



2024-2025 Annual Report

Huu-ay-aht Group of Businesses





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Creating a Future as Rich as our Past

A Flourishing Huu-ay-aht Economy

The Huu-ay-aht Group of Businesses strives to enhance the economic, social, cultural and environmental well-being of the Huu-ay-aht First Nations through initiatives that provide sustainable benefits for all.

Our Vision

A group of diverse, self-sustaining Huu-ay-aht businesses providing opportunities and financial returns to the Nation.

Our Mission

The Huu-ay-aht Group of Businesses builds and operates profitable commercial ventures sustainably to provide a return on investment to the Nation.

Sacred Principles

Huu-ay-aht's three Sacred Principles guide our actions as individuals and as an organization.



?iisaak, - Greater Respect. Personal and collective respect for the community and its people, traditional knowledge, the natural world, the metaphysical world and other peoples and communities.



?uu?aluk - Taking Care Of. In this context, this is about taking care of present and future generations as well as taking care of the resources provided by the land and the natural world.



Hišuk ma cāwak - Everything is One. A notion of the interconnected, interdependent and reciprocal relationship between the people, the land and the wider world(s) in a physical, spiritual and social sense.



Introduction

Welcome to the Annual Report issued by the HFN Group of Businesses (“HGB”).

This year marks continued progress toward building wealth and long-term value for Huu-ay-aht First Nations through a diverse and growing portfolio. Despite changing markets and industry challenges, HGB has advanced key initiatives in forestry, fisheries, and hospitality—each contributing to a stronger, more balanced foundation for future growth. Our focus remains on developing self-sustaining businesses that create opportunity, stability, and prosperity for generations to come.

With a committed team, solid partnerships, and clear direction, HGB is well-positioned to achieve the next stage of its growth journey.





Message from the CEO

On behalf of the HGB Board and staff, I'm pleased to report on our progress this year. We remain committed to building wealth and lasting value for Huu-ay-aht First Nations ("HFN") through a diversified portfolio that advances economic self-reliance.

Forestry

For HGB's first decade, Forestry was the financial anchor. Changes in BC Forest Policy combined with volatile markets have made this challenging. This year, despite the headwinds, we entered a unique co-venture/custom-cut arrangement with Delta Cedar Group, strengthened in-house capacity with an experienced manager, and completed a new consumer/DIY version of "TimberTiles" —marking our shift from passive management to a vertically integrated, full-scale forestry company.

Fisheries

Four years ago, HGB partnered with Nova Harvest to build a large-scale, vertically integrated oyster operation using proven and emerging technologies. With core farming systems in place, this year we added a state-of-the-art High-Pressure Processor ("HPP"), which completes the capital program and enables value-added oyster production. Our strategy has been to enter a business early and grow through product / market development (National/International), which will result in stronger returns with modest, lower-risk investment.

Hospitality & Camping

We are especially pleased with hospitality: every unit is strengthening, and product quality continues to rise.

Pachena Bay Campground grew slowly and steadily until 2020, then accelerated—reflecting the Bamfield Main upgrade and management's sharper focus on market growth through on-line marketing combined with events. Several additional campgrounds are in development and expected to come online within two years. This year-round business unit promises rapid growth, thus diversifying revenues and reducing our historic reliance on forestry.



We expect the momentum from camping to carry into our other accommodation units as Bamfield tourism events and attractions expand. In anticipation, we will launch a multiyear plan for the Hačas Inn, redevelop ʔupnit, and advance the eco-resort envisioned for Second Beach.

Meanwhile, the Port Alberni Microtel is ready to proceed—land secured, partnership established, permits in hand—after clearing environmental/government reviews, inflationary pressures, and pandemic-related delays.

Strength of HGB

HGB is economically self-reliant from HFN government operations. Moreover, despite a lean team, we have been pleased to support HFN's priorities—from the Framework Plan and revised Economic Development Plan to forestry operations, the Mount Underwood fire response, and legislative renewal.

Looking Ahead

HGB's investment opportunities are exceptional, and exponential growth is possible. The plans are ambitious, tangible, and entirely achievable within the breadth of commercial experience of the HGB team. Along HGB's commercial journey there may be challenges and setbacks, as there is in any business, but the direction remains the same. With commercial stability and unwavering focus on the goals, HGB's continued success is assured.

To Huu-ay-aht citizens, as the beneficial owners of HGB: my message continues to be one of optimism. The work ahead is substantial, but HGB is well prepared. We have a corporate culture rooted in Huu-ay-aht values, a solid financial foundation to support growth, promising opportunities at home and abroad, an experienced management team, and above all, a dedicated workforce united in purpose. With the foundations of commercial success now firmly in place, the path forward belongs to Huu-ay-aht.

Patrick Schmidt, CEO
HFN Group of Businesses

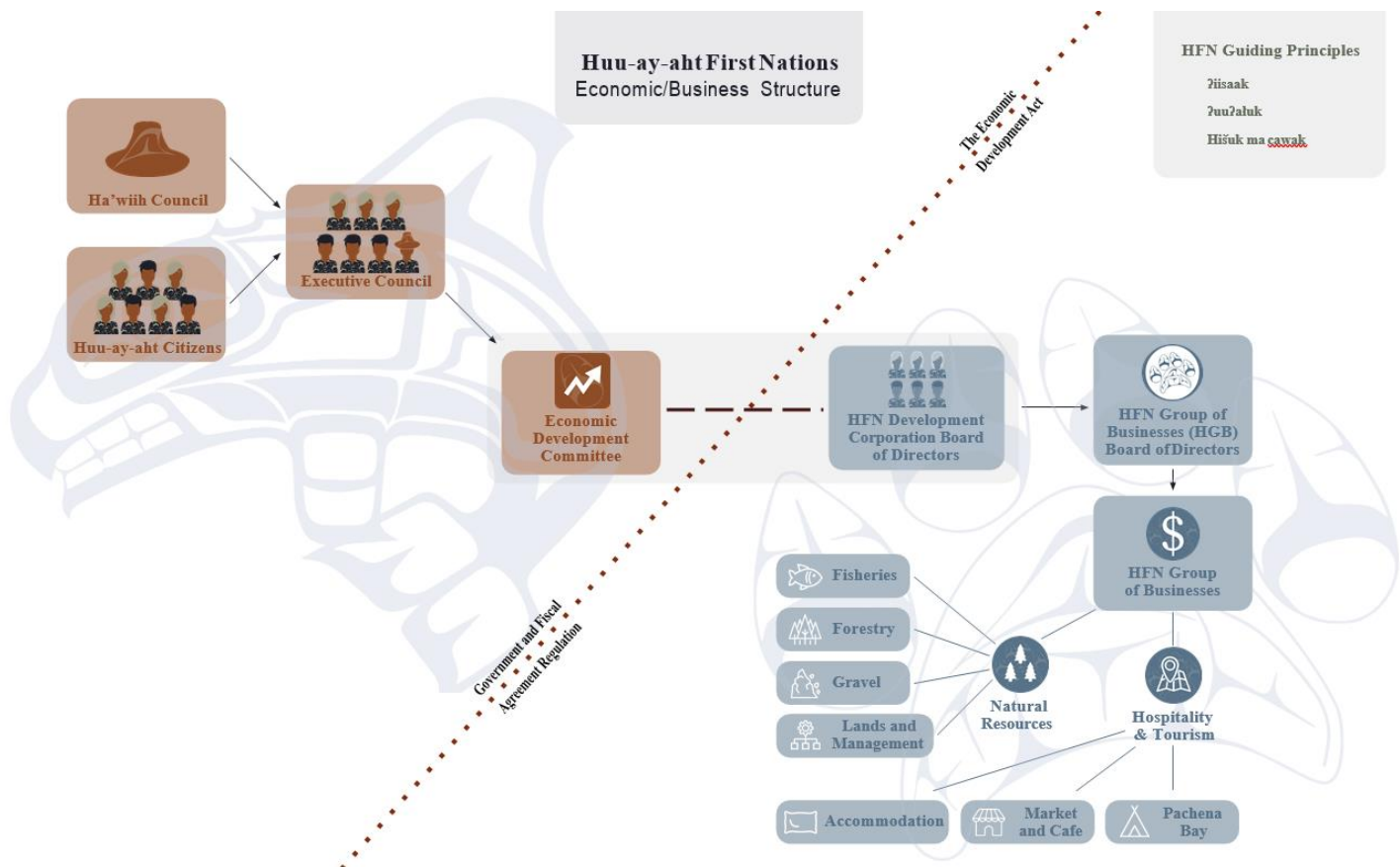
About the HFN Group of Businesses

Huu-ay-aht First Nations defines the vision and strategic direction for the Nation's economic development. Guided by this vision, the HFN Group of Businesses sets its own strategy for business development.

The following diagram illustrates the economic and business structures of the Nation – two very different functions that are critical to the long-term sustainability of HFN.

We cannot rely on government transfers nor tax revenue to build the community we need to build for all Huu-ay-aht citizens to have a good chance at building the life they want. As a result, we must be involved in creating value in the market and sharing in that value. The Huu-ay-aht Group of Businesses is key in achieving that over the long term.

Chief Councillor John Jack





Team at HGB

Outgoing Board of Directors

- **Val MacDonald** (2011-2025)
- **Marty Eakins**, Co-Chair (2017-2025)
- **Hazel Cook** (2021-2025)
- **Eric Denhoff** (2021-2025)
- **Larry Johnson**, Co-Chair (2024-2025)

We extend our deepest gratitude to the outgoing Board of Directors for their dedication and service to HGB. Through their leadership, vision, and stewardship, the organization has not only built and maintained a strong financial position but also achieved meaningful progress that will shape our future for years to come. Thanks to their efforts, HGB is well-positioned for continued stability and success.

Current Board of Directors

The following directors were appointed in August 2025:

- **Larry Johnson** (reappointed)
- **Calum Matthews**
- **Kerry Mehaffey**
- **Diane Nicholls**
- **Rick Shafer**

We welcome the new Board members whose commitment and insight will help guide HGB's continued success.

Management and Staff

And lastly, we extend our sincere appreciation to the many staff members working across our businesses – from managers to front-line staff at the office, gas bar, market, café, motel, and campground. Their dedication and hard work ensure that our operations run smoothly every day. The Mount Underwood wildfire brought significant challenges this season and our staff responded with remarkable strength, adaptability and unity. Their commitment is essential to delivering the quality service and welcoming atmosphere our community relies on, and we are proud to recognize the exceptional team here at HGB.



Business Highlights and Plans

HFN Management LP

This Limited Partnership (HFN Management LP) provides management and administrative services to the subsidiary LPs within the group of businesses. This includes:

- Strategic development of the business units
- Oversight and management of the business units
- Leading communications and marketing
- Business planning, accounting and budgeting
- Reporting and securing approvals in accordance with relevant legislation
- Handling bookkeeping, payroll and audit preparation
- Providing financial services (grants, financing, etc.) and managing cash flow
- Delivering human resource services
- Implementing health and safety programs
- Identifying and researching opportunities for growth

Working with Patrick and Teresa is an absolute pleasure. They keep us up to date on changes and take a proactive approach to managing the risk of HGB. They do a great job of balancing the cost of transferring risk with retaining risk.

Billy-Joe Checko, Hub Insurance

The management and administration team at HGB is composed of a talented and hardworking group of individuals who are dedicated to the organization and their fellow team members. We take pride in enhancing our internal capacity and fostering a strong, cohesive team as we work towards supporting HFN's goal of self reliance. Our team is





experienced and committed, with length of service ranging from 2 to 14 years, averaging nearly 10 years.

As part of our efforts to build a strong team, we added external Human Resources support. Throughout 2024 and 2025, we continued to focus on improvements to our systems and processes for all stages of the employment lifecycle, as well as formalizing and creating robust health and safety policies.

Financially, management continued its focus on controlling costs, meeting or exceeding budgets and preserving the balance sheet for growth. One strategy adopted in this regard is to seek out grant funds that align with planned projects and activities. In 2024, management was successful in securing over \$5.1 million in grant funds, including a \$1.9 million multi-year grant from the Pacific Integrated Commercial Fisheries Initiative (“PICFI”). To date in 2025, grant funds for HGB projects exceed \$1.2 million.



HFN Market LP

The Market and Café remain the heart of Bamfield, a gathering place for both residents and visitors. With rising prices everywhere, HFN Market LP remains focused on maintaining margins through efficiencies and cost savings.

In early 2024, with a grant from the Investment Agriculture Foundation, we acquired a transport van and additional storage. This has greatly improved how we bring in and manage stock. With the increased number of visitors generated by improvements to Bamfield Main, in addition to our local customers, these are necessary enhancements to continue to serve our community at a high standard.

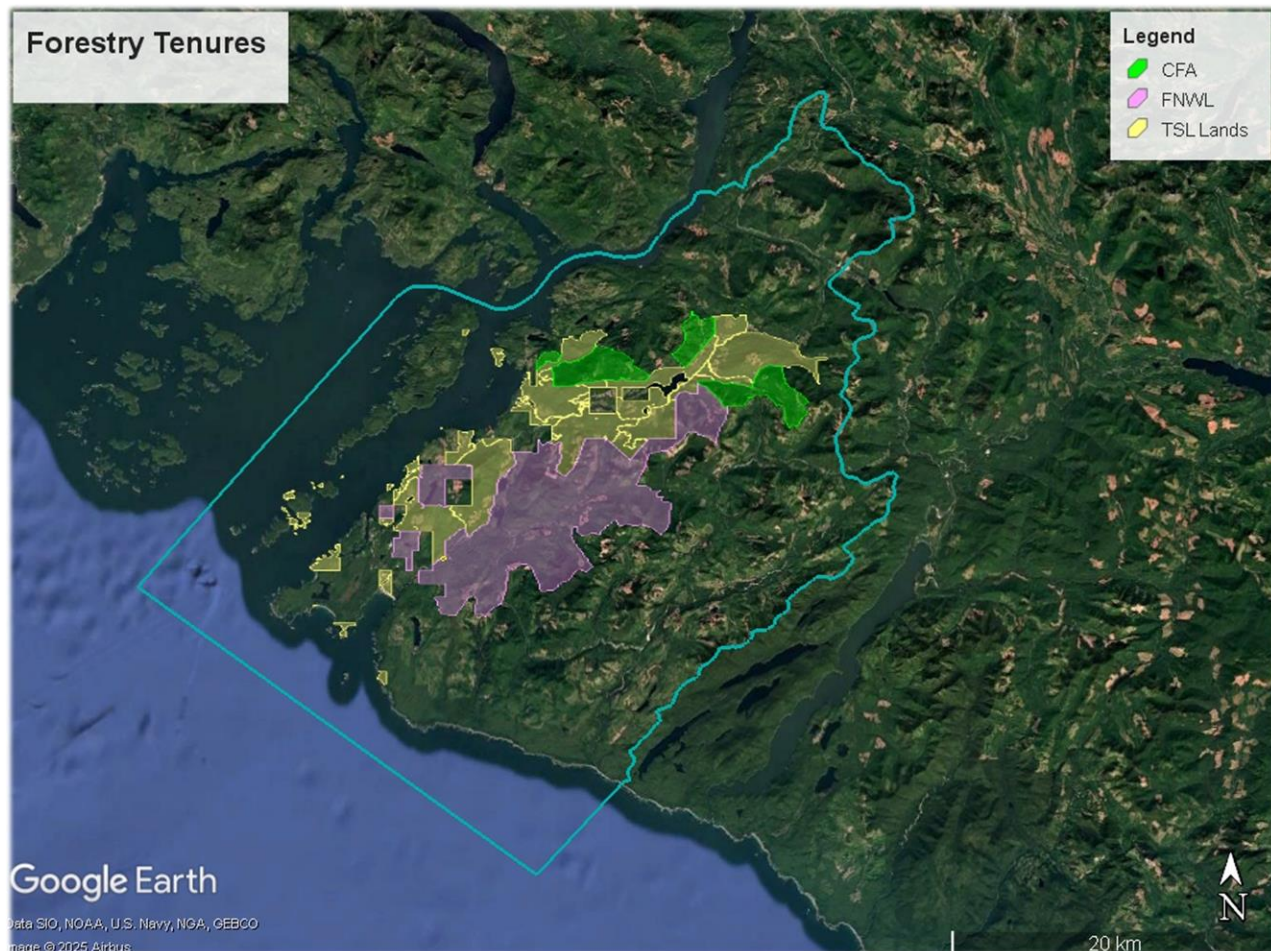


Classic Car group

The road improvements are bringing results. In 2024, the Classic Car Adventures group enjoyed a pit stop at the Market and Café. We were pleased to host this large group of drivers as they stretched their legs and sampled delicious Café treats. They had planned to return for an overnight stay at the Hačas Inn in 2025, but the wildfire and resulting road closure delayed those plans until next season.



HFN Forestry LP



Forestry tenures managed by HGB within the H̓ahuul̓i

Forestry has long been HGB's sole financial pillar. However, changes in provincial regulations have eroded industry stability, including for HFN Forestry. HGB continues to adapt to these challenges by adopting new strategies and by continuing its efforts to resolve these issues with the Province of British Columbia.

Welcoming a new forestry manager to HGB this year has added tremendous capacity. His extensive industry experience has helped the team advance discussions with the Province as we work to ensure that harvesting from our tenures brings long term benefits and wealth for future generations of Huu-ay-aht citizens.

Harvesting on Treaty Settlement Lands was paused while the Hišuk ma c̓awak Integrated Resource Management Plan (HIRMP) team determined sustainable harvest levels that align with Huu-ay-aht's environmental goals. HGB assisted in that process by undertaking LiDAR work and providing consultant support to the project.

Although there was no harvesting in 2024, HGB was pleased to provide HFN with an additional stumpage payment of \$180,169. This closed out the second Standing Timber Purchase Agreement with Western Forest Products, bringing total stumpage payments to HFN under this agreement to more than \$8 million.

Harvesting within TSL is planned to resume later this year. Our total anticipated harvest over the three year period from 2025 – 2027 is 60,000m³, well below historical sustainable levels.

Our team continues to lend support to HFN’s Huumiis Ventures LP as we work collectively to build a stronger, better aligned forestry unit for HFN.

The ongoing regulatory challenges in Forestry have highlighted the need to diversify the business beyond selling trees “off the stump”. To adapt, we adopted a strategy of moving into the value-added forestry sector through acquisitions and partnerships. A newly developed co-venture with Delta Cedar Group allowed HGB to participate in the full forestry value chain, from timber to lumber.

As a trusted partner, HGB takes a proactive approach that goes far beyond business as usual. They focus on building strong, sustainable relationships that stand the test of time. By anticipating opportunities and aligning with their values, they work hand in hand to create lasting value and shared success.

Glen Franke, CEO
Delta Cedar Group



Lumber produced from cedar within the Hāhauūfi



Timber Tiles feature wall

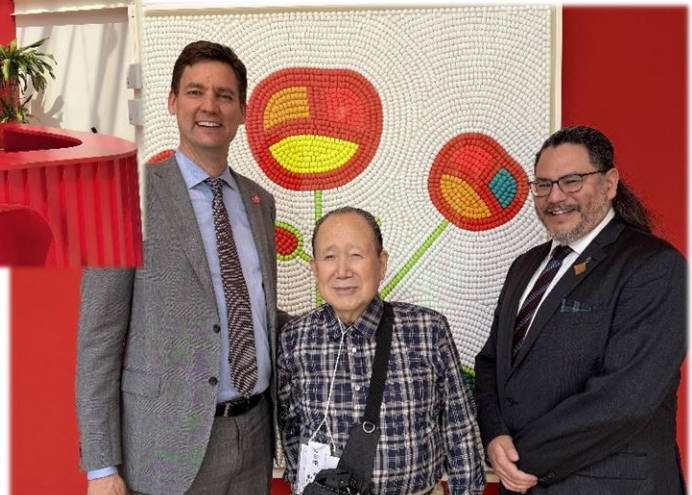
Another major step in this strategy was the successful acquisition of TimberTiles, which has attracted both provincial and international attention. The TimberTiles product is one of the most advanced value-added forestry products, making Huu-ay-aht a leader in British Columbia's Forestry sector. To broaden the market for TimberTiles, a new product "TimberScape" is being finalized for launch this fall for the home consumer/DIY market.

Chief Councillor John Jack was invited to travel with Premier Eby to the World's Fair in Osaka, Japan, where TimberTiles were showcased in the Canada Pavilion, pictured below.

Closer to home, TimberTiles are featured in the UBC Gateway project and in several businesses around Port Alberni, including the Huu-ay-aht ʔumʔiiqsu Centre.



TimberTiles in the Canada Pavilion at the Osaka World Fair



Left to right: BC Premier Eby, Chairman of Mihasi and Chief John Jack

HFN Lands LP

In October 2020, the HaShilthSa newspaper aptly covered our progress in a story which reflected on our Nation proudly “Taking back Bamfield.”

In 2016, Huu-ay-aht First Nations took the first step toward “taking back Bamfield” by acquiring eleven properties. In 2023, HGB added a five-acre parcel on Binnacle Road, and we continue to explore opportunities for future property purchases. These acquisitions are key for future development in the region.



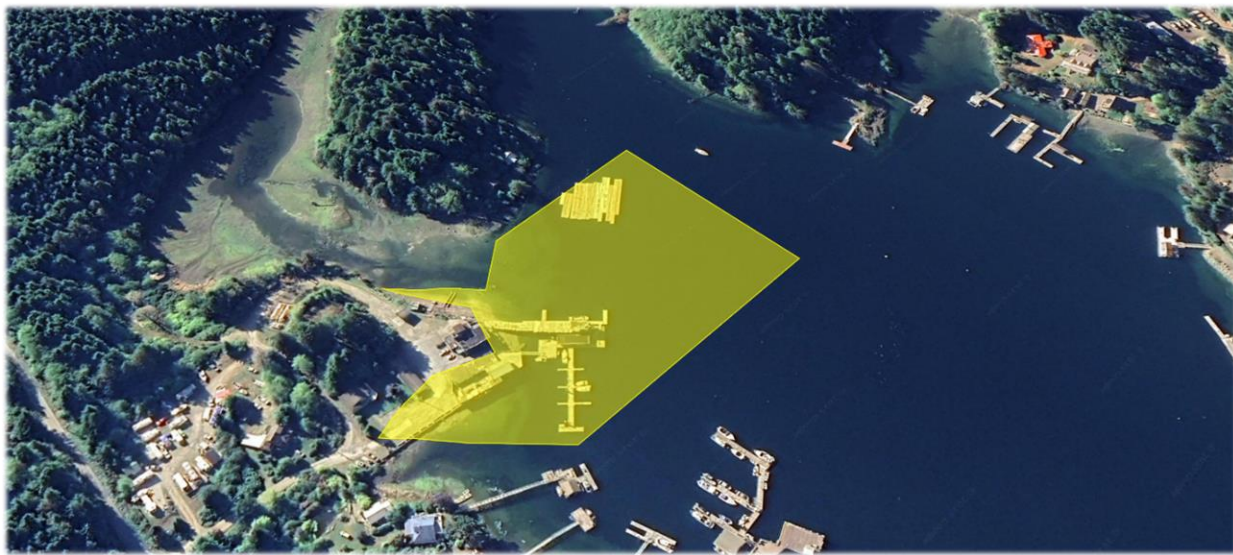
Lands owned by HGB (shaded yellow and red)

Lands LP is also responsible for the ongoing maintenance and replacement of three HGB owned docks. When an unexpected opportunity was presented, we envisioned a novel solution. We secured a decommissioned fish farm from Cermaq Canada with the innovative idea to repurpose it. After dismantling the farm, we then converted several floats into a new dock at the ʔupnit Lodge (former Kingfisher). With this creative

mindset, we plan to repurpose the remaining floats and expand the current Ostrom's docks.

An application to expand the size of the foreshore lease at Ostrom's has been submitted and is currently under review by the province. If successful, this expansion would increase the moorage area by nearly four times its current size.

This past year HGB brought on additional capacity related to docks and marina management, resulting in smoother operations at the docks and gas bar through the season. Now that the shoulder season is here, focus will shift to planning further expansion.



Proposed Tenure Expansion at Ostrom's Marina

HFN partnered with Forum Asset Management to create a long-term plan for development within the H̓ahuuḷi. This "Framework Plan" was finalized in April 2025 after extensive work and consultation. HGB was an active participant throughout the process. We look forward to starting the first priority project(s) that arise from the Framework Plan upon finalization of a Memorandum of Understanding between HFN, Forum, and HGB.





HFN Fisheries LP

Work to revitalize and reimagine our fisheries business continues, with strong potential for future growth. Modern fin fish farming is one such opportunity. The first stage in determining viability is conducting preliminary water quality research that will also inform other aquaculture opportunities. Creation of an aquaculture industrial park is another prospect being considered by management.

As with prior years, the Aquatrust Research and Education Society is contracted for management of the fishing licences. This enables quota pooling for efficiency and enhanced financial returns.

HFN Fisheries also holds investments in other fisheries related businesses. These investments continue to see expansion. NCN Holdings LP and St. Jean's Cannery Ltd. are financially stable operations that maintain focus on growth, both in terms of internal capacity and product lines.



Through ownership of NCN Holdings LP and the commercial licences, we were pleased to provide 800 pounds of frozen prawns to Huu-ay-aht for distribution to staff and citizens in 2024.

Our oyster program remains central to future growth of the business. In 2024, management was successful in its application for a sizeable expansion in the Danvers tenure. This is the first tenure expansion to be granted within British Columbia in 10 years; a major success. This will be critical infrastructure in the oyster farming done by Mariculture LP.

Mariculture LP, our partnership with Nova Harvest, continues to use cutting-edge technology as we work towards building an ecologically balanced, industrial-scale oyster farm in the Hahuuŋi. Shellfish aquaculture is one of the most sustainable protein sources available. By growing it on a commercial scale here, we contribute to food

security for Huu-ay-aht citizens. One million oysters were seeded in October 2024, with over four million planned for 2025.

We also see potential in the value-added sector for fisheries, like forestry. The partnership between Fisheries and Nova Harvest is being expanded through the acquisition of a state-of-the-art high-pressure processing (HPP) machine to process oysters, leading to higher yield value-added products.

The HPP machine and other related equipment are installed at the Dock+ building in Port Alberni and will begin operation later in 2025. This opportunity is projected to grow into a sizeable venture over the coming years.



First oyster through the HPP machine



Unloading the HPP machine



Assembling the HPP machine at the new Dock+ facility

HFN Gravel LP

Production of gravel has been a cornerstone for development in the region.

The Bamfield Main Road Reconciliation Project showcased HGB's ability to work with the Nation to supply aggregate. Our role began with identifying gravel sources, conducting investigations and testing, obtaining permits, developing pits, and managing gravel production. Because of HGB's successful and efficient operation, our role was expanded to provide transportation and storage. Finally, beyond the initial contract scope, we then produced an additional type of material for that project.

In my estimation, HFN Gravel LP delivered the best value for money of any contractor on the project. I have never witnessed a contractor work so diligently to provide the most cost-effective solutions to the many challenges we faced during this project. Their efforts saved the project multiple millions of dollars and enabled us to meet our required timeframe.

Kevin Gordon, Project Manager, Bamfield Main Road Surfacing Project

In total, HGB produced over 300,000 cubic meters of aggregate for the road, demonstrating our capacity to meet high demand and our commitment to improving our community.



Work underway on the Bamfield Main

HFN Hospitality LP

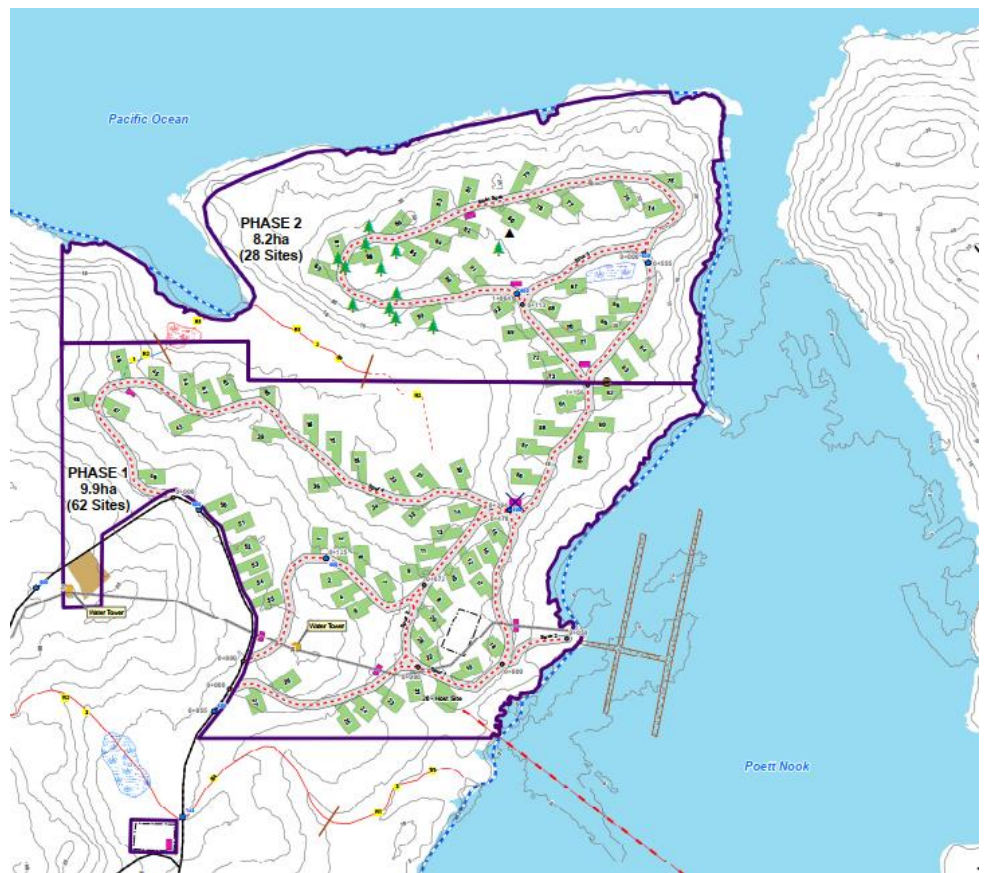
Pachena Bay Campground (“PBC”) has continued to grow since the pandemic. Ongoing digital marketing for PBC has yielded impressive results, with consistent growth in occupancy and revenue each year. PBC was on track to reach record levels in 2025 but the Mount Underwood fire in August resulted in a substantial drop in revenue at PBC and other businesses in the region.

For several years, management has recognized the strong financial potential of campgrounds. Since 2019, we have been developing expansion plans for this business, including the opening of new campgrounds within the Hāhuuī. Several years ago, we altered harvesting plans at Poett Nook to preserve the site for future campground development. Campground plans over the coming years include:

- In-town campground at the old Bay House – 30 sites
- Poett Nook – 100 sites plus moorage capacity
- Sarita Lake – 100 sites over two locations
- Binnacle Road RV Park – 50 sites

The above, together with PBC, forms the foundation to develop campgrounds into a solid commercial unit that will generate year round profits.

The establishment of new campgrounds is a relatively low capital investment that aligns with the Sacred Principles. These new tourist establishments will be designed carefully and mindfully for minimal environmental impact.



Proposed Poett Nook campground



Rendering of yurts at Second Beach

With the Framework Plan complete, we expect HFN will strongly support the development of Second Beach as a destination that highlights Huu-ay-aht's natural beauty and cultural richness, with careful stewardship of the surrounding environment.

Given the importance of these projects in advancing the goal of self reliance,

HGB has added management capacity dedicated to moving these projects forward.

The fifth annual Pachena Bay Music Festival was held in 2025. It has been hugely successful and has earned a reputation as a stellar event. A pilot sister event, the Salty Hearts Music Festival, was hosted at the ȥačas Inn in March. Both music festivals will be returning in 2026.

There are also plans underway for the 2026 Dark Sky Festival, which will build on the 2024 event. Events like these play a major role in drawing new visitors to the campground and Bamfield. They are also key to extending our busy season into the winter and spring months, bringing benefits to all local businesses, including HGB's. We plan to



Huupaalthus (Olivia Peters) at Pachena Bay Music Festival

continue fostering these events for the community and our businesses.



Salty Hearts Music Fest at ȥačas Inn

Management continues to work on advancing the ȥačas Inn, diligently working through the challenges that come with its aging infrastructure. Our goal has been to time the necessary investment to realize maximum value



per investment dollar. The last two years have provided a better understanding of the immediate impacts of the improved Bamfield Main road, allowing us to plan accordingly for each of our fixed roof accommodations. The rooms at the Hacas Inn have been refreshed and the property looks much more vibrant that it did when acquired in 2016, as shown by the comparative photos below. The improvements to the room together with a new on-site manager have led to glowing reviews by guests.

Redevelopment of Pupnit Lodge (formerly Kingfisher) is anticipated to get underway over the next two years, in alignment with the Framework Plan.



*We had a great stay. Room was clean
Staff was friendly & welcoming.
Will be back in 2026*



Thanks for a wonderful stay.
Great room, great location +
friendly staff.
We'll recommend your motel to
our friends!

HAD AN AWESOME TIME HERE IN BAMFIELD FOR
3-ish DAYS - TOOK THE WEST COAST TRAIL EXPRESS
BUS FROM PORT RENFREW + THE STOP HERE IS
JUST ACROSS THE STREET! SUPER EASY CHECK-IN -
MY ROOM WAS READY EARLY - AND EVERYTHING
EXCEEDED EXPECTATIONS. HOPING TO RETURN SOON
FOR LONGER!

THANKS FOR THE GREAT STAY!

In May 2023, HGB was excited to announce a new Partnership between HGB, Tseshaht First Nation, Hupacasath First Nation and MasterBUILT Hotels. This partnership will develop a Microtel Inn & Suites by Wyndham in Port Alberni. The new hotel will be 39,000 square feet featuring 76 rooms, a pool, and a waterslide, and will be designed with future expansion in mind.

Tseshaht is proud of HGB for engaging our Nation on not only our future endeavours together, but other opportunities. While we have face some barriers and challenges in some our initiatives, the leadership from the Nation and HGB have lead with iisaak both in our territory of the Alberni Valley and beyond3

Wahmeesh (Ken Watts), Elected Chief Councillor
Tseshaht First Nation

Provincial environmental challenges took longer to resolve than anticipated, however, Management is pleased to report that early in 2025, the new limited partnership took possession of the land. The site is adjacent to the Walmart property in Port Alberni. The project was the successful recipient of a grant from the Community Opportunities Readiness Program.

Management is working through the final details on project financing and groundbreaking is expected soon.



Rendering of Port Alberni Microtel



Team HGB





“The economic horse pulls the social cart. Without economic development, nothing else moves forward.”

~Chief Clarence Louie, Osoyoos Indian Band

