Manager service at KFL, Cambridge Bay	SS (Food Safety Consulting) & None (Acting GM service)	\$ 84,780.00	132,575	-	-
Ottawa, ON	Gowling Lafleur Henderson	Legal Counsel	None	\$ 22,123.00	-	-	-
Sherwood Park, AB	Arctic Response Canada	Hazardous substances survey	None	\$ -	29,758	-	-
Ottawa, ON	Concentric Associates Int'l Inc.	Hazardous substances survey	None	\$ -	39,675	-	-
Brossard, QC	Qikiqtaaluk Environmental	Hazardous substances abatement service	None	\$ 10,182.00	239,204	-	-
Rankin Inlet	R&T Cleaning Enterprises	Janitorial	PRFP	\$ 8,470.00	14,520	-	✓
Rankin Inlet	I.N. Services	Janitorial		\$ 6,000.00	-		✓
Iqaluit	Outcrop Nunavut	Communications	None	\$ 42,720.43	57,231	-	✓
Rankin Inlet	Lester Landau, Chartered Professional Accountants	Subsidiary Review engagement	SOA	\$ -	-	-	✓
Rankin Inlet	Baker Tilly	Subsidiary Review engagement	PRFP	\$ 93,000.00	-		
Rankin Inlet	Crowe Mackay LLP, Chartered Professional Accountants	Subsidiaries Audit (KFL & KAF) & Review engagement (UAC)	PRFP (Audit) & SOA (Review engagement)	\$ -	128,501	-	✓
Iqaluit	South East Nunavut	Buying Carvings	PRFP	\$ 482,915.00	216,197	-	✓
Total				\$ 750,190.43	\$ 857,661		

2024-25 LEASING ACTIVITY REPORT

COMMUNITY	VENDOR	PROJECT	AWARD METHOD	2024-25 VALUE	2023-24 VALUE	INUIT FIRM STATUS	NUNAVUT BUSINESS STATUS	START DATE	END DATE	RENEWAL OPTIONS
Mississauga, ON	GWL Realty Advisors Inc.	Warehouse Lease	SS	\$ 129,126	132,444	-	-	2022-08-01	2027-07-31	Renewed
Total				\$ 129,126	\$ 132,444					

PRFP Public Request for Proposal

SOA Standing Offer Agreement

SS Sole Source

CONSOLIDATED
FINANCIAL
STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025



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Management's Responsibility for Consolidated Financial Statements

The accompanying consolidated financial statements of the Nunavut Development Corporation, for the year ended March 31, 2025, and all information contained in this annual report are the responsibility of the Corporation's management and have been reviewed and approved by the Board of Directors. The consolidated financial statements include some amounts, such as the allowance for doubtful accounts receivable, employee future benefits, the valuation of inventories and the valuation of asset retirement obligations, which are based on management's best estimates and judgment.

The consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards. Financial information presented elsewhere in the annual report is consistent with that contained in the consolidated financial statements.

In discharging their responsibility for the integrity and fairness of the consolidated financial statements, management maintains financial and management control systems and practices designed to provide reasonable assurance that transactions are authorized, assets are safeguarded, proper records are maintained, and the Corporation conducts its affairs in accordance with the requirements of applicable laws. These controls and practices are intended to ensure the orderly conduct of business, the accuracy of the accounting records, the timely preparation of reliable financial information and adherence to the Corporation's policies and statutory requirements.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Board of Directors exercises this responsibility through the Executive Committee, which is comprised of Directors who are not employees of the Corporation. The Executive Committee meets with management and the external auditors, who have full and free access to the Executive Committee.

The Corporation's independent external auditor, the Auditor General of Canada, is responsible for auditing the transactions and consolidated financial statements of the Corporation and for issuing her report thereon.



Kyle Tattuinee

President & CEO
Rankin Inlet, Canada
July 16, 2025



Balaji Ramamani,

CF, CPA, CGBA, FCMA, FIPA(AUS);
CIA, CMA, CRMA, CGAP, CFSA(USA);
FAIA, MCSI(UK), FCA, FCMA, MBA(IN)
Chief Financial Officer



INDEPENDENT AUDITOR'S REPORT

To the Minister responsible for the Nunavut Development Corporation

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of the Nunavut Development Corporation and its controlled entities (the Group), which comprise the consolidated statement of financial position as at 31 March 2025, and the consolidated statement of operations and accumulated surplus, consolidated statement of change in net financial assets and consolidated statement of cash flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2025, and the consolidated results of its operations, consolidated changes in its net financial assets, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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 Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit

or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 these consolidated 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 consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Compliance with Specified Authorities

Opinion

In conjunction with the audit of the consolidated financial statements, we have audited transactions of the Nunavut Development Corporation coming to our notice for compliance with specified authorities. The specified authorities against which compliance was audited are Part IX of the *Financial Administration Act* of Nunavut and regulations, the *Nunavut Development Corporation Act* and regulations, and the by-law of the Nunavut Development Corporation.

In our opinion, the transactions of the Nunavut Development Corporation that came to our notice during the audit of the consolidated financial statements have complied, in all material respects, with the specified authorities referred to above. Further, as required by the *Financial Administration Act* of Nunavut, we report that, in our opinion, the accounting principles in Canadian public sector accounting standards have been applied on a basis consistent with that of the preceding year. In addition, in our opinion, proper books of account have been kept by the Nunavut Development Corporation and the consolidated financial statements are in agreement therewith.

Responsibilities of Management for Compliance with Specified Authorities

Management is responsible for the Nunavut Development Corporation's compliance with the specified authorities named above, and for such internal control as management determines is necessary to enable the Nunavut Development Corporation to comply with the specified authorities.

Auditor's Responsibilities for the Audit of Compliance with Specified Authorities

Our audit responsibilities include planning and performing procedures to provide an audit opinion and reporting on whether the transactions coming to our notice during the audit of the consolidated financial statements are in compliance with the specified authorities referred to above.



Mélanie Cabana, CPA
Senior Principal
for the Auditor General of Canada

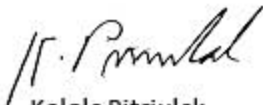
Ottawa, Canada
16 July 2025

Nunavut Development Corporation
Consolidated Statement of Financial Position
As at March 31

	2025	2024
Financial Assets		
Cash and cash equivalents (Note 3)	\$ 8,894,460	\$ 13,443,906
Accounts receivable (Note 4)	1,052,938	873,901
Inventories for resale (Note 5(a))	1,403,780	1,444,769
Portfolio investments (Note 6)	250,000	518,000
Loan receivable (Note 7)	4,100,000	-
Total financial assets	\$ 15,701,178	\$ 16,280,576
Liabilities		
Debt (Note 12(b))	\$ 25,000	\$ 35,000
Accounts payable and accrued liabilities (Note 8)	884,307	927,939
Employee future benefits (Note 9)	408,845	353,274
Asset Retirement Obligations (Note 10)	268,363	352,135
Total liabilities	\$ 1,586,515	\$ 1,668,348
Net Financial Assets	\$ 14,114,663	\$ 14,612,228
Non-Financial Assets		
Tangible capital assets (Schedule A)	\$ 1,049,970	\$ 1,269,764
Inventories for use (Note 5(b))	1,285,583	1,247,308
Prepaid expenses	38,944	42,086
Total non-financial assets	\$ 2,374,497	\$ 2,559,158
Accumulated Surplus	\$ 16,489,160	\$ 17,171,386

Contractual obligations (Note 13)
Contractual rights (Note 14)

The accompanying notes and schedules are an integral part of these consolidated financial statements.
Approved on behalf of the Board



Kolola Pitsiulak
Chairperson of the Board of Directors

Nunavut Development Corporation
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31

	2025 Budget	2025 Actual	2024 Actual
Revenues			
Sales (Schedule B)	\$ 3,626,000	\$ 4,121,004	\$ 4,325,322
Interest income on loan receivable	-	100,000	-
Other interest income (Note 3)	350,000	390,935	522,814
Other revenue	291,000	292,540	361,402
Preference dividend on venture investment	110,000	46,150	60,705
Total revenues	\$ 4,377,000	\$ 4,950,629	\$ 5,270,243
Expenses			
Cost of goods sold (Schedule C)	\$ 3,758,778	\$ 4,482,562	\$ 4,241,369
Selling and administration (Schedule D)	4,660,300	4,243,119	4,020,911
Total expenses	\$ 8,419,078	\$ 8,725,681	\$ 8,262,280
Deficit before Government contributions	(4,042,078)	(3,775,052)	(2,992,037)
Government contributions (Note 11)	\$ 3,288,000	\$ 3,092,826	\$ 3,701,300
(Deficit) Surplus for the year	(754,078)	(682,226)	709,263
Accumulated surplus, beginning of the year	17,171,386	17,171,386	16,462,123
Accumulated surplus, end of the year	\$ 16,417,308	\$ 16,489,160	\$ 17,171,386

The accompanying notes and schedules are an integral part of these consolidated financial statements.

Nunavut Development Corporation
Consolidated Statement of Change in Net Financial Assets
For the year ended March 31

	2025 Budget	2025 Actual	2024 Actual
(Deficit) Surplus for the year	\$ (754,078)	\$ (682,226)	\$ 709,263
Tangible capital assets (Schedule A)			
Additions	\$ (366,277)	\$ (205,121)	\$ (364,272)
Write-downs	-	213,933	-
Amortization	100,760	210,751	221,107
	\$ (265,517)	\$ 219,563	\$ (143,165)
Additions of inventories for use	\$ -	\$ (743,744)	\$ (987,812)
Consumption of inventories for use	-	707,446	936,631
Change due to prepaid expenses	-	1,396	13,005
	\$ -	\$ (34,902)	\$ (38,176)
Change in net financial assets for the year	\$ (1,019,595)	\$ (497,565)	\$ 527,922
Net financial assets, beginning of the year	14,612,228	14,612,228	14,084,306
Net financial assets, end of the year	\$ 13,592,633	\$ 14,114,663	\$ 14,612,228

The accompanying notes and schedules are an integral part of these consolidated financial statements.

Nunavut Development Corporation
Consolidated Statement of Cash Flow
For the year ended March 31

	2025	2024
Cash provided by (used for) operating activities		
Received from customers	\$ 3,842,992	\$ 4,373,742
Received through contributions from the Government of Nunavut	3,239,667	3,578,119
Other interest received	387,977	514,469
Received through other Contributions	58,003	144,094
Dividends received	28,750	131,805
Paid to and on behalf of employees	(3,392,668)	(2,912,896)
Paid to suppliers	(2,856,630)	(3,123,003)
Other operations	(1,701,516)	(875,441)
Professional fees for testing of hazardous substances	-	(239,089)
Used in Art projects and sewing machine repair workshops	(118,603)	(186,151)
Project expenses - Training-On-Job	(6,055)	(22,294)
Cash (used for) provided by operating activities	(518,083)	1,383,355
Cash provided by investing activities		
Disbursement of loan receivable	(4,000,000)	-
Redemption of venture equity investment	268,000	100,000
Cash (used for) provided by investing activities	(3,732,000)	100,000
Cash used for capital activities		
Tangible capital asset acquisitions	(166,367)	(149,499)
Professional fees for abatement and remediation of hazardous substances	(120,100)	(161,704)
Capital expenditure repairs	(12,896)	(7,166)
Cash used for capital activities	(299,363)	(318,369)
(Decrease) Increase in cash and cash equivalents	(4,549,446)	1,164,986
Cash and cash equivalents - beginning of the year	13,443,906	12,278,920
Cash and cash equivalents - end of the year	\$ 8,894,460	\$ 13,443,906

The accompanying notes and schedules are an integral part of these consolidated financial statements.

Nunavut Development Corporation
Notes to the Consolidated Financial Statements
March 31, 2025

1. Authority and operations

(a) Authority

The Nunavut Development Corporation (the "Corporation" or "NDC") is a territorial corporation of the Government of Nunavut (the Government) named in Schedule B of the *Financial Administration Act* of Nunavut (FAA) and, accordingly, operates in accordance with Part IX of the FAA, the *Nunavut Development Corporation Act* (the "Act") and the *Business Corporations Act* of Nunavut.

Except for Taluq Designs Ltd., and Uqqurmiut Arts & Crafts (1993) Ltd., the Corporation and its subsidiaries are exempt from the payment of any municipal, territorial, and federal income taxes pursuant to Section 27 of the Act and Section 149 of the *Income Tax Act (Canada)*.

(b) Operations

The Corporation directly invests in or operates business enterprises in accordance with the economic objectives of the Government through equity investments, loans, and subsidies. These economic objectives are to create employment and income opportunities for residents of Nunavut, primarily in small communities, to stimulate growth of businesses in Nunavut and to promote economic diversification and stability. It is the intention of the Corporation to divest itself of its subsidiary investments once the subsidiary has attained a sustainable level of profitability. The Corporation also sells goods, mainly arts and crafts, procured from its subsidiaries and artists from communities in Nunavut, through its Sales division.

In accordance with Sections 16 and 17 of the Act, the Corporation has established accounts called Capital Reserve Fund, Venture Reserve Fund, Subsidy Fund, Capital Fund, and Venture Investment Fund. These funds are recorded within cash and cash equivalents within the Consolidated Statement of Financial Position. The Corporation is also required to deposit to the reserve funds an amount equal to 10% of each capital or venture investment made. The Corporation may defer the 10% allocation to cover approved project expenditures or use the reserve funds for further investment or financing for its subsidiaries and venture investments through approved drawdowns.

1. Authority and operations (cont'd)**(b) Operations (cont'd)**

In accordance with Sections 21, 22, 23 and 24 of the Act, the Corporation has also developed guidelines for investments and divestments from the Subsidy Fund, Capital Fund and Venture Investment Fund and for the amalgamation and wind-up of subsidiary investments. The current Investment Policies and Guidelines and the Guidelines for the Sale of Shares or Other Interests were approved by the Board of Directors on June 24th, 2010. As per Section 22 of the Act, the Guidelines for the Sale of Shares or Other Interests were approved by the Government's Financial Management Board on November 25th, 2010.

(c) Government contributions

In accordance with Section 25 of the Act, the Corporation shall annually submit a corporate plan, operating budget and capital plan identifying the contributions requested for approval by the Government's Financial Management Board prior to the commencement of the fiscal year. The Corporation receives contributions from the Government of Nunavut as set out in its Main Estimates, which are adjusted by supplementary appropriations. The contributions are allocated internally for the purposes of acquiring capital and venture investments, providing operating subsidies to subsidiaries based on need, financing head office and sales operations, providing project contributions to approved incorporated investments, paying business development expenses, and purchasing capital assets for the Corporation.

The Corporation and its subsidiaries are economically dependent upon the contributions received from the Government for their ongoing operations.

(d) Budget

Consolidated budget figures have been provided for comparison purposes and have been derived from the Main Estimates approved by the Government of Nunavut and the Board of Directors.

2. Significant accounting policies

(a) Basis of accounting

These consolidated financial statements are prepared in accordance with Canadian public sector accounting standards (PSAS) as issued by the Public Sector Accounting Board of Canada.

(b) Principles of consolidation

The consolidated financial statements include the financial assets, liabilities, non-financial assets, revenue, and expenses of the parent company, Nunavut Development Corporation, and its subsidiaries. The Corporation controls each of the eight subsidiaries listed below through a combination of ownership interests and other pertinent indicators. The financial assets, liabilities, non-financial assets, revenue and expenses of each of the eight subsidiaries are fully consolidated on a line-by-line basis. All intercompany transactions and balances are eliminated upon consolidation.

The following chart lists the subsidiary investments comprising the consolidated corporate reporting entity by segment:

Subsidiary Investment	Location	Ownership %	Date Incorporated
Meat & Fish:			
Kivalliq Arctic Foods Ltd.	Rankin Inlet	100%	October 2, 1992
Kitikmeot Foods Ltd.	Cambridge Bay	98%	April 9, 1992
Papiruaq Fisheries Ltd.	Whale Cove	51%	February 1, 1993
Arts & Crafts:			
Ivalu Ltd.	Rankin Inlet	100%	October 2, 1992
Jessie Oonark Ltd.	Baker Lake	100%	September 25, 1991
Kiluk Ltd.	Arviat	100%	April 3, 1996
Taluq Designs Ltd.	Taloyoak	51%	April 12, 1995
Uqqurmiut Arts & Crafts (1993) Ltd.	Pangnirtung	51%	March 1, 1994

The non-controlling interests in Papiruaq Fisheries Ltd., Taluq Designs Ltd., and Uqqurmiut Arts & Crafts (1993) Ltd., have been reduced to nil by the losses on operations applicable to the non-controlling interests. The applicable losses on operations are limited to the non-controlling interests' share in the capital of the subsidiaries. The excess and any further losses otherwise applicable to the non-controlling interests are allocated only to the parent's interest. Subsequent earnings will be allocated entirely to the parent's interest until previously absorbed losses relating to the non-controlling interests are recovered. The total accumulated losses on operations for the non-controlling interests of the above-noted subsidiaries as at March 31, 2025 are \$787,021 (2024 – \$653,502).

2. Significant accounting policies (cont'd)**(c) Use of estimates and measurement uncertainty**

The preparation of these consolidated financial statements in accordance with PSAS requires management to make estimates and assumptions that affect the reported amounts in the consolidated financial statements and accompanying notes. By their nature, these estimates are subject to measurement uncertainty. The effect on the consolidated financial statements of changes to such estimates and assumptions in future periods could be significant, although at the time of preparation of these consolidated financial statements, management believes the estimates and assumptions to be reasonable.

The more significant areas requiring the use of management estimates are related to the useful life of the tangible capital assets, the allowance for valuation of accounts receivable, the allowance to reduce inventories for use and inventories for resale to their estimated net realizable value, the valuation of asset retirement obligations, and the provision for venture investment loss. Actual results could differ from the current estimates.

(d) Cash and cash equivalents

Cash and cash equivalents are comprised of bank account balances net of outstanding cheques, short term highly liquid deposits and redeemable Guaranteed Investment Certificates that can be withdrawn at any time. Surplus cash held by the parent company is pooled with the Government's surplus cash and earns interest based on the Government's bank interest rate.

(e) Accounts receivable

Accounts receivable are valued at the lower of cost and net recoverable value. Valuation allowances, if necessary, are recorded using the best estimates when there is no realistic prospect of recovery based on past events, current conditions, and all circumstances known at the date of these consolidated financial statements, including past events and current conditions.

Accounts receivable that are known to be uncollectible are written-off when identified and approved in accordance with the provisions set forth within Section 82 of the FAA.

(f) Inventories

Inventories for resale include arts & crafts finished goods and meat & fish, valued at the lower of cost and estimated net realizable value, with cost being determined on a weighted average basis. The cost for one-of-a-kind items (such as carvings) has been assigned based on their actual input costs including labour, raw materials and overhead.

2. Significant accounting policies (cont'd)

(f) Inventories (cont'd)

Inventories for use includes arts & crafts and meat & fish raw materials and work-in-process as well as packaging materials and supplies valued at the lower of cost and net realizable value, with the cost being determined on a weighted average basis.

Impairments, when recognized, result in a write-down to net realizable value and are recorded as an expense within the Consolidated Statement of Operations and Accumulated Surplus.

(g) Portfolio investments

Portfolio investments include investments in organizations that do not form part of the Corporation's consolidated financial reporting entity and are accounted for using the cost method. Such investments are normally in equity or debt instruments of the investee. Dividend income is recognized as it is declared, and gains and losses on sales of portfolio investment are recognized within the Consolidated Statement of Operations and Accumulated Surplus when realized.

Where there has been a loss in value of a portfolio investment that is other than a temporary decline, the investment is written down to recognize the loss, and recorded as an expense within the Consolidated Statement of Operations and Accumulated Surplus. When a portfolio investment has been written-down to recognize a loss of value, the new carrying value is deemed to be the new cost basis for subsequent accounting purposes and, accordingly, a subsequent increase in value is only recognized when realized.

(h) Loan receivable

A loan is classified as impaired when, upon an analysis of all considerations, it is determined that there has been a deterioration in the credit quality of the loan such that, in the opinion of management, there is no longer reasonable assurance of the timely collection of full amount of principal and interest. Such considerations may include the following and are assessed in conjunction with other contributing and mitigating factors that may exist with respect to a specified loan.

1. Principal or interest is six months past due unless the loan is fully secured or collection efforts are reasonably expected to result in payment of the loan;
2. Principal or interest is twelve months past due regardless of whether the loan is well secured or not;
3. Principal or interest is three months past due, if the loan has been previously restructured; or
4. The security of the credit facility is compromised.

2. Significant accounting policies (cont'd)

(h) Loan receivable (cont'd)

When a loan is classified as impaired, the carrying amount of the loan is reduced to its estimated recoverable value. The amount of initial impairment and any subsequent changes in the amount of impairment are recorded as either an increase or a decrease to the specific allowance on the impaired loan. The allowance for loss on loan is based upon a review of the loan and represents management's best estimate of the probable credit losses based upon historical experience. Once the suspended interest and accrued loan interest are current, the loan is no longer classified as impaired. A loan is restored to performing status when it is determined that there is a reasonable assurance of timely collection of principal and interest. Management will recommend the write-off of a loan only after all means of collecting the loan have been exhausted.

(i) Tangible capital assets

Tangible capital assets are non-financial assets whose useful life exceeds one fiscal year and are intended to be used on an ongoing basis for delivering the Corporation's services. Tangible capital assets are recorded at cost less accumulated depreciation. Costs include contracted services, direct labour, materials and supplies, and development costs. Tangible capital assets that have been contributed are recorded at fair value or a nominal amount if fair value is not determinable.

Tangible capital assets include Buildings, Leasehold improvements, Equipment, Automotive equipment, Office furniture and equipment and Computer equipment carried at cost less accumulated amortization. When placed into service, they are amortized on a straight-line basis over their estimated useful life, with the exception of leasehold improvements, which are amortized over the lesser of useful life of the asset or the lease term.

The following amortization rates are used:

Asset Category	Amortization Period
Buildings	10 - 20 years
Equipment	5 years
Leasehold improvements	5 - 10 years
Office furniture and equipment	5 - 10 years
Computer equipment	1 - 3 years
Automotive equipment	5 years

2. Significant accounting policies (cont'd)

(i) Tangible capital assets (cont'd)

Tangible capital assets under construction or development are recorded as work in progress and are not amortized until the time the asset is placed into service. The cost of licenses is charged to expense in the year they are acquired.

When conditions indicate that a tangible capital asset no longer contributes to the Corporation's ability to provide goods and services, or that the value of future economic benefits associated with the tangible capital asset is less than the net book value, the cost of the tangible capital asset is reduced to reflect the decline in the asset's value.

The costs to retire an asset are capitalized over the assets' estimated remaining useful life. An asset retirement obligation may exist in connection with a fully amortized tangible capital asset that is still in productive use. In this case, the costs would be amortized over the revised estimate of the remaining useful life.

(j) Employee future benefits

Severance, termination, relocation assistance and sick leave

Employees of the Corporation are not employees of the public service as defined in the *Public Service Act*.

Employee future benefits includes severance benefits, termination benefits, assistance with relocation costs and sick leave benefits.

Under the terms and conditions of employment, certain employees are entitled to severance benefits based on years of service. These benefits are paid upon resignation, retirement or death of the employee. The estimated liability and related expenses for these benefits are recorded as employees earn them and are based on management's assumptions and best estimates.

Certain employees who are terminated are also entitled to benefits based on years of service. Termination benefits are recorded when the Corporation can no longer withdraw its termination offer.

Certain employees are also entitled to financial assistance in relocating themselves and their household effects when they resign or retire from their community of employment back to their original point of appointment. The benefit is paid upon resignation or retirement of the employee. The expected cost of providing the benefit is accrued as a liability based on management's best estimate.

2. Significant accounting policies (cont'd)**(j) Employee future benefits (cont'd)****Severance, termination, relocation assistance and sick leave (cont'd)**

Employee future benefits also include sick leave benefits that employees are entitled to under their employment contracts. Employees are permitted to accumulate unused sick leave; however these benefits do not vest and can be used only in the event of illness. The amount of accumulated sick leave entitlements which are expected to be used in future years is based on management's best estimate of sick leave usage of active employees.

Registered retirement savings plan contributions

The Corporation makes contributions on behalf of its employees to registered retirement savings plans up to the established limits defined in their employment contracts. There is no obligation for employees to make contributions. These contributions represent the total obligation of the Corporation and are recognized in the Consolidated Statement of Operations and Accumulated Surplus as a selling and administration expense, and included as a part of salaries and benefits in Schedule D. During the year, these contributions totaled \$65,564 (2024 - \$60,074)

(k) Asset retirement obligations

The Corporation has legal obligations associated with the retirement from service of buildings and equipment. A liability for an asset retirement obligation is recognized when, as at the financial reporting date, all the following criteria are met:

- There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- The past transaction or event giving rise to the liability has occurred;
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

Asset retirement obligations are measured based on the best estimate of directly attributable expenditures required to settle the obligation. These costs include post-retirement operation, maintenance and monitoring costs that are required after the asset has been removed from service.

A present value technique is used to determine the amount of the obligation related to the retirement of assets. Using a present value technique to measure a liability, the liability is adjusted for the passage of time using the effective interest rate method with the adjustment being recognized as accretion expense in the Consolidated Statement of Operations and Accumulated Surplus.

2. Significant accounting policies (cont'd)**(k) Asset retirement obligations (cont'd)**

When a liability for an asset retirement obligation is recognized, asset retirement costs related to recognized tangible capital assets in productive use are capitalized by increasing the carrying amount of the related asset by the same amount as the liability and are amortized over the estimated remaining useful life of the underlying tangible capital asset. Asset retirement costs related to unrecognized tangible capital assets and those not in productive use are expensed in the Consolidated Statement of Operations and Accumulated Surplus.

(l) Government contributions

Government transfers are recognized as revenue when the funding is authorized and any eligibility criteria are met except to the extent that funding stipulations give rise to an obligation that meets the definition of a liability, in which case they would be recognized as deferred revenue. Government contributions are recognized in the Consolidated Statement of Operations and Accumulated Surplus when the stipulated liabilities are settled.

(m) Revenues

Revenues from transactions with performance obligations occur when there is an enforceable promise to transfer goods or services directly to a payor in return for promised consideration. These revenues are recognised when control of the benefits associated with the goods or services have transferred and there is no unfulfilled performance obligation.

Sales consist of one performance obligation that is satisfied at a point in time. These revenues are recognized when the performance obligation is satisfied by delivering goods to the customer.

Other revenues consist of sales of services that are recognized when the performance obligations are satisfied through providing the promised services to the payor. Other revenues include Pangnirtung Post Office Agency income, RBC Agency income, Qiniq internet service income and rental income. There is no revenue from non-recurring activities presented in these consolidated financial statements.

2. Significant accounting policies (cont'd)

(n) Interest income on loan receivable

Interest income on loan receivable is measured using the effective interest method, recognized on an accrual basis and reported as revenue in the period in which it is earned. The Corporation ceases to accrue interest once a loan is classified as impaired. All payments received on an impaired loan are credited to suspended interest, arrears payments for accrued loan interest, or loan principal balance.

(o) Financial instruments

Financial instruments are identified by financial asset and financial liability classifications. The following is a list of the Corporation's financial instruments and their measurement bases:

Financial Assets	Measurement Basis
Cash and cash equivalents	Cost
Accounts receivable	Cost
Portfolio investments	Cost
Loan receivable	Amortized cost
Financial Liabilities	Measurement Basis
Debt	Cost
Accounts payable and accrued liabilities	Cost

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the Consolidated Statement of Operations and Accumulated Surplus. Financial assets that have been written-down or written-off are not reversed following a subsequent increase in value.

The carrying value of financial assets and financial liabilities approximate their fair value. Transaction costs are incremental costs directly attributable to the acquisition or issue of a financial asset or a financial liability. To the extent applicable, transaction costs are added to the carrying value of items in the cost category when they are initially recognized.

2. Significant accounting policies (cont'd)

(p) Related party transactions

Inter-entity transactions

The Corporation is related in terms of common ownership, to all Government of Nunavut created departments and Territorial corporations. The Corporation enters into transactions with these entities in the normal course of business, at normal trade terms. These transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

The Corporation receives insurance coverage at no cost from the Government of Nunavut and it is not recognized in these consolidated financial statements due to its insignificant amount.

Other related party transactions

Other related parties are key management personnel (President, CFO, and Board of Directors), close family members of key management personnel, and entities that are controlled or significantly influenced by key management personnel or their close family members.

Related party transactions, other than inter-entity transactions, are recorded at the exchange amount. These related party transactions are in the normal course of business and are completed under normal trade terms.

(q) Segmented information

NDC has two operating segments, Meat & Fish and Arts & Crafts. These segments consist of the subsidiaries whose primary operations relate most significantly to the category they have been placed in. For segmented disclosure reporting purposes, summary information has been provided in Schedules B, C and D using the categorization of subsidiaries in Note 2(b).

(r) Future changes in accounting standards

PSAB has approved the revised Conceptual Framework for Financial Reporting, that will replace the existing conceptual framework, which consists of Section PS 1000-*Financial Statement Concepts*, and PS 1100-*Financial Statement Objectives*. The revised conceptual framework will be effective for fiscal years beginning on or after April 1, 2026, with earlier adoption permitted. The conceptual framework has to be applied prospectively.

2. Significant accounting policies (cont'd)

(r) Future changes in accounting standards (cont'd)

PSAB has also approved the issuance of new Section PS 1202-*Financial Statement Presentation*, which will build upon existing Section PS 1201-*Financial Statement Presentation*, to better respond to the need for understandable financial statements.

The Corporation has decided to adopt the revised conceptual framework and the new Section PS 1202-*Financial Statement Presentation* from April 1, 2026, and is currently assessing the impact these standards will have on the Corporation's consolidated financial statements.

3. Cash and cash equivalents

	<u>Mar 31, 2025</u>	<u>Mar 31, 2024</u>
Cash and cash equivalents held by:		
Parent company	\$6,550,333	10,526,284
Subsidiaries	<u>2,344,127</u>	<u>2,917,622</u>
	<u>\$8,894,460</u>	<u>\$13,443,906</u>

The cash held by the parent company is pooled with the Government's surplus cash. The cash can be withdrawn at any time and is not restricted by the maturity dates of investments made by the Government. In 2025, the parent company earned interest income of \$390,935 (2024 - \$522,814) with an average yield of 4.95% (2024 - 5.24%).

Included in cash held by the parent company are fund and reserve balances designated as follows:

	<u>Mar 31, 2025</u>	<u>Mar 31, 2024</u>
Venture Investment Fund	\$ 790,952	\$4,872,501
Capital Fund	1,092,170	1,368,901
Capital Reserve fund	608,862	583,705
Subsidy Fund	189,000	189,000
Venture Reserve Fund	<u>451,000</u>	<u>77,800</u>
Total fund balances	<u>\$3,131,984</u>	<u>\$7,091,907</u>

As at March 31, 2025, Kivalliq Arctic Foods Ltd had a short-term deposit consisting of fixed rate, redeemable Guaranteed Investment Certificates totaling \$100,000 (2024 - \$100,000) bearing 2.40% (2024 - 3.30%) interest rate per annum maturing on August 12, 2025 (2024 - August 7).

4. Accounts receivable

	<u>Mar 31, 2025</u>	<u>Mar 31, 2024</u>
Related parties		
Government of Nunavut - Departments	\$195,732	\$241,382
Non-controlling interests	<u>63,803</u>	<u>28,635</u>
	\$259,535	\$270,017
Third parties	<u>933,492</u>	<u>862,058</u>
Total accounts receivable	\$1,193,027	\$1,132,075
Less: Valuation allowance (Note 12(a))	<u>(140,089)</u>	<u>(258,174)</u>
Net accounts receivable	<u>\$1,052,938</u>	<u>\$873,901</u>

During the year, \$98,215 (2024 - \$ Nil) was written off as bad debts.

5. Inventories**(a) For resale**

	<u>Mar 31, 2025</u>	<u>Mar 31, 2024</u>
Arts & Crafts	\$2,011,277	\$2,128,893
Meat & Fish	<u>64,443</u>	<u>77,313</u>
Total inventories for resale	\$2,075,720	\$2,206,206
Less: Inventory valuation allowance	<u>(671,940)</u>	<u>(761,437)</u>
Net inventories for resale	<u>\$1,403,780</u>	<u>\$1,444,769</u>

During the year, inventories of \$ Nil (2024 - \$126,941) were written-off or marked-down, requiring disclosure per the *FAA* of Nunavut.

(b) For use

	<u>Mar 31, 2025</u>	<u>Mar 31, 2024</u>
Raw materials and work-in-process		
Arts & Crafts	\$348,900	\$308,926
Meat & Fish	<u>1,019,615</u>	<u>1,010,488</u>
	<u>\$1,368,515</u>	<u>\$1,319,414</u>
Processing and packaging supplies		
Arts & Crafts	\$81,760	\$84,737
Meat & Fish	<u>73,447</u>	<u>111,296</u>
	<u>\$155,207</u>	<u>\$196,033</u>
Total inventories for use	\$1,523,722	\$1,515,447
Less: Inventory valuation allowance	<u>(238,139)</u>	<u>(268,139)</u>
Net inventories for use	<u>\$1,285,583</u>	<u>\$1,247,308</u>

6. Portfolio investments

	<u>Mar 31, 2025</u>	<u>Mar 31, 2024</u>
Preferred Shares Investment in –		
(a) Arctic UAV Inc.	\$ -	\$143,000
(b) Arctic Fisheries Alliance Limited Partnership	250,000	250,000
(c) CHOU Consulting and Development Inc.	-	125,000
(d) Sudliq Developments Ltd.	375,000	375,000
	<u>625,000</u>	<u>893,000</u>
Provision for venture investment loss (Note 6(d))	(375,000)	(375,000)
	<u>\$250,000</u>	<u>\$518,000</u>

(a) Arctic UAV Inc. (UAV)

In July 2024, UAV (Iqaluit) bought back (redeemed) 143,000 of their Class C preferred non-voting shares held by the Corporation, at face value. Until redemption, the Corporation was a registered holder of 143,000 Class C preferred non-voting shares in UAV. The rights of Class C preferred shares were governed by a Unanimous Shareholders Agreement and a Share Subscription Agreement. The Corporation was entitled to receive a fixed cumulative preferential distribution of 6.0% per annum, which accrued daily, compounded annually and were payable in arrears by UAV to the Corporation annually.

(b) Arctic Fisheries Alliance Limited Partnership (AFA)

The Corporation is a registered holder of 250 Class D preferred Limited Partnership Units in AFA. The rights of a holder of these Units are governed by a Partnership Agreement between Masiliit Corporation as general partner and the limited partners. The Corporation is entitled to receive a fixed cumulative preferential distribution of 6.25% (7.00% effective 1 April 2025), per annum, which shall accrue daily, compound annually and be payable in arrears by the Partnership to the Corporation on the last business day of each month. The shares are redeemable in March 2030 at face value.

6. Portfolio investments (cont'd)**(c) CHOU Consulting and Development Inc. (CHOU)**

In January 2025, CHOU (Cambridge Bay) bought back (redeemed) 125,000 of their Class A first preference shares held by the Corporation, at face value. Until redemption, the Corporation was a registered holder of 125,000 Class A first preference shares in CHOU. The rights of these shares were governed by a Unanimous Shareholders Agreement and a Share Subscription Agreement. The Corporation was entitled to receive a fixed, cumulative preferential distribution of 6.0% per annum, which was payable in quarterly instalments.

(d) Sudliq Developments Ltd. (SDL)

The Corporation is a registered holder of 375,000 Class E first preference shares in SDL. The rights of these shares are governed by a Unanimous Shareholders Agreement and a Share Subscription Agreement. The Corporation is entitled to receive a fixed, cumulative preferential distribution of 6.0% per annum. The shares are redeemable in December 2029 at face value.

In 2020, the Corporation determined that there was a loss in value of the portfolio investment that was considered an 'other than a temporary' decline. Consequently, the Corporation reduced the net carrying value of this investment to zero by recording a provision for venture investment loss of \$375,000 in 2020.

7. Loan receivable

The loan receivable is a non-revolving credit facility and is expected to be repaid only when it matures as shown below:

Date to Maturity	Annual Interest Rate %	2025	2024
1 November 2029	6%	\$4,000,000	-
		\$4,000,000	-
Accrued loan interest receivable		\$100,000	-
Loan receivable – Total		\$4,100,000	-

7. Loan receivable (cont'd)

The loan is secured by corporate and personal guarantees in an amount equal to \$4,000,000. The borrower will use the loan proceeds for capital expenditures related to the construction of the borrower's modular pre-fabricated housing factory and warehouse in the community of Arviat, Nunavut. Interest at 6% will be payable annually on 1 November.

8. Accounts payable and accrued liabilities

	<u>Mar 31, 2025</u>	<u>Mar 31, 2024</u>
Related parties - Government of Nunavut		
Petroleum Products Division	\$87,118	\$107,591
Territorial corporations	86,154	43,074
Departments	5,754	11,419
Non-controlling interests	-	4,141
	<u>179,026</u>	<u>166,225</u>
Third parties	461,288	534,818
Vacation pay and lieu time	<u>243,993</u>	<u>226,896</u>
 Total accounts payable and accrued liabilities	 <u>\$884,307</u>	 <u>\$927,939</u>

All amounts above are non-interest bearing with normal payment terms.

9. Employee future benefits

	<u>Mar 31, 2025</u>	<u>Mar 31, 2024</u>
Severance	\$363,162	\$305,691
Sick leave	30,683	32,583
Relocation assistance	<u>15,000</u>	<u>15,000</u>
	<u>\$408,845</u>	<u>\$353,274</u>

The Corporation provides severance benefits to its eligible employees. Under the terms and conditions of employment, most employees with more than one year of continuous service and have reached the age of 55 are eligible to earn severance based on years of service and salary upon resignation, retirement or death. The maximum entitlements for employees are between 30 to 52 weeks of salary depending on the eligible employee.

The Corporation also provides sick leave to its eligible employees. Accumulated sick leave is not eligible for liquidation in cash and is not bought out in the event of termination.

9. Employee future benefits (cont'd)

Relocation assistance benefits have been accrued for employees recruited from other communities and are based upon the estimated cost to relocate them upon retirement or resignation.

These benefits are not pre-funded and thus have no assets, resulting in a plan deficit equal to the accrued benefits obligation.

The following provides a reconciliation of the beginning and ending balances of the employee benefits:

	<u>Mar 31, 2025</u>	<u>Mar 31, 2024</u>
Employee future benefits, beginning of year	\$353,274	\$336,028
Cost of benefits for the year	100,035	60,989
Benefits paid during the year	<u>(44,464)</u>	<u>(43,743)</u>
Employee future benefits, end of year	<u>\$408,845</u>	<u>\$353,274</u>

10. Asset retirement obligations

The Corporation recognizes asset retirement obligations as a result of legal obligations to remove asbestos and other hazardous substances from the equipment and buildings owned by the Corporation and its subsidiaries. Asset retirement obligation consists of remediation costs for safe removal, packaging and disposal to southern facilities and/or local landfill of the hazardous materials, such as asbestos, lead paint, lead-acid batteries, mercury containing articles, PCB₂ containing light ballasts, ozone depleting substances, etc.

Asset retirement obligations are measured initially at fair value based on the qualified abatement services professional's best estimates, with the resulting amount capitalized into the carrying amount of the equipment and buildings. The capitalized asset retirement cost is amortized on a straight-line basis over the capital assets' useful life. The amortization expenses are included in the expenses under the Consolidated Statement of Operations and Accumulated Surplus. The asset retirement cost for assets not in productive use have been expensed.

10. Asset retirement obligations (cont'd)

The estimated total undiscounted expenditure on which the liability is based, is \$300,975 and is detailed below. Expenditures are to be incurred over three years ending, as indicated in brackets.

Buildings / Fish plants –

Removal of hazardous materials 192,475 (March 2028)

Fish plants – Removal of Ozone depleting substances 108,500 (March 2028)

The Corporation has recorded asset retirement obligations for the removal of asbestos in buildings as well as other removal of lead paint, lead-acid batteries, mercury containing articles, PCB2 containing light ballasts, ozone depleting substances, etc. Changes in asset retirement obligations during the year are as follows:

	<u>Mar 31, 2025</u>	<u>Mar 31, 2024</u>
Liability, beginning of year	\$352,135	\$221,000
Liability recognized in the year	13,664	258,267
Accretion of the liability during the year	18,520	34,572
Liability discharged during the year	<u>(115,956)</u>	<u>(161,704)</u>
Liability, end of year	<u>\$268,363</u>	<u>\$352,135</u>

The discount rate of 7% used in 2023-24 has been revised to 5% after reassessment of appropriateness at 2024-25 reporting period, based on the bank prime rate history sheet.

11. Government contributions

	<u>2025</u>	<u>2024</u>
Subsidy payments from Government of Nunavut		
Operating purposes	\$2,800,000	\$2,858,000
Venture equity	-	270,000
Capital purposes	<u>-</u>	<u>230,000</u>
	<u>\$2,800,000</u>	<u>\$3,358,000</u>
Other contributions from Government of Nunavut		
Other direct contributions to NDC	117,222	115,000
Other direct contributions to subsidiaries	<u>175,604</u>	<u>228,300</u>
	<u>\$292,826</u>	<u>\$343,300</u>
Total government contributions	<u>\$3,092,826</u>	<u>\$3,701,300</u>

12. Financial instruments

Risk management

Management of the Corporation defines the components of risk, develops frameworks and processes on how to identify, measure and manage risk and submits risk management reporting to the Board of Directors annually for its approval. A risk management process, which includes understanding, identifying, assessing and mitigating risks, monitoring control and communicating results, has been established and is reviewed every year.

There have been changes to the level of risks compared to the prior year and in the risk management practices used to manage risks due to the loan receivable (Note 7). For example, there is a risk that the debt will not be repaid by the due date and that there will be delays that interfere with the corporation's ability to plan ahead and operate efficiently. Also, the guarantees offered by the borrower as collateral may not be adequate to compensate the Corporation in case of default.

The Corporation is exposed to the following risks as a result of holding financial instruments:

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet their obligations. The Corporation is exposed to credit risk through cash and cash equivalent deposits with financial institutions, the sale of goods to customers resulting in accounts receivable, and investments made in business enterprises through equity purchases and the loan receivable.

For cash and cash equivalents in interest-bearing accounts, the maximum exposure to credit risk is the carrying amount on the Consolidated Statement of Financial Position. The risk associated with cash and cash equivalents is minimized substantially by ensuring that these financial assets are placed with well-capitalized financial institutions. As at March 31, 2025, there were no known relevant concentrations of credit risk by type of deposit or institution.

For accounts receivable, the maximum exposure to credit risk is the carrying amount on the Consolidated Statement of Financial Position. The risk exposure relating to accounts receivable is directly impacted by the clients' ability to meet their obligations. Among other factors, this ability is impacted by the clients' exposure to fluctuations in the economy of Nunavut. To mitigate this risk, the Corporation does regular follow-up on their accounts receivable.

The Corporation considers an accounts receivable past due when a client has not made a payment in accordance with the payment terms. The following table presents the carrying value of accounts receivable that are past due but not classified as impaired because they did not meet the criterion of impairment.

12. Financial instruments (cont'd)**(a) Credit risk (cont'd)**

Accounts receivable past due, but not impaired:

	<u>Mar 31, 2025</u>	<u>Mar 31, 2024</u>
31-60 days	\$98,987	\$63,847
61-90 days	212,011	66,528
Over 90 days	<u>223,311</u>	<u>188,236</u>
Total	<u>\$534,309</u>	<u>\$318,611</u>

The increase in the balance of accounts receivable past due, but not impaired, is due to a reduction in the allowance for doubtful accounts relating to customers who have made significant enough payment commitments and increased their purchasing activity during 2024-25. At the end of 2025, there were no known relevant concentrations of credit risk by type of customer or geography.

The Corporation utilizes an allowance account for potential credit losses related to accounts receivable. The movement in the allowance account during the year was as follows:

	<u>Mar 31, 2025</u>	<u>Mar 31, 2024</u>
Balance, beginning of year	\$258,174	\$274,149
Reversal of allowances and recoveries during the year	(118,144)	(20,628)
Additional allowance recorded during the year	<u>59</u>	<u>4,653</u>
Balance, end of year	<u>\$140,089</u>	<u>\$258,174</u>

For portfolio investments, the maximum exposure to credit risk is the carrying amount on the Consolidated Statement of Financial Position. The risk relating to portfolio investments is directly impacted by the investee's ability to meet their obligations. Among other factors, this ability is impacted by the investee's exposure to fluctuations in the economy of Nunavut. To mitigate this risk, the Corporation has implemented specific guidance to be followed before investing in a subsidiary. The Corporation also performs regular review of the investee's practices after the investment occurs and may sometimes divest, to further mitigate the likelihood of incurring any significant losses from the investments.

As at March 31, 2025, the Corporation believes there is no significant credit risk related to its portfolio investments, except for the provision for venture investment loss described in the Note 6(d).

For the loan receivable, the maximum exposure to credit risk from the borrower is limited to the carrying value of the loan. The Corporation's management of credit exposure from borrower includes monitoring borrower's performance and management of loan receivable. The loan receivable is not secured by assets, but it is secured by corporate and personal guarantees to mitigate the credit risk.

12. Financial instruments (cont'd)

(b) Interest rate risk

The interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Nunavut Development Corporation has an unsecured overdraft facility of \$100,000 at the bank prime rate. There have been no draws as at March 31, 2025 (2024 - \$nil).

Kivalliq Arctic Foods Ltd. has a loan demand operating line of credit of \$420,000, at the bank prime rate plus 1.25%. The line of credit is secured by a guarantee and postponement of claim signed by the parent company. There have been no draws as at March 31, 2025 (2024 - \$nil). Kitikmeot Foods Ltd. has a demand operating line of credit of \$200,000, at the bank prime rate plus 0.5%. The line of credit is secured by a guarantee and postponement of claim signed by the parent company. There have been no draws as at March 31, 2025 (2024 - \$nil).

Since the commencement of RBC Agency in October 2019 at Pangnirtung, Uqqurmiut Arts and Craft (1993) Ltd. has a revolving demand operating line of credit of \$100,000 at the bank prime rate, secured by a guarantee signed by the parent company, for financing the day-to-day operations of RBC Agency in Pangnirtung. The outstanding operating loan as at March 31, 2025 was \$25,000 (2024 - \$35,000).

The variable interest rate on the RBC Agency loan subjects the Corporation to interest rate cash flow risk. For each 1% change in the rate of interest, the change in annual interest expense would be \$250 (2024 - \$350).

The Corporation is also exposed to interest rate risk on its bank operating loan because any change in interest rate will cause fluctuations in interest expense. The Corporation has not drawn upon the bank operating loan during the fiscal year, therefore mitigating any interest rate risk.

12. Financial instruments (cont'd)**(c) Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting its financial obligations as they fall due. The Corporation is exposed to liquidity risk on its financial liabilities (accounts payable and accrued liabilities, and debt). The Corporation manages its liquidity risk by continuously monitoring forecasts and actual cash flows to ensure it maintains sufficient liquid financial resources to finance operations. The Corporation's debt in respect of RBC Agency at Pangnirtung will mature only when the Agency ceases to exist. Other financial liabilities are expected to mature in less than one year.

The Corporation does not currently believe that it will encounter difficulty in meeting its future obligations associated with its financial liabilities. The Corporation believes that it has access to sufficient capital through internally generated cash flows, government support and external sources including borrowing facilities to meet current spending forecasts.

13. Contractual obligations

The Corporation has entered into a long-term operating lease for the rental of office and retail space which expires in July 2027. Future minimum payments by fiscal year are due as follows:

2026	\$152,268
2027	158,392
2028	53,488

\$364,148

Kitikmeot Foods Ltd., a subsidiary company of Nunavut Development Corporation, has long-term land leases with the Hamlet of Cambridge Bay for its meat plant, fish plant and staff housing. Future minimum payments by fiscal year are due as follows:

2026	\$2,496
2027	2,496
2028	2,496
2029	2,496
2030	2,496

\$12,480

Thereafter, annually **\$2,496**

14. Contractual rights

The Corporation has provided a loan to a business enterprise for the purpose of stimulating economic development and employment in Nunavut. This will result in interest revenue and assets in the future. The following table summarizes the contractual rights of the Corporation:

2026	\$240,000
2027	240,000
2028	240,000
2029	240,000
2030	<u>140,000</u>
Total	<u>\$1,100,000</u>

The Corporation has the right to receive an annual fixed cumulative preferential distribution from its portfolio investments. The contractual rights of the Corporation for future assets in respect of two venture investments are as follows:

2026	\$40,000
2027	40,000
2028	40,000
2029	40,000
2030	<u>34,375</u>
Total	<u>\$194,375</u>

Uqqurmiut Arts & Craft (1993) Ltd. (UAC) has entered into contracts for "Pangnirtung Post Office dealership", "RBC Agency service" and "QINIQ 4G-Community Service Provider ("4G-CSP agreement") in Pangnirtung".

The Post Office Dealership agreement is between UAC and Canada Post in relation to the operations of the Pangnirtung Postal Outlet. This agreement does not expire unless agreed upon by both parties. The RBC Agency service agreement is between UAC and Royal Bank of Canada (RBC). UAC has been appointed as RBC's agent to provide banking and related services on behalf of the Bank, in the community of Pangnirtung. This agreement does not expire unless agreed upon by both parties. 4G-CSP agreement is between UAC and SSI Micro Ltd ("SSI"). UAC acts as an agent of SSI in Pangnirtung, and contract revenues include a monthly retainer and various royalties on services. This agreement does not expire unless agreed upon by both parties.

14.Contractual rights (cont'd)

The following table summarizes the contractual rights of UAC for future assets:

	Post Office Dealership	QINIQ Internet 4G-CSP	RBC Agency	Total
2026	\$115,368	\$3,600	\$28,000	\$146,968
2027	115,368	3,600	28,000	146,968
2028	115,368	3,600	28,000	146,968
2029	115,368	3,600	28,000	146,968
2030	<u>115,368</u>	<u>3,600</u>	<u>28,000</u>	<u>146,968</u>
Total	<u>\$576,840</u>	<u>\$18,000</u>	<u>\$140,000</u>	<u>\$734,840</u>
Thereafter, annually	<u>\$115,368</u>	<u>\$3,600</u>	<u>\$28,000</u>	<u>\$146,968</u>

Ivalu Ltd. (Ivalu) has entered into a contract for "QINIQ 4G-Community Service Provider ("4G-CSP agreement") in Rankin Inlet". 4G-CSP agreement is between Ivalu and SSI Micro Ltd ("SSI"). Ivalu acts as an agent of SSI in Rankin Inlet, and contract revenues include a monthly retainer and various royalties on services. This agreement does not expire unless agreed upon by both parties.

The following table summarizes the contractual rights of Ivalu for future assets:

	QINIQ Internet 4G-CSP
2026	\$3,600
2027	3,600
2028	3,600
2029	3,600
2030	<u>3,600</u>
Total	<u>\$18,000</u>
Thereafter, annually	<u>\$3,600</u>

Schedule A

Nunavut Development Corporation
Consolidated Schedule of Tangible Capital Assets (TCA)
As at 31 March

	2025					2024				
	Buildings	Equipment	Leasehold Improvements	Office Furniture and Equipment	Computer Equipment	Automotive Equipment	Total	Total	Total	Total
Cost of tangible capital assets										
Opening balance	\$ 7,737,711	\$ 2,263,814	\$ 658,735	\$ 290,165	\$ 139,090	\$ 123,944	\$ 11,213,459	\$ 10,888,617		
Additions	63,373	22,941	7,319	11,426	4,507	95,555	205,121	364,272		
Write-downs	(222,897)	-	-	-	-	-	(222,897)	-		
Disposal of fully depreciated assets	(173,384)	(68,204)	(313,765)	(142,203)	(23,237)	-	(720,793)	(39,430)		
Closing balance	7,404,803	2,218,551	352,289	159,388	120,360	219,499	10,474,890	11,213,459		
Accumulated amortization										
Opening balance	\$ (6,902,186)	\$ (2,065,908)	\$ (656,671)	\$ (260,977)	\$ (132,385)	\$ (71,916)	\$ (10,090,043)	\$ (9,908,366)		
Write-down	8,733	-	-	-	-	-	8,733	-		
Disposal of fully depreciated assets	173,384	68,204	313,765	142,203	23,237	-	720,793	39,430		
Amortization allocated to COGS	(68,412)	(58,297)	-	(1,359)	(2,254)	(7,850)	(138,172)	(160,694)		
Amortization allocated to S&A	(37,307)	-	(1,464)	(9,688)	(4,223)	(19,897)	(72,579)	(60,413)		
Closing balance	(6,825,788)	(2,056,001)	(344,370)	(129,821)	(115,625)	(99,663)	(9,571,268)	(10,090,043)		
Work-in-progress										
Opening balance	\$ 51,007	\$ 95,341	\$ -	\$ -	\$ -	\$ -	\$ 146,348	\$ 146,348		
Closing balance	51,007	95,341	-	-	-	-	146,348	146,348		
Net book value	\$ 630,022	\$ 257,891	\$ 7,919	\$ 29,567	\$ 4,735	\$ 119,836	\$ 1,049,970	\$ 1,269,764		

Certain categories of capital assets have been reclassified for overall grouping and meaningful presentation.

Nunavut Development Corporation
Consolidated Schedule of Sales
For the year ended March 31

Schedule B

	Arts & Craft	Meat & Fish	2025 Actual	2024 Actual
Sales				
Arts & Craft	\$ 1,720,934	\$ -	\$ 1,720,934	\$ 1,908,847
Meat & Fish	72,823	2,309,329	2,382,152	2,413,335
Supplies	17,918	-	17,918	3,140
Total	\$ 1,811,675	\$ 2,309,329	\$ 4,121,004	\$ 4,325,322

Sales - By Category of Customers

Government of Nunavut - Departments	\$ 8,187	\$ 152,416	\$ 160,603	\$ 183,008
District Education Authority	8,504	22,780	31,284	34,695
Nunavut Arctic College	3,276	1,568	4,844	8,500
Non-controlling interests	-	149,050	149,050	106,642
Third parties	1,791,708	1,983,515	3,775,223	3,992,477
Total	\$ 1,811,675	\$ 2,309,329	\$ 4,121,004	\$ 4,325,322

Nunavut Development Corporation
Consolidated Schedule of Cost of goods sold
For the year ended March 31

Schedule C

	Arts & Craft	Meat & Fish	2025 Actual	2024 Actual
Cost of goods sold				
Opening inventory	\$ 1,492,980	\$ 1,199,097	\$ 2,692,077	\$ 2,740,870
Purchases				
Government of Nunavut - Departments	-	3,126	3,126	4,911
Third parties	1,105,100	639,018	1,744,118	1,883,730
Direct labour	423,238	651,728	1,074,966	850,929
Utilities				
Government of Nunavut - Territorial Corp.	40,627	319,001	359,628	336,535
Petroleum Products Division	69,803	119,487	189,290	138,698
Freight and packaging	63,559	791,289	854,848	748,971
Commission	110,800	-	110,800	47,188
Amortization	17,068	121,104	138,172	160,694
Food safety and productivity expenses	-	-	-	19,223
Product repair and development	4,900	-	4,900	1,697
Closing inventory	(1,531,858)	(1,157,505)	(2,689,363)	(2,692,077)
Total	\$ 1,796,217	\$ 2,686,345	\$ 4,482,562	\$ 4,241,369

Cost of goods sold includes decrease in the valuation allowance for inventories totalling \$119,497, and write-downs of inventories totalling \$ Nil (2024 - decrease of \$121,397 and \$126,941 respectively)

Nunavut Development Corporation
Consolidated Schedule of Selling and administration expenses
For the year ended March 31

Schedule D

			2025 Actual	2024 Actual
Selling and administration expenses	Arts & Craft	Meat & Fish		
Salaries and benefits	\$ 2,023,283	\$ 281,291	\$ 2,304,574	\$ 2,063,674
Professional fees	145,341	96,557	241,898	500,288
Travel	160,032	27,440	187,472	104,946
Office supplies	107,182	76,318	183,500	118,952
Write-down of tangible capital asset	162,527	-	162,527	-
Repairs and maintenance	46,656	100,134	146,790	98,008
Rent	141,879	-	141,879	132,444
Pangnirtung Post Office expenses	125,170	-	125,170	108,987
Project expenses	124,658	-	124,658	262,075
Advertising and promotion	70,728	14,675	85,403	92,081
Bank charges and interest	67,913	13,522	81,435	72,745
Amortization	45,606	26,973	72,579	60,684
Board expenses	70,048	-	70,048	56,280
Telephone	41,839	16,881	58,720	58,004
Insurance	39,846	-	39,846	46,321
RBC Agency expenses	38,914	-	38,914	51,351
Utilities				
Petroleum Products Division	29,769	-	29,769	24,984
Govt. of Nunavut-Territorial Corp.	8,547	-	8,547	10,910
Vehicle expenses	5,406	21,890	27,296	28,196
Donation	25,901	-	25,901	-
Legal fees	22,123	-	22,123	-
Licenses and lease	10,445	9,138	19,583	35,142
Accretions	2,806	15,714	18,520	34,572
Trade shows	15,889	-	15,889	13,484
Bad debts (reversals and recoveries) (Note 12(a))	4,518	(19,928)	(15,410)	(15,975)
Fisheries and Oceans Canada sampling costs	-	9,720	9,720	2,800
Miscellaneous	9,504	-	9,504	9,205
Translating	4,972	-	4,972	6,147
Freight and postage	1,292	-	1,292	1,380
Asset retirement obligations	-	-	-	43,226
Total	3,552,794	690,325	4,243,119	\$ 4,020,911



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