

ENIYUD COMMUNITY FORESTS LTD.
Financial Information
Year Ended March 31, 2023

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COMPILATION ENGAGEMENT REPORT

To the Directors of Eniyud Community Forests Ltd.

On the basis of information provided by management, we have compiled the balance sheet of Eniyud Community Forests Ltd. as at March 31, 2023, and the statement of loss and retained earnings for the year then ended, and Note 1, which describes the basis of accounting applied in the preparation of the compiled financial information and other explanatory information ("financial information").

Management is responsible for the accompanying financial information, including the accuracy and completeness of the underlying information used to compile it and the selection of the basis of accounting.

We performed this engagement in accordance with Canadian Standard on Related Services (CSRS) 4200, *Compilation Engagements*, which requires us to comply with relevant ethical requirements. Our responsibility is to assist management in the preparation of the financial information.

We did not perform an audit engagement or a review engagement, nor were we required to perform procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an audit opinion or a review conclusion, or provide any form of assurance on the financial information.

Readers are cautioned that the financial information may not be appropriate for their purposes.

Williams Lake, BC
September 29, 2023


PMT CHARTERED PROFESSIONAL
ACCOUNTANTS LLP

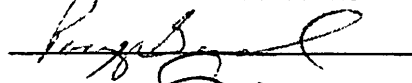

ENIYUD COMMUNITY FORESTS LTD.

Balance Sheet

March 31, 2023

	2023	2022
ASSETS		
Current		
Cash	\$ 916,288	\$ 1,482,680
Accounts receivable	61,135	432,576
Work in progress	-	30,714
Income taxes recoverable	12,636	-
Prepaid expenses	50,415	19,509
Due from related parties	40,853	-
	<u>1,081,327</u>	<u>1,965,479</u>
Investment in Eniyud Community Forests LP	<u>30,766</u>	-
	<u>\$ 1,112,093</u>	<u>\$ 1,965,479</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 44,620	\$ 301,018
Income taxes payable	-	71,405
Silviculture accrued liability	599,325	667,553
	<u>643,945</u>	<u>1,039,976</u>
SHAREHOLDERS' EQUITY		
Share capital (Note 2)	2	2
Retained earnings	<u>468,146</u>	<u>925,501</u>
	<u>468,148</u>	<u>925,503</u>
	<u>\$ 1,112,093</u>	<u>\$ 1,965,479</u>

APPROVED BY THE DIRECTORS


 _____ Director

 _____ Director

The accompanying notes are an integral part of this statement

ENIYUD COMMUNITY FORESTS LTD.
Statement of Loss and Retained Earnings
Year Ended March 31, 2023

	2023	2022
Revenue		
Government funding	\$ 355,611	\$ 578,352
Eniyud Community Forest LP partnership revenue	40,903	-
Log sales	-	560,770
Silviculture, planning and other	-	137,654
	<u>396,514</u>	<u>1,276,776</u>
General and administrative expenses		
Bank charges and interest	1,777	3,784
Insurance	5,118	3,920
Licences, dues and fees	21,550	15,173
Management fees	34,414	68,170
Planning and consulting	175	41,446
Post harvesting	10,557	-
Professional fees	109,671	13,666
Silviculture	290,676	498,767
Sub-contracts	-	77,057
	<u>473,938</u>	<u>721,983</u>
Income (loss) from operations	<u>(77,424)</u>	<u>554,793</u>
Other income		
Gain on disposal of assets	2	-
Interest income	20,067	4,239
	<u>20,069</u>	<u>4,239</u>
Income (loss) before income taxes	<u>(57,355)</u>	<u>559,032</u>
Income taxes	<u>-</u>	<u>71,962</u>
Net income (loss)	<u>(57,355)</u>	<u>487,070</u>
Retained earnings - beginning of year	<u>925,501</u>	<u>1,437,586</u>
	<u>868,146</u>	<u>1,924,656</u>
Dividends paid	<u>(400,000)</u>	<u>(1,000,000)</u>
Refundable income taxes recovered	<u>-</u>	<u>845</u>
Retained earnings - end of year	<u>\$ 468,146</u>	<u>\$ 925,501</u>

The accompanying notes are an integral part of this statement

ENIYUD COMMUNITY FORESTS LTD.

Notes to Financial Information

Year Ended March 31, 2023

1. Basis of accounting

The basis of accounting applied in the preparation of the balance sheet of Eniyud Community Forests Ltd. as at March 31, 2023, and the statement of loss and retained earnings for the year then ended is on the historical cost basis and reflects cash transactions with the addition of:

- accounts receivable
- prepaid expenses over the specified term of the expense
- work-in-progress valued at cost
- investments recorded at cost
- accounts payable and accrued liabilities
- current income taxes payable as at the reporting date
- silviculture accrued liability as estimated by the current cost of reforestation
- revenue from log sales is recognized when scaled and delivered
- revenue from partnership investment is recognized annually per the partnership agreement.

2. Share capital

Issued

	<u>2023</u>	<u>2022</u>
2 Class A common shares	<u>\$ 2</u>	<u>\$ 2</u>