



Flying Post First Nation

Consolidated Financial Statements

March 31, 2022

Contents

	<u>Page</u>
Independent Auditor's Report	1 - 2
Statement of Management Responsibilities	3
Statement 1 - Consolidated Statement of Financial Position	4
Statement 2 - Consolidated Statement of Operations and Accumulated Surplus	5
Statement 3 - Consolidated Statement of Changes in Fund Balances	6
Statement 4 - Consolidated Trust Fund Statement of Changes in Fund Balance	7
Statement 5 - Consolidated Investment Fund Statement of Changes in Fund Balance	8
Statement 6 - Consolidated Casino Rama Fund Statement of Changes in Fund Balance	9
Statement 7 - Consolidated Resource Revenue Sharing Fund Statement of Changes in Fund Balance	10
Statement 8 - Consolidated Statement of Cash Flows	11
Statement 9 - Consolidated Statement of Changes in Net Financial Assets	12
Notes to the Consolidated Financial Statements	13 - 24
 Schedule 1 - Revenue, Expenses and Accumulated Surplus (Deficit) - General Programs	 25
Schedule 2 - Revenue, Expenses, and Accumulated Surplus (Deficit) - Education Programs	26
Schedule 3 - Revenue, Expenses and Accumulated Surplus - Health Programs	27 - 28
Schedule 4 - Revenue, Expenses and Accumulated Surplus (Deficit) - New Relationship Fund Program	29
Schedule 5 - Revenue, Expenses and Accumulated Surplus (Deficit) - Community Mining and Exploration Funds Program	30
Schedule 6 - Federal Government Funding	31

Independent Auditor's Report

Grant Thornton LLP
979 Alloy Drive
Thunder Bay, ON
P7B5Z8

T +1 (807) 345-6571
F +1 (807) 345-0032

To the Chief, Council and Members of
Flying Post First Nation

Opinion

We have audited the consolidated financial statements of Flying Post First Nation ("the First Nation"), which comprise the consolidated statement of financial position as at March 31, 2022, and the consolidated statements of operations and accumulated surplus, changes in fund balances, changes in net financial assets and cash flows 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 financial position of Flying Post First Nation as at March 31, 2022, and its results of operations, its changes in net debt, and its 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 First Nation 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.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the Schedules of Revenue and Expenses by Program, 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.

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

Management is responsible for the preparation and fair presentation of these 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 First Nation's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the First Nation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the First Nation'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 First Nation'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 First Nation'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 First Nation 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.

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.

The logo for Grant Thornton LLP, featuring the company name in a stylized, handwritten font.

FLYING POST FIRST NATION
March 31, 2022

Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements of Flying Post First Nation are the responsibility of management and have been approved by the Chief and Council.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

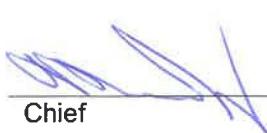
Flying Post First Nation maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the consolidated financial statements are relevant, reliable and accurate and Flying Post First Nation's assets are appropriately accounted for and adequately safeguarded.

The Council of Flying Post First Nation is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements. Council carries out this responsibility principally through its Financial Administration.

The Financial Administration meets periodically with the Chief and Council, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the annual consolidated financial statements and the external auditors' report. The Financial Administration reports its findings to the Council for consideration when approving the financial statements for issuance to the Members.

The consolidated financial statements have been audited by Grant Thornton LLP in accordance with Canadian generally accepted auditing standards on behalf of the Members. Grant Thornton LLP has full and free access to the Council.

Chief



Councilor



Flying Post First Nation **Statement 1**
Consolidated Statement of Financial Position

As at March 31

	2022	2021
	\$	\$
FINANCIAL ASSETS		[restated - note 17]
Cash	9,310,396	14,723,959
Accounts receivable [note 2]	393,722	645,459
Investments [note 3]	8,120,760	82,747
Investment Fund asset	250,000	250,000
Investment in Flying Post Development GP [note 5]	7,581,505	8,548,262
Investment in Flying Post Development LP [note 5]	(8,389)	(7,528)
Restricted assets [note 4a and 4b]	8,869,670	5,285,618
Trust Fund asset	3,351	212,139
Total financial assets	34,521,015	29,740,656
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities	239,083	116,886
Due to Ministry of Health and Long-Term Care	487,778	271,393
Total financial liabilities	726,861	388,279
NET FINANCIAL ASSETS	33,794,154	29,352,377
NON-FINANCIAL ASSETS		
Tangible capital assets, net [notes 6 and 15]	2,598,715	2,747,284
Prepaid expenses	8,032	7,626
	2,606,747	2,754,910
Total accumulated surplus	36,400,901	32,107,286

Contingencies [note 8]

See accompanying notes to the consolidated financial statements.

Approved by

Chief  _____ Councillor  _____

Flying Post First Nation

Statement 2

Consolidated Statement of Operations and Accumulated Surplus

Year ended March 31

2022

2021

	\$	\$
	[restated - note 17]	
Revenue [note 14]		
Indigenous Services Canada	743,730	874,700
Ontario First Nations Limited Partnership	320,398	526,397
Health Canada	393,012	113,186
Ministry of Health	20,947	14,148
Wabun Tribal Council	122,655	152,932
Nishnawbe Aski Nation	102,851	43,883
Mining agreements	1,558,379	2,305,805
Interest	130,313	179,674
Provincial Resource Revenue Sharing	4,498,514	2,592,979
TLE Land Claim Settlement	-	17,265,768
Investment Income	8,471,188	8,540,734
Other	(10,457)	355,635
	16,351,531	32,965,842
Expenses [note 14]		
Band support	3,110,820	23,056,912
Education	333,008	291,916
Health Programs	128,554	96,447
New Relationship Fund	63,836	72,911
Mining Community Fund	7,389,739	268,791
Casino Rama	447,317	565,189
Resource Revenue Sharing	584,642	656,734
	12,057,916	25,008,900
Excess (shortfall) of revenue over expenses for the year	4,293,616	7,956,942
Total accumulated surplus, beginning of year	32,107,286	24,150,344
Total accumulated surplus, end of year	36,400,901	32,107,286

See accompanying notes to the consolidated financial statements.

Flying Post First Nation Consolidated Statement of Changes in Fund Balances

Year ended March 31

Statement 3

2022

	Beginning Accumulated Surplus (Deficit) \$	Revenue \$	Expenses and Capital Expenditures \$	Excess (Shortfall) of Revenue Over Expenses \$	Transfers \$	Ending Accumulated Surplus (Deficit) \$
[restated - note 17]						
Operating Fund:						
General Programs [schedule 1]	20,113,471	9,146,779	3,110,802	6,035,977	-	26,149,448
Education [schedule 2]	(205,125)	307,074	333,008	(25,934)	-	(231,059)
Health Programs [schedule 3]	87,252	393,012	128,554	264,458	-	351,710
New Relationship Fund [schedule 4]	69,067	81,350	63,836	17,514	-	86,581
Community mining and Exploration Fund [schedule 5]	6,885,508	1,595,879	7,427,239	(5,831,360)	-	1,054,148
Trust Fund [statement 4]	212,140	3,352	-	3,352	(212,140)	3,352
Investment Fund [statement 5]	250,000	-	-	-	-	250,000
Casino Rama [statement 6]	2,826,641	361,887	447,317	(85,430)	-	2,741,211
Resource Revenue Sharing [statement 7]	1,872,994	4,499,697	584,659	3,915,038	212,140	6,000,172
	32,111,948	16,389,030	12,095,414	4,293,615	-	36,405,563

See accompanying notes to the consolidated financial statements.

Flying Post First Nation **Statement 4**
Consolidated Trust Fund Statement of Changes in
Fund Balance

Year ended March 31	2022	2021
	\$	\$
Revenue		
Interest Income	3,352	2,633
Fund Balance, beginning of year	212,140	209,507
Transfer to Resource Revenue Sharing Fund	(212,140)	-
Fund Balance, end of year	3,352	212,140

See accompanying notes to the consolidated financial statements.

Flying Post First Nation **Statement 5**
Consolidated Investment Fund Statement of Changes in
Fund Balance

Year ended March 31	2022	2021
	\$	\$
Fund Balance, beginning of year	250,000	250,000
Fund Balance, end of year	250,000	250,000

See accompanying notes to the consolidated financial statements.

Flying Post First Nation **Statement 6**
Consolidated Casino Rama Fund Statement of Changes in
Fund Balance

Year ended March 31	2022	2021
	\$	\$
Revenue		
Ontario First Nations Limited Partnership		
Regular	320,398	526,397
Interest	41,489	140,545
	361,887	666,942
Expenses		
Bank charges	216	-
Community development	386,933	512,695
Cultural development	180	1,521
Economic development	2,990	13,531
Education	40,832	30,499
Health	16,166	6,943
	447,317	565,189
Excess (shortfall) of revenue over expenses for the year	(85,430)	101,753
Fund balance, beginning of year	2,826,641	2,724,888
Fund balance, end of year	2,741,211	2,826,641

See accompanying notes to the consolidated financial statements.

Flying Post First Nation

Statement 7

Consolidated Resource Revenue Sharing Fund Statement of Changes in Fund Balance

Year ended March 31

2022

2021

	\$	\$
		[restated - note 17]
Revenue		
Resource Revenue Sharing	4,498,514	2,592,979
Interest	1,183	-
	4,499,697	2,592,979
Expenses		
Bank charges	17	-
Community development	464,450	578,147
Cultural development	13,470	16,269
Economic development	2,867	4,511
Education	13,574	5,947
Health	311	-
Administrative cost	89,970	51,860
	584,659	656,734
Excess (shortfall) of revenue over expenses for the year	3,915,038	1,936,245
Capital assets acquired or constructed	-	(1,627,190)
	3,915,038	309,055
Fund balance, beginning of year, as previously reported	4,488,213	2,551,968
Adjustment for capital assets constructed	(2,615,219)	(988,029)
Fund balance, beginning of year, restated	1,872,994	1,563,939
Transfer from Trust Fund	212,140	-
Fund balance, end of year	6,000,172	1,872,994

See accompanying notes to the consolidated financial statements.

Flying Post First Nation Consolidated Statement of Cash Flows

Statement 8

Year Ended March 31	2022	2021
	\$	\$
		[restated - note 17]
OPERATING ACTIVITIES		
Excess (shortfall) of revenue over expenses for the year	4,293,616	7,956,942
Add charges (deduct credits) to operations not requiring		
an outlay of cash		
Amortization of tangible capital assets	140,089	81,916
Loss on disposal of capital assets	19,949	-
Impairment of investments	-	91,926
	4,453,654	8,130,784
Add (deduct) changes in non-cash working capital items		
Accounts receivable	251,736	(469,154)
Prepaid expenses	(406)	(6,321)
Accounts payable and accrued liabilities	122,197	(159,688)
Due to Ministry of Health and Long-Term Care	216,385	84,322
Cash provided by operating activities	5,043,566	7,579,943
INVESTING ACTIVITIES		
Decrease (increase) in investments	(7,070,395)	(8,540,734)
Decrease (increase) in restricted assets invested in GICs	(97,895)	7,720
Decrease (increase) in Trust Fund asset	208,788	(2,633)
Disposal (purchase) of capital assets	(11,470)	(1,770,786)
Cash used in investing activities	(6,970,972)	(10,306,433)
FINANCING ACTIVITY		
Promissory note proceeds (repayment)	-	(346,020)
Cash provided by financing activities	-	(346,020)
Increase (decrease) in cash during the year	(1,927,406)	(3,072,510)
Cash and cash equivalents, beginning of year	18,003,968	21,076,477
Cash and cash equivalents, end of year	16,076,562	18,003,968
Cash and cash equivalents consists of:		
Cash and cash equivalents	9,310,396	14,723,959
Restricted assets [note 4]	6,766,166	3,280,009
	16,076,562	18,003,968

Flying Post First Nation **Statement 9**
Consolidated Statement of Changes in Net Financial Assets

Year ended March 31

2022

2021

\$

\$

[restated - note 17]

Excess (shortfall) of revenue over expenses for the year	4,293,616	7,956,942
Decrease (increase) in prepaid expenses	(406)	(6,321)
Disposal (purchase) of capital assets	8,479	(1,770,786)
Amortization of tangible capital assets	140,088	81,915
	4,441,777	6,261,750
Net financial assets, beginning of year	29,352,377	23,090,627
Net financial assets, end of year	33,794,154	29,352,377

Flying Post First Nation

Notes to Consolidated Financial Statements

March 31, 2022

GENERAL

Flying Post First Nation is a band management group recognized under the Indian Act. The purpose of Flying Post First Nation is to provide leadership and accountability to the members of the band.

1. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements of Flying Post First Nation are prepared by management in accordance with accounting policies generally accepted for the public sector as prescribed by the Public Sector Accounting Board ("PSAB") of CPA Canada. The more significant of these accounting policies are as follows:

Reporting entity

These consolidated financial statements reflect the assets, liabilities, revenue and expenses of the Operating Fund, externally restricted Casino Rama Fund, externally restricted Resource Revenue Sharing Fund and Indigenous and Northern Affairs Canada Trust Fund of Flying Post First Nation and include all band activities under the control of the First Nation, including those within Flying Post Holdings Inc., Flying Post Development LP and Flying Post General Partner Inc.

- [a] Portfolio investments wherein the First Nation owns a minority interest, or nonparticipating equity, and is not directly or indirectly, through partnerships, involved in the management of the business operations are accounted for by the cost method.

Under the cost method, investments are carried at cost and earnings are reflected only to the extent of dividends received. The carrying value of an investment is written-down to its net recoverable amount if a decline in market value is judged to be other than temporary.

- [b] Business enterprise investments wherein the First Nation owns a participating equity interest and is directly or indirectly, through partnerships, involved in the management of the business operations are accounted for by the modified equity method.

Under the modified equity method, the investment is initially recorded at cost and the carrying value is thereafter adjusted to include the First Nation's pro rata share of postacquisition earnings of the investee. The amount of the adjustment is included in the determination of net income of the First Nation's Investment Fund and the investment account is also increased or decreased to reflect the First Nation's share of capital transactions.

The equity method is only modified to the extent that the business enterprise's accounting principles are not adjusted to conform with those of the First Nation.

All interfund balances and transactions have been eliminated. However, any transactions between departments have not been eliminated in order to present the results of operations for each specific department.

Flying Post First Nation

Notes to Consolidated Financial Statements

March 31, 2022

Cash

Cash consists of cash on hand, balances in banks and term deposits with a maturity period of three months or less at the date of acquisition.

Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the annual surplus, provides the change in net financial assets for the year.

Tangible capital assets

Tangible capital assets are initially recorded at cost. Subsequently, tangible capital assets are recorded at cost, less accumulated amortization and write-downs, if any. Cost includes all amounts that are directly attributable to acquisition, construction, development or betterment of the assets. The cost of the tangible capital assets are amortized on a declining balance basis at the rates set out below:

Automotive	30%
Building	5%
Computer equipment	33%
Office equipment	20% - 33%
Program supplies	20%

Long-lived assets

Long-lived assets consist of tangible capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The First Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of an asset, or group of assets, may not be recoverable. Impairment is measured as the amount by which the asset's carrying amount exceeds its fair value. Fair value is measured using undiscounted future cash flows. Any impairment is included in surplus for the year.

Fund accounting

The First Nation uses fund accounting procedures which result in a self-balancing set of accounts for each fund established by legal, contractual or voluntary actions. The various funds have been amalgamated for the purpose of presentation in the summary financial statements.

The Operating Fund reports on programs administered for the community on behalf of various government agencies and corporate entities.

The Trust Fund reports on Trust Funds owned by the First Nation and held by the Government of Canada.

Flying Post First Nation

Notes to Consolidated Financial Statements

March 31, 2022

The Investment Fund reports the First Nation's share of earnings and equity in investments and restricted contributions from investee corporations. These funds are currently held in trust by the Wabun Tribal Council.

The Casino Rama Fund reports the activities financed in whole or in part by proceeds from Ontario First Nations Limited Partnership and Ontario First Nations (2008) Limited Partnership.

The Resource Revenue Sharing Fund reports activities financed in whole or in part by proceeds from Resource Revenue Sharing funds.

Government transfers

Government transfers are transfers of monetary assets or tangible capital assets from a government to an individual, an organization or another government that are not the result of an exchange transaction expected to be repaid in the future or expected to produce a direct financial return. Government transfers received are recognized in the consolidated financial statements as revenue when the transfers are authorized and all eligibility criteria have been met except when there is a stipulation that gives rise to an obligation that meets the definition of a liability. In that case, the transfer is recorded as a liability and recognized as revenue as the stipulations are met.

Government transfers made to a recipient by the First Nation are recorded as an expense when they are authorized and the recipient meets all eligibility criteria.

Revenue recognition

Other revenue is recognized in the period in which the related services are performed. Amounts collected for which the related services have yet to be performed have yet to be sold are recognized as a liability and recognized as revenue when the related services are performed or goods are sold.

Interest is recognized as it is earned.

Funds received, other than government transfers, for specified purposes which are externally restricted by legislation, regulation or agreement and are not available for general purposes are accounted for as deferred revenue on the Consolidated Statement of Financial Position. The revenue is recognized in the year in which it is used for the specified purpose.

Revenues from trust monies are recognized when measurable, earned and collection is reasonably assured. These monies are reported on by the Government of Canada.

Segments

The First Nation conducts its business through eight reportable segments: Band Support, Economic Development, Education, Health, New Relationship Fund, Community Mining and Exploration Agreements, Casino Rama, and Resource Revenue Sharing. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

Flying Post First Nation

Notes to Consolidated Financial Statements

March 31, 2022

For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in the significant accounting policies.

Use of estimates

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. These estimates and assumptions are based on management's historical experience, best knowledge of current events and actions the First Nation may undertake in the future. Significant estimates include valuation allowance for accounts receivable and investments and recoveries from and payments to government agencies related to surpluses/deficiencies of funds transferred.

2. ACCOUNTS RECEIVABLE

	2022	2021
	\$	\$
Accounts receivable	401,463	653,200
Less: Allowance for doubtful accounts	(7,741)	(7,741)
	393,722	645,459

3. INVESTMENTS

	2022		2021	
	Cost	Market Value	Cost	Market Value
	\$	\$	\$	\$
Elcora Resources Corp.	5,000	2,145	5,000	4,690
Galleon Gold Corp.	20,000	145,000	20,000	22,500
GFG Resources Inc.	1,688	1,688	8,250	1,238
Red Pine Exploration Inc.	2,000	2,150	2,000	3,600
Ophir Gold Corp.	1,000	583	1,000	1,500
Probe Metals Inc.	42,750	41,000	43,460	27,585
Pancontinental Resources Corp.	3,037	7,567	3,037	7,567
GICs and CI Corporate Bond Class A Fund	8,045,285	8,045,285	-	-
	8,120,760	8,245,418	82,747	68,680

The First Nation owns 50,000 [2021 – 50,000] common shares of Elcora Resources Corp.

Flying Post First Nation

Notes to Consolidated Financial Statements

March 31, 2022

The First Nation owns 250,000 [2021 – 250,000] common shares of Galleon Gold Corp. On November 12, 2019, Explor amalgamated with 2227390 Alberta Ltd. (a wholly owned subsidiary of Galleon Gold) to form GGO Gold Corp. In connection with the amalgamation, Galleon Gold Corp. issued 95,198,612 common shares to the shareholders of Explor in exchange for all 190,397,224 issued and outstanding shares of Explor, excluding common shares owned by Galleon Gold Corp.

The First Nation owns 8,333 [2021 – 8,333] common shares of Ophir Gold Corp. On April 22, 2019, Kapuskasing Gold Corp. changed its name to MinKap Resources Inc. and consolidated its common shares on a six (6) for one (1) basis. Effective October 21, 2020, MinKap Resources Inc. changed its name to Ophir Gold Corp.

The First Nation owns 11,250 [2021 – 11,250] common shares of GFG Resources Inc.

The First Nation owns 25,000 [2020 – 25,000] common shares of Probe Metals Inc. In addition, the First Nation held 50,000 warrants of Probe Metals Inc. which expired September 9, 2021.

The First Nation owns 5,000 [2020 – 50,000] common shares of Red Pine Exploration Inc. On March 11, 2021, Red Pine Exploration Inc. announced TSXVE approval for a consolidation of common shares. Shareholders received 1 new common share for every 10 old common shares owned.

The First Nation owns 50,000 [2021 - 50,000] common shares of Pancontinental Resources Corporation. In addition, the First Nation holds 50,000 warrants of Pancontinental Resources Corporation expiring November 12, 2023 that entitle the First Nation to acquire one common share for each warrant at an exercise price of \$0.06 per share.

The GIC bears interest at 0.8% and matures April 2022.

4. RESTRICTED ASSETS

- [a] Restricted assets related to the Ontario First Nations Limited Partnership and Ontario First Nations (2008) Limited Partnership profit distribution consist of bank balances and amounts held in GIC's. As at year-end, this balance was comprised as follows:

	2021	2020
Undistributed funds on deposit with bank	\$ 690,670	\$ 856,238
Undistributed funds invested in GIC's and other investments	173,545	861,520
<u>Fund allocations, in trust, invested in GIC's</u>	<u>1,929,959</u>	1,144,089
	<u>2,794,174</u>	2,861,847

The GIC's bear interest from 1.45% – 3.55% and mature between December, 2022 and December, 2025.

- [b] Restricted assets related to the Resource Revenue Sharing Agreement consists of a cash on deposit with bank amounting to \$6,075,496 [2021 - \$2,423,771].

Flying Post First Nation

Notes to Consolidated Financial Statements

March 31, 2022

5. INVESTMENTS UNDER CONTROL OF FLYING POST FIRST NATION

Flying Post First Nation owns and controls Flying Post Development Limited Partnership and Flying Post Development General Partner Inc. Flying Post Development Limited Partnership holds an investment of 50.9% in Flying Post Camp Logistics Limited Partnership and 51% in Flying Post Camp and Logistics Inc.

Flying Post Development Limited Partnership's balance sheet is comprised of total assets of \$7,644,493 [2021 - \$8,575,264], total liabilities of \$61,248 [2021 - \$26,151], and partners' capital of \$7,583,245 [2021 - \$8,549,113]. Flying Post Development Limited Partnership's statement of earnings is comprised of total revenues of \$9,013,925 [2021 - \$7,382,649], and total expenses of \$126,793 [2021 - \$19,095]. Flying Post Development Limited Partnership's distributed \$9,853,000 [2021 - Nil] of partners' capital to Flying Post First Nation during the year.

Flying Post Development General Partner Inc.'s balance sheet is comprised of total assets of \$1,840 [2021 - \$951], total liabilities of \$10,229 [2021 - \$8,479], and shareholder's deficit of (\$8,389) [2021 - (\$7,528)]. Flying Post Development General Partner Inc. statement of loss and deficit is comprised of total revenues of \$889 [2021 - \$828], and total expenses of \$1,750 [2021 - \$1,500].

6. TANGIBLE CAPITAL ASSETS

The consolidated statement of tangible capital assets (note 15) presents all balances and changes in the year relating to tangible capital assets owned by the First Nations. Tangible capital assets acquired after March 31, 1997 are recorded at acquisition cost less amortization on the Consolidated Statement of Financial Position. Tangible capital assets acquired prior to April 1, 1997 are deemed to have been fully amortized and are recorded at a nominal value.

7. FINANCIAL INSTRUMENTS

The fair values of cash, restricted assets, accounts receivable, and accounts payable and accrued liabilities approximate their carrying value because of their short-term to maturity. Market risk arises from the First Nation's investment portfolio, consisting of equity instruments which exposes the First Nation to the risk that the fair value or future cash flows from a financial instrument will fluctuate because of general economic and other market factors affecting equity prices.

8. CONTINGENCIES

The fund balances may include surpluses/deficits from funds contributed by government agencies. Such surpluses/deficits may be subject to recovery/payment by the contributing agencies. These potential liabilities/receivables are not recorded until they become payable/recoverable. Some restrictions may apply to the use of the funds.

9. ANNUAL BUDGET

The First Nation does not prepare an annual budget in a format that is comparable to these consolidated financial statements; therefore, comparative budget figures have not been presented.

Flying Post First Nation

Notes to Consolidated Financial Statements

March 31, 2022

10. COMPARATIVE FIGURES

Certain of the prior year comparative figures have been reclassified to conform to the presentation adopted in the current year.

11. INTER-FUND TRANSFERS

During the year, an amount of \$nil [2021 - \$nil] was transferred between funds.

12. ECONOMIC DEPENDENCE

The First Nation receives a significant portion of its revenues from various funding agencies, the largest being, Indigenous Services Canada (ISC), as a result, treaties entered into with the Government of Canada. These treaties are administered by ISC under the terms and conditions of the Indian Act. The ability of the First Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these treaties.

13. GOVERNMENT TRANSFERS

	Operating \$	Capital \$	2022 \$	2021 \$
Federal Government transfers				
Indigenous Services Canada	743,730	-	743,730	874,700
Health Canada	393,012	-	393,012	113,186
Total Federal	1,136,742	-	1,136,742	987,886
Provincial Government transfers				
Ministry of Health	20,947	-	20,947	14,148
Ministry of Indigenous Affairs	-	-	-	-
Total Provincial	20,947	-	20,947	14,148
	1,157,690	-	1,157,690	1,002,035

14. SEGMENTED INFORMATION

Flying Post First Nation provides a range of services to its members. For management reporting purposes, Flying Post First Nation's operations and activities are organized and reported by Fund. The Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations. The activities can also be categorized into segments. The following segments have been identified and separately disclosed:

Band support

Band support services are comprised of various administrative and other activities related to the operations of the First Nation.

Economic development

Economic development contains the activities related to economic development for the First Nation.

Flying Post First Nation

Notes to Consolidated Financial Statements

March 31, 2022

Education

Education contains the funding revenue and financial support to the First Nation members for elementary, secondary and post-secondary education.

Health

Health contains the revenue and expenses related to various health programs and services provided to the First Nation members.

New Relationship Fund

The New Relationship Fund contains the revenue and expenses related to the First Nation dealing with land and resource issues as funded by the Wabun Tribal Council.

Community Mining and Exploration Agreements

This segment includes the activity related to agreements signed with Pan American Silver Corp. (Tahoe Resources Inc./Lake Shore Gold), Newmont Goldcorp Corporation (Goldcorp) and various other exploration companies. This program has been established to accumulate funding from various mining agreements for the benefit of the community.

Casino Rama

Other includes the activities of the Trust Fund and Casino Rama Fund.

FLYING POST FIRST NATION
Notes to Consolidated Financial Statements

March 31, 2022

14. SEGMENTED INFORMATION	Band Support		Economic Development		Education		Health	
	2022	2021	2022	2021	2022	2021	2022	2021
Revenue								
Indigenous Services Canada								
Ontario First Nations Limited Partnership	381,136	549,489	55,520	44,441	307,074	280,770	-	-
Health Canada	-	-	-	-	-	-	393,012	113,186
Ministry of Health	20,947	14,148	-	-	-	-	-	-
Wabun Tribal Council	41,305	71,582	-	-	-	-	-	-
Nishnawbe Aski Nation	102,851	43,883	-	-	-	-	-	-
Mining agreements	-	-	-	-	-	-	-	-
Provincial Resource Revenue Sharing	-	-	-	-	-	-	-	-
Interest	87,641	39,129	-	-	-	-	-	-
TLE Land Claim Settlement	-	17,265,768	-	-	-	-	-	-
Investment income	8,471,188	8,540,734	-	-	-	-	-	-
Ministry of Indigenous Affairs	-	-	-	-	-	-	-	-
Other	(10,457)	355,635	-	-	-	-	-	-
	9,094,612	26,880,368	55,520	44,441	307,074	280,770	393,012	113,186
Expenses								
Amortization	140,089	81,915	-	-	-	-	-	-
Bad debts	-	-	-	-	-	-	-	-
Band equipment	8,627	3,134	-	-	-	-	-	-
Bank charges	2,904	3,982	-	-	-	-	-	-
Capital injection payment	-	-	-	-	-	-	-	-
Health program expenses	-	-	-	-	-	-	-	-
Casino Rama	-	-	-	-	-	-	-	-
Community development	-	-	-	-	-	-	-	-
Cultural development	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-
Community outreach	-	-	-	-	-	-	-	-
Distribution	2,260,000	22,416,166	-	-	-	-	-	-
Education allowances and tuition	-	-	-	-	-	-	-	-
Elder's services	1,447	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-
Impairment - Investments	-	-	-	-	-	-	-	-
Honorariums	63,400	63,000	-	-	-	-	-	-
Maintenance	62,572	4,768	-	-	-	-	-	-
Miscellaneous	85,972	10,506	-	-	-	-	-	-
Office	98,537	75,157	-	-	-	-	-	-
Professional fees	102,228	111,361	-	-	-	-	-	-
Rent	-	-	-	-	-	-	-	-
Resource Revenue Sharing	-	-	-	-	-	-	-	-
Community development	-	-	-	-	-	-	-	-
Business development	-	-	-	-	-	-	-	-
Cultural development	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-
Administrative cost	13,992	10,086	-	-	-	-	-	-
Student employment	-	-	-	-	-	-	-	-
Training	23,029	39,641	-	-	-	-	-	-
Travel and meetings	-	-	-	-	-	-	-	-
IBA coordination and environmental monitoring	248,022	237,196	-	-	-	-	-	-
Wages and benefits	3,110,820	23,056,912	55,520	44,441	333,008	291,916	128,554	96,447
Excess (shortfall) of revenue over expenses	5,983,792	3,823,457	-	-	(25,934)	(11,146)	264,458	16,739

**Flying Post First Nation
Notes to Consolidated Financial Statements**

March 31, 2022

14. SEGMENTED INFORMATION (CONT'D)	New Relationship Fund		Mining Agreements		Casino Rama		Resource Revenue Sharing		Total	
	2022	2021	\$	\$	2021	\$	2021	\$	2022	\$
Revenue										
Indigenous Services Canada	-	-	-	-	-	-	-	-	-	874,700
Ontario First Nations Limited Partnership	-	-	-	-	320,398	526,397	-	-	-	526,397
Health Canada	-	-	-	-	-	-	-	-	-	113,186
Ministry of Health	-	-	-	-	-	-	-	-	-	14,148
Wabun Tribal Council	81,350	81,350	-	-	-	-	-	-	-	152,932
Nishnawbe Aski Nation	-	-	1,558,379	2,305,805	-	-	4,498,514	2,592,979	-	43,883
Mining agreements	-	-	-	-	41,489	140,545	1,153	-	-	2,305,805
Provincial Resource Revenue Sharing	-	-	-	-	-	-	-	-	-	2,592,979
Interest	-	-	-	-	-	-	-	-	-	179,674
TLE Land Claim Settlement	-	-	-	-	-	-	-	-	-	17,265,768
Investment income	-	-	-	-	-	-	-	-	-	8,540,734
Ministry of Indigenous Affairs	-	-	-	-	-	-	-	-	-	-
Other	81,350	81,350	1,558,379	2,305,805	361,987	666,942	4,499,697	2,592,979	16,351,531	32,965,841
Expenses										
Amortization	-	-	-	-	-	-	-	-	-	81,915
Bad debts	-	-	-	5,000	-	-	-	-	-	5,000
Bank equipment	-	-	-	-	-	-	-	-	-	3,134
Bank charges	-	-	-	-	216	-	-	-	-	3,982
Capital injection payment	-	-	100,000	-	-	-	-	-	-	-
Health program expenses	-	-	-	-	-	-	-	-	-	70,226
Casino Rama	-	-	-	-	386,933	512,695	-	-	-	-
- Community development	-	-	-	-	180	1,521	-	-	-	512,695
- Cultural development	-	-	-	-	2,990	13,531	-	-	-	1,521
- Economic development	-	-	-	-	40,832	30,499	-	-	-	13,531
- Education	-	-	-	-	16,166	6,943	-	-	-	30,499
- Health	-	-	-	-	-	-	-	-	-	6,943
Community outreach	-	-	-	-	-	-	-	-	-	959
Distribution	-	-	7,124,842	5,000	-	-	-	-	-	22,421,166
Education allowances and tuition	-	-	-	-	-	-	-	-	-	29,916
Elder's services	-	-	-	-	-	-	-	-	-	-
Equipment	3,105	158	-	-	91,926	-	-	-	-	-
Impairment - Investments	-	-	-	-	-	-	-	-	-	-
Honorariums	-	-	-	-	-	-	-	-	-	63,900
Maintenance	-	-	-	-	-	-	-	-	-	62,572
Miscellaneous	-	-	-	-	-	-	-	-	-	85,972
Office	7,900	14,840	-	-	-	-	-	-	-	106,037
Professional fees	-	-	89,897	30,769	-	-	-	-	-	89,987
Rent	-	-	-	-	-	-	-	-	-	142,130
Resource Revenue Sharing	-	-	-	-	-	-	-	-	-	-
- Community development	-	-	-	-	-	-	464,450	578,147	-	464,450
- Business development	-	-	-	-	-	-	2,887	16,269	-	2,887
- Cultural development	-	-	-	-	-	-	13,470	4,511	-	13,470
- Education	-	-	-	-	-	-	13,574	5,947	-	13,574
- Health	-	-	-	-	-	-	311	311	-	311
- Administrative cost	-	-	-	-	-	-	89,970	51,860	-	89,970
Student employment	-	-	-	-	-	-	-	-	-	13,982
Training	-	-	-	-	-	-	-	-	-	10,086
Travel and meetings	-	-	-	-	-	-	-	-	-	20,202
IBA coordination and environmental monitoring	-	-	75,000	136,096	-	-	-	-	-	40,722
Wages and benefits	-	-	47,336	7,389,739	268,791	447,317	565,189	656,642	293,022	293,953
Excess (shortfall) of revenue over expenses	17,514	8,439	(5,831,360)	2,037,014	(85,430)	101,753	3,915,055	1,936,245	7,956,941	4,293,615