AMATI
CAPITAL PARTNERS

WITHOUT PREJUDICE

April 14th, 2026

To the Lenders of 536714 Yukon Inc.

Re: Takhini Resort Properties – Request for Temporary Forbearance and Stakeholder Discussions

Amati Capital Partners has been engaged by 536714 Yukon Inc., Resort Development Group (Yukon) Inc., and Takhini Hot Springs Ltd. (collectively, the "Takhini Group") to evaluate strategic alternatives for the Takhini Resort and related properties.

We are writing to advise that our mandate has now advanced to a second phase: the preparation of a comprehensive transaction and development package for presentation to qualified prospective purchasers. Based on our work to date, and on discussions with a primary prospective acquirer, it is expected that any serious buyer will require a transaction structure that permits the resort-related assets to be acquired through a coordinated process rather than through multiple separate enforcement or settlement negotiations.

Accordingly, the Takhini Group and its lenders will need, at a minimum, a conditional framework that identifies the assets to be included in a sale, a practical path to clearing title and completing conveyance, and an agreed process for evaluating priorities, claims, and recoveries among existing stakeholders. The contemplated package is also expected to include a development vision for the full resort, preliminary cost estimates for completion of existing and future infrastructure and improvements, and an indicative implementation timeline.

We recognize that many of the outstanding loans are currently in default and that lenders require clarity with respect to their debt positions and enforcement rights. We also recognize that several lending positions may be legally and commercially complex. In that context, our immediate objective is to engage directly with each lender to confirm the particulars of its position and to understand its expectations, requirements, and constraints. That information will assist us in assessing whether a transaction can be structured in a manner that maximizes overall value and improves the prospects of recovery for all stakeholders.

We therefore respectfully request that each lender refrain, on a temporary basis, from commencing or advancing foreclosure, receivership, power of sale, or other enforcement steps while this process is underway and while good-faith discussions are being conducted. In our view, a coordinated process is more likely to preserve enterprise value and produce a better recovery outcome than a fragmented enforcement process. This request is made in good faith and for the purpose of permitting a realistic opportunity to complete and present a sale package capable of attracting third-party interest.

For greater certainty, this letter is not intended to vary any party's legal rights or priorities, nor does it constitute an admission with respect to any debt, security, ranking, default, or entitlement. Any binding arrangement among stakeholders would, of course, be subject to further review, documentation, and approval by the necessary parties.

To move this work forward promptly, we ask that each lender contact us at the email address below to arrange a telephone or videoconference meeting within the next two weeks. We have reserved the following times for discussions with debt holders:

- Monday, April 20: 1:00 p.m. to 4:00 p.m. (Pacific Time)
- Tuesday, April 21: 9:00 a.m. to 12:00 p.m. and 1:00 p.m. to 4:00 p.m. (Pacific Time)
- Wednesday, April 22: 9:00 a.m. to 12:00 p.m. and 1:00 p.m. to 4:00 p.m. (Pacific Time)

If the above times do not work for you, we will find alternative times that work.

We appreciate your consideration and cooperation.

Yours truly,

Amati Capital Partners

AMATI
CAPITAL PARTNERS

APRIL 2026

TAKHINI DEVELOPMENT PROJECT

Sustainability Plan Roadmap

PRESENTED TO

536714 Yukon Ltd
Takhini Hot Springs
Eclipse Hot Springs (RDG)

Executive Summary

Amati Capital has completed the initial phase of its mandate, Stage 1. whereby Amati reviewed the current structure and circumstances of the Project.

Over the past several weeks, we've conducted detailed due diligence across the various companies financials, operations, organizational structure, job delivery, and market position. Initial receipt of information had some delay; however, we are making meaninful headway on our process.

We have many pieces of work which are ongoing, but based on our findings so far, we have been able to confirm that Teslin First Nations and a consortium of First Nations are interested buyers. We will continue to discuss the project with them to assess what a successful transaction may look like and to come up with milestones which will need to be met in order for a successful transaction to take place.

The Takhini Development Project has meaningful intrinsic value, but its current structure limits its ability to attract external capital, complete development efficiently, and maximize proceeds through a sale, recapitalization, or strategic partnership. The Project today is characterized by fragmented asset ownership, layered debt positions, inconsistent valuation reference points, incomplete governance infrastructure, and active development assets that require additional capital and disciplined sequencing to reach stabilized value.

The purpose of this roadmap is to give the client group a practical and commercially credible path from the current state to an investable end state. That end state is not simply a cleaner organizational chart. Instead, it is a transaction-ready structure that can support third-party capital, enable completion of core assets, and position the broader Takhini package for either phased sale, phased acquisition by a strategic capital partner, or a structured GP/LP investment platform.

Recent discussions with Teslin indicate there is real interest in a phased acquisition and investment strategy rather than an immediate acquisition of the full Takhini footprint. Based on those discussions, the most realistic near-term transaction concept is the sale or capitalization of a defined Phase 1 package consisting of the partially complete 30 and 28 unit townhomes, the hotel lands (BLU 22-25), Takhini Camp Ground and Resort Suits, Eclipse Hot Springs and water source combined with option agreements over additional surrounding lands and complementary assets for exercise over a multi-year period.

Primary Objectives of the Roadmap

Objective	Why It Matters	Success Outcome
Unify The Package	Investors cannot underwrite a disjointed collection of entities, land parcels, and side arrangements.	One coherent transaction perimeter with clear inclusions, exclusions, and future options.
Establish a Credible Value Basis	Current stakeholders do not yet appear aligned on valuation methodology or transaction price logic.	A shared pricing framework using as-is, cost-to-complete, and stabilized value references.
Create Institutional Governance	Serious capital will require defined authority, reporting, approval thresholds, and management accountability.	A clean governance framework suitable for outside equity.
Sequence Completion Capital	Substantially complete assets can unlock value quickly if capital is directed with discipline.	Capital plan focused first on the highest-probability, nearest-to-revenue assets.

In practical terms, this roadmap recommends that the client group align around **five** governing principles:

1. The Project must be presented to prospective investors as one coherent platform, even if the ultimate transaction closes in phases.
2. The ultimate investment-grade structure should be created to receive assets, capital and establish a framework for governance, and operating oversight.
3. The first capital event should prioritize the core package most capable of closing within the currently identified capital range provded by Blair. Terms of additional capital events must be completed concurrently with the first capital event..
4. Current complications of structure and competing objectives must be settled prior to a transaction.
5. The consolidation process must be run against a defined schedule, with accountable workstreams, decision dates, and deal documentation milestones.

Current State Assessment

Highlights

The Takhini project is a partially developed, multi-asset resort platform with strong underlying fundamentals, including a unique geothermal offering, planned hospitality infrastructure, and a multi-phase development vision.

The current state can be summarized across five interrelated issues.

5 Interrelated Issues

1. Fragmented Asset Ownership
2. Complex Capital Stack
3. Unaligned Valuation Expectations
4. Incomplete Transition to Institutional Governance
5. Capital Required to Unlock Value

Current State Assessment Continued

Fragmented Asset Ownership

The broader Takhini opportunity is made up of multiple operating and development assets held across separate legal entities and ownership groupings. This includes Takhini Hot Springs, Eclipse Hot Springs, lands held through 536714 Yukon Inc., and certain additional assets such as the campground held outside the primary development company. This fragmentation makes it difficult to present any buyer with a clean perimeter, consistent disclosures, or a simple acquisition path.

Complex Capital Stack

Debt is layered across multiple parcels and counterparties. Mortgage rankings differ by asset, and certain holdings are supported by overlapping lender relationships and accrued interest claims. This complexity creates challenges in completing diligence and presents negotiation risk, especially where stakeholders are assuming different recovery expectations. Mortgage defaults and demand letters exist on several properties.

Unaligned Valuation Expectations

Different stakeholders are naturally inclined to emphasize different value references: land value, construction cost, completed appraisals, strategic resort value, or long-term master plan upside. Without a consistent framework, valuation becomes a source of conflict instead of a tool for decision-making.

Incomplete Transition to Instutional Governance

The Project has entrepreneurial energy and meaningful development progress, but the governance, reporting, and authority structure required by institutional or First Nations capital partners is not yet fully in place. The market feedback to date suggests that governance clarity and sponsor composition are critical gating items.

Capital Required to Unlock Value

Several of the most attractive assets are materially progressed but not yet in service. As a result, the Project is carrying development risk without yet receiving the full benefit of stabilized operating cash flow or completed asset value.

What This Means:

- The potential value of the project and access to capital are significantly undermined by the complexit of structure and debt profile.
- A buyer or investor is unlikely to pay full strategic value today for assets that are fragmented, partially complete, and that require significant cleanup

Target State and Strategic End Goal

Strategic Context

The Amati team has had fruitful initial conversations with Blair Hogan, in the following capacities.

- Teslin Tlingit Council Trust (TTCT) as lead participant; and
- A broader consortium of First Nations groups across the Yukon and Alaska, with the potential for coordinated capital participation.

Blair and the consortium represents a high-probability buyer profile for the Takhini project, given:

- Strong alignment with land stewardship and long-term ownership objectives;
- Strategic interest in tourism, cultural, and economic development assets; and
- Access to both initial committed capital (~$5M) and potential syndication capital (~$30M+).

Importantly, this is not a speculative buyer universe—this is an identified, engaged, and capital-capable group.

Confirmed Buyer Requirements

Discussions to date have established that any investment or acquisition by TTCT and/or the broader First Nations consortium (both from the Yukon and Alaska) will be conditional upon specific structural, governance, and asset-related requirements.

While these will be further detailed in subsequent sections, the key takeaway for the client group is:

1. The TTCT and First Nations consortium would likely enter into an acquisition as a syndicate of equity investors, likely in their own GP/LP structure
2. Any investment they make must result in the project being 100% First Nations owned
3. The package must include the following:
    a. An achievable initial investment in a “core” resort development, with formal options to acquire additional surrounding lands within 3-5 years
    b. While current ownership would no longer have rights to resort design and development and not involved in day/to day management, continuation in advisory capacities would be welcome.
    c. Hot Springs Campground & Resort Suites must be included in either initial acquisition or as a future option for purchase

A successful transaction will require alignment with buyer-defined parameters.

The offering to the Consortium must include but not limited to:

- Presenting Takhini not as a collection of individual assets and entities, but as a coherent, investable opportunity;
- Structuring the opportunity to allow nearer term participation by Teslin at a realistic capital level, while preserving long-term upside for all current stakeholders; and
- Creating the foundation for a long-term strategic consortium acquisition, rather than a one-time transaction.

Likely Transaction Scenarios

Strategic Context

In assessing viable paths forward, Amati has identified two primary transaction scenarios based on the current capital structure, stakeholder dynamics, and the presence of a credible strategic buyer group. Should either of these scenarios not materialize, we can explore additional avenues.

These scenarios reflect the practical realities of the existing debt position, the state of the assets, and the behavior of institutional and quasi-institutional buyers in distressed and semi-distressed situations.

Scenario 1: Enforcement / Distressed Outcome (Lender Led Process)

Given the quantum of debt encumbering the assets held within 536714 Yukon Inc., there exists a credible risk that senior secured lenders (primarily 1st position mortgage holders) may elect to enforce their security. In such a scenario:

- Lenders would call their loans and exercise remedies, ultimately taking control of the underlying land and development assets;
- The project would transition into a lender-controlled or court-supervised process (e.g., receivership or equivalent enforcement structure); and
- The asset base would be marketed or liquidated on a distressed basis, either in whole or in parts.

Implication

Under this outcome, the transaction process would be driven by:

- Recovery of capital, not value maximization likely led by a receiver;
- Fragmentation of assets, as lenders may act independently; and
- Compressed timelines, limiting the ability to properly position the opportunity to strategic buyers.

From a valuation perspective, based on Amati's experience in distressed development transactions:

Assets in enforcement scenarios typically transact at a material discount to intrinsic or stabilized value, often in the range of 30% to 50% of estimated "true" value.

Further considerations include:

- Certain parcels or components may attract limited or no buyer interest, depending on their standalone economics;
- Junior lenders (2nd and 3rd position) and unsecured creditors would likely experience significant impairment or complete loss of capital; and
- A receiver would work on behalf of the lenders present to sell 536714's lands for some value, and likely pursue 536714's note to Eclipse due to the fact that the note present to Eclipse represents tangible value which the court will likely try to exercise upon.
- Eclipse (RDG) therefore would likely be forced to sell its operations and building to then fulfill the receiver's liquidation demands unless Eclipse has sufficient funds to pay out the outstanding note.
- SHVT, who also has a note and various guarantees etc, would even be implicated in legal proceedings due to the fact that even if they received the assignment of shares, they would then be the beneficial owner of Eclipse, and thus be forced to take action by the receiver to liquidate the business and the real estate to support the receiver's actions on behalf of the lenders of 536714 Yukon Ltd.

Likely Transaction Scenarios (Cont'd)

Scenario 2: Coordinated Transaction (Stakeholder-Led Process)

The alternative—and, in Amati's view, the preferred path is a coordinated, stakeholder-led process.

Under this scenario, the client group would:

<u>Establish a comprehensive understanding of the capital stack, including:</u>

- All registered mortgage debt (by priority);
- Mezzanine or subordinate financing;
- Promissory notes and other obligations; and
- Any contingent or off-balance-sheet liabilities;

<u>Undertake a structured valuation exercise, incorporating:</u>

- Existing third-party appraisals (validated and adjusted as required);
- Cost-to-complete analysis for partially constructed assets;
- Market-based assumptions for stabilized operations; and
- Sensitivity analysis across multiple scenarios;

<u>Determine an equitable allocation framework, recognizing that:</u> There may be no realistic outcome in which all stakeholders recover full value of invested capital.

- *Instead, the process would seek to:*
    - Maximize total enterprise value;
    - Allocate proceeds based on priority, risk, and negotiation; and
    - Achieve sufficient alignment to transact as a unified group.

<u>Package the assets as a cohesive, institutional-quality opportunity, enabling:</u>

- A clear entry point for TTCT and the First Nations consortium;
- A defined initial acquisition scope; and
- Structured pathways for future resort expansion and capital deployment.

Implications

This approach materially improves the probability of achieving a higher transaction value due to:

- Unified seller alignment, reducing execution risk for buyers;
- The ability to control narrative, timing, and process;
- Avoids significant costs and timte delays associated with a litigated or court driven process.
- Enhanced credibility with strategic buyers; and
- The opportunity to create competitive tension, even within a limited buyer universe.

While this scenario still requires economic concessions from stakeholders, it shifts the outcome from a forced recovery process to a value-maximization exercise.

From a buyer's perspective, this structure is also materially more attractive:

- It presents a clear, investable platform, rather than a distressed liquidation;
- It enables phased capital deployment, aligned with available funding (~$35M initial capacity); and
- It supports a long-term partnership model, which is consistent with the objectives of First Nations investors.

Strategic Execution Roadmap

Regardless of whichever scenario materializes or is chosen, below is Amati's current assessment of necessary steps in order to achieve a successful future transaction. Many parts have already been started behind the scenes and other areas will be completed in due course.

Step 1 – Comprehensive Due Diligence & Situation Audit

- Consolidate all outstanding project documentation, including financials, title, mortgage registers, construction status, and contractual obligations [**Ongoing]**
- Validate capital stack and creditor positions across all parcels and entities [**Ongoing]**
- Reconcile historical funding flows across land, construction, and financing costs
  - Perform detailed construction audit: Verify costs incurred to date (hard costs, soft costs, interest, contractor payments) [**Ongoing**]
  - Validate cost to complete by asset and phase (remaining construction, servicing, FF&E, contingencies) [**Ongoing**]
  - Cross-check contractor agreements, change orders, and any unfunded liabilities
  - Identify cost overruns, funding gaps, and timeline risks
- Identify gaps in reporting, legal exposure, and inconsistencies in lender documentation [**Ongoing**]

Step 2 – Asset-Level Valuation & Recovery Analysis

- Assess each asset and phase independently (land, partially completed buildings, operating assets) [**Ongoing**]
- Anchor valuation against actual capital deployed and remaining capital required
- Review existing appraisals and determine if updates are required (only where materially necessary) **[Ongoing]**
- Establish:
  - Liquidation value (forced sale scenario)
  - Stabilized value (completion scenario)
  - Strategic value (institutional buyer / long-term ownership scenario)

Step 3 – Strategic Scenario Development

- Fully develop a complete consolidation and sale package for Scenario 2 [**Currently Underway**]
- Provide a projected sequence of events likely to transpire should Scenario 1 occur; to minimize capital loss and value erosion to the extent possible [**Currently Underway**]

- Both of the above scenarios will incorporate:
  - Cost to complete
  - Capital required to execute
  - Timeline and execution complexity
  - Creditor recoveries
  - Equity outcomes

Strategic Execution Roadmap

Step 4 – Stakeholder Alignment & Control Strategy

- Engage all key stakeholders: [**Ongoing**]
  - Senior and junior lenders
  - Equity holders
  - Developers and contractors
- Present structured recovery scenarios and negotiate:
  - Standstill agreements
  - Debt restructuring (extensions, haircuts, priority adjustments)
  - Alignment of value expectations

Step 5 – Transaction Structuring & Governance Reset

- Design and implement a clean transaction structure:
  - Consolidated ownership framework
  - Separation from legacy liabilities where required
  - Institutional governance and reporting standards
  - Design structure for intiial tranche purchase
  - Design option structure for properties not sold in initial tranche
- Define:
  - Capital stack (debt and equity)
  - Distribution / waterfall structure
  - Exit strategy

Step 6 – Market Re-Engagement (Capital / Buyer)

(Currently Client Driven per Client Request)

- Re-engage with Blair and any other strategic buyers and capital partners
- Position the opportunity as:
  - De-risked through alignment and verified cost structure
  - Clearly defined in scope and execution pathway
  - Structured for phased capital deployment

Step 7 – Execution & Closing

(Currently Client Driven per Client Request)

- Finalize transaction (sale, recapitalization, or hybrid structure)
- Coordinate:
  - Legal documentation
  - Debt settlements and payouts
  - Equity issuance and funding
- Transition into new ownership and governance structure

Amati recommends our clients reconsider engaging Amati to accomplish Steps 6 and 7 and drive towards a successful sale event. This would include but not be limited to; negotation of all debt holders, note holders, secured and unsecured parties, Teslin First Nation / First Nation Consortium and other qualified buyers.

Condition Prescedent for a Successful Sale of Core Assets to a Strategic Buyer

To move forward through the proposed roadmap, Amati views it essential that the stakeholders of 536714 Ltd, Eclipse Hot Springs (RDG), Takhini Hot Springs Ltd and 4566 Yukon Ltd. come to agreement that the following are acceptable aspects of an eventual sale package.

1. Any package presented must showcase that the end state entity be 100% First Nations owned. No partial sale is currently contemplated by the buyer.

2. The sale package needs to include a vision for how current land assets would be developed with some high density housing in mind for First Nations membership.

3. 4566 Yukon Inc would need to include their campground and resort suites as part of an eventual sale package, either initially as part of a core package, or to have option sell at a future date at an agreed upon date.

4. As part of the sale package, Teslin would need to be some vision as to how parts of Eclipse Hot Springs be revamped to include a family friendly pool area for community use. or an additional facility built within the resort.

5. Teslin has shared that upon execution of any purchase and sale agreement, they would need full ownership control and retain full management of Eclipse Hot Springs. Current ownership would likely not be involved post-transaction.

6. Though an initial sale package would likely reflect an initial investment of \$30-\$35MM, the acquiring consortium needs the option to purchase all surrounding lands and facilities at an agreed upon price necessary for full resort development.

7. Given that the aquireer will likely form a GP/LP structure to accomplish the transaction, we as sellers will need to provide a vision for how governance and management at their GP level can successfully manage the resort. Conceptually the GP will need to have a construction management, resort management, hotel management, marketing management and finance division to properly manage the resort post construction. As part of a sale package, Amati will provide a vision for how any strategic buyer should structure and govern the GP.

Conclusion

Amati would like to thank the client group for their continued collaboration and engagement throughout this process. From the outset, our approach has been grounded in transparency and realism, with a focus on establishing a clear and accurate understanding of the project's current position. This has included a detailed assessment of the lender landscape and capital stack, review of intercompany obligations and stakeholder dynamics, consideration of legal implications, and verification of construction costs to date / an evaluation of cost-to-complete requirements. This foundation is critical to ensuring that all subsequent analysis and recommendations are credible, defensible, and actionable.

Throughout this process, Amati remains committed to providing practical, experience-driven insight to support decision-making and guide the project toward a viable outcome. While several workstreams are currently underway, the most critical focus is the development of a defensible valuation framework, including validation of existing appraisals, assessment of asset-level and consolidated value, and determination of pro rata outcomes for stakeholders under various transaction scenarios. This work will underpin all future steps, including stakeholder alignment, transaction structuring, and buyer engagement.

Amati has confirmed that there is an interested and sophisticated potential buyer, led by Teslin Tlingit Council Trust and supported by a broader First Nations consortium. Amati has independently verified claims of their interest and has indipendently assessed transaction likelihood with these entities. While this represents a meaningful opportunity, it is important to recognize that buyer interest is conditional and evolving, and may not always remain present. As such, our approach will remain market-informed but not dependent on a single counterparty, with a continued focus on maintaining optionality and transaction credibility.

A key area of near-term focus will be the development of an institutional-grade governance framework. This will include establishing clear ownership and decision-making structures, defining appropriate board composition and oversight, separating development, ownership, and operational functions, and implementing reporting and control standards aligned with institutional expectations. This work is essential to attract strategic capital, enabling stakeholder alignment, and supporting long-term project stability.

The work completed to date has established a clear understanding of both the challenges and opportunities associated with the project. The objective now is to translate this foundation into a structured, aligned, and executable path forward.

Amati remains committed to leading this process with discipline, clarity, and a focus on achieving a practical and successful outcome.

Thank you

Thank you for taking the time to read this roadmap report. If you have any questions or would like to confidentially discuss our findings further, please don't hesitate to reach out to us.

Once Amati has approval from the client group to proceed from Stage 1 to Stage 2 (*per engagement letter*), and are given the mandate to execute on the “roadmap”, we will be organizing calls individually with each client party where we can openly and confidentially discuss our insights and what we perceive as realistic action plans.

These calls will be important because there is substantial detail and specific examples of outstanding issues and hurdles which will need to be discussed and agreed upon by all parties.

Due to the confidential nature of the items, Amati would prefer the discussion to be virtual/in person.

AMATI

CAPITAL PARTNERS