PATHFINDER VENTURES INC.

Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2024 and 2023

(Unaudited - Expressed in Canadian dollars)

Notice of Disclosure of Non-auditor Review of the Condensed Interim Consolidated Financial Statements for the Three and Nine Months Ended September 30, 2024 and 2023

Pursuant to National Instrument 51-102 *Continuous Disclosure Obligations*, part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of Pathfinders Ventures Inc. for the interim periods ended September 30, 2024 and 2023, have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting*, as issued by the International Accounting Standards Board, and are the responsibility of management.

The independent auditors, Smythe LLP, have not performed a review of these unaudited condensed interim consolidated financial statements.

November 28, 2024

PATHFINDER VENTURES INC.
Condensed Interim Consolidated Statements of Financial Position
(Unaudited - Expressed in Canadian dollars)

	Note	**September 30, 2024**	December 31, 2023
		$	$
ASSETS			
Current			
Cash		**672,711**	456,100
Prepaid expenses	5	**276,804**	95,416
Inventory		**17,678**	21,130
Receivables	6,19	**345,012**	311,409
Deposits	7	**61,476**	36,520
		1,373,681	920,575
Property and equipment	8	**13,218,244**	13,132,313
Total assets		**14,591,925**	14,052,888
LIABILITIES			
Current			
Accounts payable and accrued liabilities	9,19	**1,303,716**	832,507
Deferred revenue		**612,037**	738,892
Loan payable	10	**60,787**	60,000
Current portion of lease liabilities	11	**65,324**	95,457
Promissory notes	12,19	**725,710**	778,582
Current portion of mortgages	13	**665,826**	796,775
Convertible debentures	15,19	**-**	2,548,771
		3,433,400	5,850,984
Lease liabilities	11	**321,555**	5,219
Debentures	16,19	**2,849,027**	-
Mortgages	13	**6,459,783**	6,421,557
Total liabilities		**13,063,765**	12,277,760
SHAREHOLDERS' EQUITY			
Share capital	17(b)	**9,837,574**	8,687,137
Subscription deposits	17(b)	**-**	200,000
Reserves	18	**1,102,231**	1,028,856
Deficit		**(9,411,645)**	(8,140,865)
Total shareholders' equity		**1,528,160**	1,775,128
Total liabilities and shareholders' equity		**14,591,925**	14,052,888

Nature of operations and going concern (Note 1)

Approved and authorized for issue on behalf of the Board of Directors:

/s/ "Joseph Bleackley"	*/s/ "Michael Iverson"*
Director	Director

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

PATHFINDER VENTURES INC.
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Unaudited - Expressed in Canadian dollars, except for number of shares)

	Note	Three months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
		$	$	**$**	$
Revenues		**1,576,911**	1,544,628	**2,867,953**	2,894,556
Management services revenue		**-**	-	**15,000**	-
Costs of sales		**(82,039)**	(80,715)	**(194,781)**	(186,810)
Gross profit		**1,494,872**	1,463,913	**2,688,172**	2,707,746
Operating expenses					
Accretion expense	12,15,16	**29,620**	54,721	**123,594**	179,586
Consulting expense		**17,834**	11,372	**35,616**	41,655
Depreciation expense	8	**163,567**	187,367	**502,167**	560,952
Financing costs		**-**	12,140	**-**	15,140
General and administrative		**44,695**	43,459	**138,169**	134,301
Insurance		**26,643**	19,747	**68,211**	60,512
Interest expense	11-13,15,16,19	**259,572**	241,058	**712,908**	678,138
Investor relations		**36,000**	21,000	**66,000**	76,200
Lease expense		**27,518**	23,764	**42,145**	38,734
Legal and professional fees	19	**147,452**	123,097	**450,093**	297,781
Marketing		**44,914**	28,464	**97,936**	60,417
Property costs		**114,562**	209,595	**357,403**	454,613
Property taxes		**17,618**	16,039	**46,478**	38,323
Salaries and benefits	19	**490,827**	505,627	**1,261,910**	1,349,749
Share-based compensation	19	**-**	49,594	**53,213**	49,594
Supplies		**18,986**	14,196	**44,235**	39,401
		1,439,808	1,561,240	**4,000,078**	4,075,096
Net income (loss) from operations		**55,064**	(97,327)	**(1,311,906)**	(1,367,350)
Other income (expenses)					
Foreign exchange loss		**(1,549)**	(479)	**(2,034)**	(1,694)
Gain on debt modification		**-**	68,007	**-**	27,148
Gain (loss) on disposition of property and equipment		**-**	(16,994)	**156**	(16,994)
Other expense		**-**	(1,556)	**-**	(3,142)
Other income		**14,604**	15,788	**43,004**	46,981
Net income (loss) and comprehensive income (loss)		**68,119**	(32,561)	**(1,270,780)**	(1,315,051)
Net income (loss) per share:					
Basic and diluted		**0.00**	(0.00)	**(0.06)**	(0.09)
Weighted average number of common shares outstanding					
Basic and diluted		**24,713,979**	13,981,701	**23,033,639**	14,332,277

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

PATHFINDER VENTURES INC.
Condensed Interim Consolidated Statements of Cash Flows
(Unaudited - Expressed in Canadian dollars)

	Nine months ended September 30, 2024	2023
	$	$
Operating activities:		
Net loss and comprehensive loss for the period	**(1,270,780)**	(1,315,051)
Adjustments for:		
Accretion expense	**123,594**	179,586
Depreciation expense	**502,167**	560,952
Interest expense	**712,908**	678,138
Share-based compensation	**53,213**	49,594
Gain on debt modification	**-**	(27,148)
(Gain) loss on disposition of property and equipment	**(156)**	16,994
Changes in non-cash working capital:		
Prepaid expenses	**(181,388)**	(29,112)
Inventory	**3,452**	(693)
Receivables	**(33,603)**	(188,981)
Deposits	**(24,956)**	(17,541)
Accounts payable and accrued liabilities	**393,866**	17,578
Deferred revenue	**(126,855)**	(26,818)
Cash provided by (used in) operating activities	**151,462**	(102,502)
Investing activities:		
Proceeds from sale of property and equipment	**500**	1,000
Purchases of property and equipment	**(228,999)**	(83,037)
Cash used in investing activities	**(228,499)**	(82,037)
Financing activities:		
Proceeds from mortgages	**-**	3,998,972
Proceeds from shares issued in private placement	**300,000**	-
Proceeds from units issued in private placement	**700,000**	390,000
Share issuance costs	**(29,401)**	(10,060)
Repayment of mortgages	**(92,724)**	(3,655,641)
Interest paid on mortgages	**(434,943)**	(384,523)
Repayment of promissory notes	**(56,000)**	-
Interest paid on convertible debentures	**-**	(375,578)
Lease payments	**(93,284)**	(105,113)
Cash provided by (used in) financing activities	**293,648**	(141,943)
Change in cash	**216,611**	(326,482)
Cash, beginning of the period	**456,100**	982,482
Cash, end of the period	**672,711**	656,000
Supplemental cash flow information:		
Purchases of property and equipment included in accounts payable and accrued liabilities	**-**	1,658
Interest expense included in accounts payable and accrued liabilities	**78,886**	81,022
Units issued in settlement of convertible debentures	**-**	110,207
Cash income tax paid	**-**	-

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

PATHFINDER VENTURES INC.
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
(Unaudited - Expressed in Canadian dollars, except number of shares)

	Common shares	Share capital	Subscription deposits	Reserves	Deficit	Total shareholders' equity
	#	$	$	$	$	$
Balance, December 31, 2022	13,981,701	8,175,293	-	969,201	(6,068,289)	3,076,205
Units issued in settlement of convertible debentures	688,793	110,207	-	-	-	110,207
Units issued in private placement	2,500,000	400,000	-	-	-	400,000
Unit issuance costs	-	(10,060)	-	-	-	(10,060)
Net loss and comprehensive loss for the period	-	-	-	-	(1,315,051)	(1,315,051)
Balance, September 30, 2023	17,170,494	8,675,440	-	969,201	(7,383,340)	2,261,301
Units issued in settlement of convertible debentures	-	15,139	-	(15,139)	-	-
Unit issuance costs	-	(3,442)	-	3,442	-	-
Shares to be issued	-	-	200,000	-	-	200,000
Share-based compensation	-	-	-	49,594	-	49,594
Gain on debt extinguishment with a shareholder	-	-	-	21,758	-	21,758
Net loss and comprehensive loss for the period	-	-	-	-	(757,525)	(757,525)
Balance, December 31, 2023	17,170,494	8,687,137	200,000	1,028,856	(8,140,865)	1,775,128
Units issued in private placement	6,250,007	500,000	(200,000)	-	-	300,000
Shares issued in private placement	7,000,000	700,000	-	-	-	700,000
Unit issuance costs	-	(49,563)	-	20,162	-	(29,401)
Share-based compensation	-	-	-	53,213	-	53,213
Net loss and comprehensive loss for the period	-	-	-	-	(1,270,780)	(1,270,780)
Balance, September 30, 2024	**30,420,501**	**9,837,574**	**-**	**1,102,231**	**(9,411,645)**	**1,528,160**

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

Pathfinder Ventures Inc. (the “Company”) was incorporated on February 14, 2018 under the laws of British Columbia. The Company’s head office and principal address is PO Box 610, 9451 Glover Road, Langley, BC V1M 2R9. The Company is listed on the TSX Venture Exchange under the symbol “RV”. The Company is in the business of providing short and long-term accommodation year-round via its wholly owned land and on-site facilities and management services for third-party recreation parks.

These condensed interim consolidated financial statements for the three and nine months ended September 30, 2024 and 2023 (the “financial statements”) have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for at least the next twelve months. As at September 30, 2024, the Company has a working capital deficiency of $2,059,719 (December 31, 2023 - $4,930,409) and for the three and nine months ended September 30, 2024, reported a net income and comprehensive income of $68,119 and net loss and comprehensive loss of $1,270,780, respectively (2023 - net loss and comprehensive loss of $32,561 and $1,315,051, respectively). As a result, the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. The Company’s ability to continue as a going concern is dependent upon its ability to generate positive cash flows from operations, and/or raise adequate funding through equity or debt financing to discharge its liabilities as they come due. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. During the nine months ended September 30, 2024, the Company completed non-brokered private placements for gross proceeds of $1,200,000 (Note 17(b)).

Should the Company be unable to continue as a going concern, asset and liability realization values may be materially different from their carrying values. These financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material.

2. BASIS OF PREPARATION

a) Statement of compliance

These financial statements were approved by the Board of Directors and authorized for issue on November 28, 2024.

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS Accounting Standards”) as issued by the International Accounting Standards Board applicable to the preparation of interim financial statements including International Accounting Standard 34 *Interim Financial Reporting*. These financial statements do not include all disclosures required for annual audited financial statements. Accordingly, they should be read in conjunction with the notes to the Company’s audited financial statements for the years ended December 31, 2023 and 2022 (the “Annual Financial Statements”).

b) Basis of presentation

These financial statements have been prepared using the historical cost basis, except for certain financial assets and liabilities which are measured at fair value, as specified by IFRS Accounting Standards for each type of asset, liability, income, and expense as set out in the accounting policies below. In addition, these financial statements have been prepared using the accrual basis of accounting except for certain cash flow information.

On August 9, 2024, the Company completed a consolidation of its common shares on a four-to-one basis. All share and per share amounts have been retrospectively adjusted to reflect the consolidation. Any references to common shares are on a post-consolidation basis. Numbers of warrants and stock options and their respective exercise prices have been retrospectively adjusted to reflect the effects of the consolidation.

c) Functional and presentation currency

These financial statements are presented in Canadian dollars (“CAD”), unless otherwise noted, which is the functional currency of the Company and its subsidiaries.

2. BASIS OF PREPARATION (continued)

d) Basis of consolidation

These financial statements include the accounts of the Company and its subsidiaries. All intercompany transactions and balances are eliminated on consolidation. Control exists where the parent entity has power over the investee and is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are included in the financial statements from the date control commences until the date control ceases.

A summary of the Company's subsidiaries included in these financial statements as at September 30, 2024 and 2023 is as follows:

Name of subsidiary	Country of incorporation	Percentage ownership	Functional currency	Principal activity
Pacific Frontier Investment Inc.	Canada	100%	CAD	Holding company
Pathfinder Camp Resorts (Agassiz) Inc. (formerly Pathfinder Camp Resorts Inc.)	Canada	100%	CAD	Operating company
Pathfinder Camp Resorts (Fort Langley) Inc. (formerly Duckworth Management Group Ltd.)	Canada	100%	CAD	Operating company
Pathfinder Camp Resorts (Parksville) Inc.	Canada	100%	CAD	Operating company

3. MATERIAL ACCOUNTING POLICIES

The accounting policies applied in the preparation of these financial statements are consistent with those applied and disclosed in the notes to the Annual Financial Statements, except for the following pronouncements which became effective for periods beginning on or after January 1, 2024.

<u>Disclosure of accounting policies - amendments to IAS 1 and IFRS Practice Statement 2</u>

The amendments to IAS 1 *Presentation of financial statements* and IFRS Practice Statement 2 *Making materiality judgements* provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments have had no impact on the Company's disclosures of accounting policies as well as on the measurement, recognition or presentation of any items in the Company's financial statements.

<u>Classification of liabilities as current or non-current - amendments to IAS 1</u>

The amendments to IAS 1 specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

In addition, an entity is required to disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. The amendments have not had an impact on the classification of the Company's liabilities.

<u>Definition of accounting estimates - amendments to IAS 8</u>

The amendments to IAS 8 *Accounting policies, changes in accounting estimates and errors* clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments had no impact on the Company's financial statements.

(Unaudited - Expressed in Canadian dollars, except where noted)

3. MATERIAL ACCOUNTING POLICIES (continued)

Deferred tax related to assets and liabilities arising from a single transaction - amendments to IAS 12

The amendments to IAS 12 *Income Taxes* narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities. The amendments had no impact on the Company's financial statements.

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements under IFRS Accounting Standards requires management to make judgements in applying its accounting policies and estimates that affect the reported amounts of assets and liabilities at the period end date and reported amounts of expenses during the reporting period. Such judgements and estimates are, by their nature, uncertain. Actual outcomes could differ from these estimates.

The impact of such judgements and estimates are pervasive throughout these financial statements and may require accounting adjustments based on future occurrences. These judgements and estimates are continuously evaluated and are based on management's experience and knowledge of the relevant facts and circumstances. Revisions to accounting estimates are recognized in the period in which the estimate is revised and are accounted for prospectively.

In preparing these financial statements, the Company applied the same significant judgements in applying its accounting policies and is exposed to the same sources of estimation uncertainty as disclosed in its Annual Financial Statements.

5. PREPAID EXPENSES

A summary of the Company's prepaid expenses is as follows:

	September 30, 2024	December 31, 2023
	$	$
Insurance	**17,985**	66,750
Legal and professional retainers	**-**	20,000
Marketing	**241,201**	6,543
Property taxes	**17,618**	-
Other	**-**	2,123
	276,804	95,416

6. RECEIVABLES

A summary of the Company's receivables is as follows:

	September 30, 2024	December 31, 2023
	$	$
Credit card processor holdbacks	**234,674**	262,936
GST receivable	**78,196**	9,226
Management services fee	**-**	9,450
Operational expenses reimbursement	**-**	23,953
Other	**32,142**	5,844
	345,012	311,409

Credit card processor holdbacks are portions of customer deposit payments held by the credit card processors for advanced bookings made online. Cash from holdbacks is received from credit card processors when a customer's stay has concluded, and the revenue has been earned. As at September 30, 2024 and December 31, 2023, the Company did not have a provision for expected credit losses on any of its receivables.

7. DEPOSITS

As at September 30, 2024, deposits of $61,476 (December 31, 2023 - $36,520) consists of security deposits for utilities, construction projects and the lease with Metro Vancouver.

(Unaudited - Expressed in Canadian dollars, except where noted)

8. PROPERTY AND EQUIPMENT

A summary of the Company's property and equipment is as follows:

	Right-of-use assets	Land	Building	Site fixtures	Leasehold improvements	Furniture and equipment	Vehicle	Total
	$	$	$	$	$	$	$	$
Cost								
Balance, December 31, 2022	434,297	5,599,520	2,074,961	6,324,699	16,441	614,396	85,861	15,150,175
Additions	-	-	-	15,778	-	51,701	8,215	75,694
Disposals	(39,782)	-	-	-	-	(3,753)	-	(43,535)
Balance, December 31, 2023	394,515	5,599,520	2,074,961	6,340,477	16,441	662,344	94,076	15,182,334
Additions	360,197	-	10,977	1,866	197,954	17,448	-	588,442
Disposals	-	-	-	-	-	(1,620)	-	(1,620)
Balance, September 30, 2024	**754,712**	**5,599,520**	**2,085,938**	**6,342,343**	**214,395**	**678,172**	**94,076**	**15,769,156**
Accumulated depreciation								
Balance, December 31, 2022	(229,821)	-	(154,551)	(717,905)	(3,176)	(159,246)	(63,920)	(1,328,619)
Depreciation expense	(111,223)	-	(76,880)	(446,146)	(2,653)	(102,226)	(7,815)	(746,943)
Disposals	22,382	-	-	-	-	3,159	-	25,541
Balance, December 31, 2023	(318,662)	-	(231,431)	(1,164,051)	(5,829)	(258,313)	(71,735)	(2,050,021)
Depreciation expense	(66,088)	-	(55,489)	(308,054)	(2,726)	(64,784)	(5,026)	(502,167)
Disposals	-	-	-	-	-	1,276	-	1,276
Balance, September 30, 2024	**(384,750)**	**-**	**(286,920)**	**(1,472,105)**	**(8,555)**	**(321,821)**	**(76,761)**	**(2,550,912)**
Carrying amount								
Balance, December 31, 2023	75,853	5,599,520	1,843,530	5,176,426	10,612	404,031	22,341	13,132,313
Balance, September 30, 2024	**369,962**	**5,599,520**	**1,799,018**	**4,870,238**	**205,840**	**356,351**	**17,315**	**13,218,244**

During the nine months ended September 30, 2024, the Company disposed of certain equipment with a carrying value of $344 for gross proceeds of $500, resulting in a $156 gain on disposition of property and equipment.

(Unaudited - Expressed in Canadian dollars, except where noted)

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

A summary of the Company's accounts payable and accrued liabilities is as follows:

	September 30, 2024	December 31, 2023
	$	$
Trade payables	**576,275**	252,126
Accrued liabilities	**247,958**	201,183
Accrued interest	**339,519**	261,419
Wages payable	**66,905**	63,055
Government agencies payable (1)	**73,059**	54,724
	1,303,716	832,507

(1) Includes sales taxes payable, municipal and regional district tax payable and work compensation payable.

Included in accrued interest on September 30, 2024, is $323,623 (December 31, 2023 - $245,523) unpaid interest from promissory notes, of which $286,562 (December 31, 2023 - $217,959) are due to related parties, and $15,896 (December 31, 2023 - $15,896) of unpaid interest from convertible debentures due to a related party, for which a waiver for payment was obtained until the maturity date payment on March 1, 2024 (Notes 12 and 15(a)).

10. LOAN PAYABLE

Due to the global COVID-19 outbreak, the federal government of Canada introduced the Canada Emergency Benefit Account ("CEBA"). CEBA provided an interest-free loan ("CEBA Loan") of $40,000 to eligible businesses. On September 14, 2023, the Government of Canada announced changes to the maturity date which was extended to December 31, 2026. The loan will remain interest free until January 18, 2024 with a rate of 5% per annum being applied from January 19, 2024. Repayment of $30,000 by January 18, 2024 will result in a $10,000 loan forgiveness. On January 19, 2024, the CEBA loan converted to a non-amortizing term loan subject to an interest rate of 5%, with a maturity date of December 31, 2026. As at September 30, 2024, the loan payable has not been repaid and has a balance of $60,787 (December 31, 2023 - $60,000).

11. LEASE LIABILITIES

A summary of the Company's lease liabilities is as follows:

	$
Balance, December 31, 2022	226,371
Interest expense	14,455
Lease payments	(140,150)
Balance, December 31, 2023	100,676
Addition	360,197
Interest expense	19,290
Lease payments	(93,284)
Balance, September 30, 2024	**386,879**
Current portion	65,324
Non-current portion	321,555

The Company entered into a land lease agreement dated November 1, 2019 for the provision of campground operation and park grounds maintenance services for a five-year term. On June 4, 2024, the parties amended the lease terms resulting in an extension of the lease for an additional five-year term with unchanged terms and conditions. The new expiry date of the agreement is October 31, 2029.

The lease liability was remeasured to reflect the revised lease payments over the extended lease term. The remeasurement was based on the present value of the remaining lease payments as at June 4, 2024 of $541,645 discounted using the Company's incremental borrowing rate of 12% as of the effective date of the lease amendment. As a result of the extension and remeasurement of the lease liability, the Company recorded an addition to the lease liability of $360,197 and a corresponding addition of $360,197 to the right-of-use asset.

(Unaudited - Expressed in Canadian dollars, except where noted)

11. LEASE LIABILITIES (continued)

A summary of the Company's future minimum lease payments related to the equipment under finance and land lease is as follows:

	September 30, 2024
	$
2024	27,684
2025	105,366
2026	99,996
2027	99,996
2028	99,996
2029	83,330
Total future minimum lease payments	516,368
Effects of discounting	(129,489)
Total present value of minimum lease payments	386,879

12. PROMISSORY NOTES

A summary of the Company's promissory notes is as follows:

	Related parties	Third party	Total
	$	$	$
Balance, December 31, 2022	694,215	99,174	793,389
Gain on debt modification	(21,758)	-	(21,758)
Accretion expense	6,125	826	6,951
Balance, December 31, 2023	678,582	100,000	778,582
Accretion expense	3,128	-	3,128
Repayments	(56,000)	-	(56,000)
Balance, September 30, 2024	**625,710**	**100,000**	**725,710**

On December 1, 2020, the Company issued a promissory note of $300,000 to an officer of the Company as part of the consideration paid for the acquisition of Pathfinder Camp Resorts (Fort Langley) Inc. (formerly Duckworth Management Group Ltd.). The promissory note was non-interest bearing, unsecured and matured on June 1, 2021. On April 30, 2021, the terms of the promissory note were amended to extend the maturity date to September 30, 2022. This amendment was treated as an extinguishment and reissuance of a new promissory note. The extinguishment of debt gave rise to a gain on extinguishment for $39,474, which was recorded under equity pursuant to IAS 1 *Presentation of Financial Statements* ("IAS 1") as the transaction is with a shareholder. The debt component was calculated using a discount rate of 10%.

On September 29, 2022, the terms of the promissory note were amended to extend the maturity date from September 30, 2022 to January 1, 2023, as well as to add an interest rate of 10% per annum, effective January 1, 2022, compounded annually. This amendment was treated as an extinguishment of the former promissory note and reissuance of a new promissory note. The extinguishment of debt gave rise to a gain on extinguishment for $9,795, which was recorded under equity pursuant to IAS 1 as the transaction is with a shareholder. The debt component was calculated using a discount rate of 10%.

On September 29, 2022, pursuant to amending agreements, existing convertible promissory notes of $483,675 were reclassified to promissory notes (Note 14).

On January 31, 2023, the Company amended the agreements for the promissory notes, whereby all parties agreed to extend the maturity date from January 1, 2023 to August 1, 2023 and increase the interest rate from 10% to 12% per annum compounded annually, effective January 31, 2023. This amendment was treated as a modification of the former promissory notes that resulted in no gain or loss on debt modification.

On August 25, 2023, the Company entered into an agreement with a holder of a promissory note with a $150,000 principal, who is a related party to the Company, to extend the maturity date to December 1, 2023 and to decrease the interest rate to 10% from 12%, effective retroactively from July 1, 2023 to December 1, 2023.

(Unaudited - Expressed in Canadian dollars, except where noted)

12. PROMISSORY NOTES (continued)

On September 1, 2023, the Company entered into an agreement with the holders of promissory notes with a combined $250,000 principal, who are related parties to the Company, to extend the maturity date to December 1, 2023 and to decrease the interest rate to 10% from 12%, effective retroactively from July 1, 2023 to December 1, 2023. Concurrently, the Company entered into an agreement with the holder of a promissory note with $300,000 principal, who is an insider of the Company, to extend the maturity date to December 1, 2023, while keeping the interest rate at 12% until the maturity date.

On October 26, 2023, the Company entered into an agreement with a holder of a promissory note with a $100,000 principal to extend the maturity date to December 1, 2023 and to decrease the interest rate to 10% from 12%, effective retroactively from July 1, 2023 to December 1, 2023.

On December 1, 2023, the Company entered into an agreement with the holders of promissory notes with a combined $500,000 principal to extend the maturity date to March 1, 2024, while keeping the interest rate at 10% until the maturity date. These promissory notes are now due on demand.

On December 1, 2023, the Company entered into an agreement with the holder of a promissory note with principal of $300,000 to extend the maturity date to December 31, 2024, while keeping the interest rate at 12% until the maturity date. The principal balance is to be repaid in instalments of $8,000 per month beginning on January 31, 2024 until December 31, 2024, at which time the remaining principal balance is to be repaid in full. This amendment was treated as a modification that resulted in a gain on debt modification of $21,758, which was recorded under equity pursuant to IAS 1 as the transaction is with a related party acting in their capacity as a shareholder. During the nine months ended September 30, 2024, the Company made total principal repayments of $56,000.

For the three and nine months ended September 30, 2024, the Company recorded interest expense of $26,223 and $78,099, respectively (2023 - $26,065 and $81,022, respectively). Included in accounts payable and accrued liabilities at September 30, 2024 is $323,623 of unpaid interest (December 31, 2023 - $245,523) (Note 9).

13. MORTGAGES

A summary of the Company's mortgages is as follows:

	Mortgage (a)	Mortgage (b)	Mortgage (c)	Mortgage (d)	Mortgage (e)	Total
	$	$	$	$	$	$
Balance, December 31, 2022	700,000	2,899,034	2,655,371	600,000	-	6,854,405
Addition	-	-	-	-	4,200,000	4,200,000
Transaction expense	-	-	-	-	(201,028)	(201,028)
Interest expense	39,917	37,313	92,195	60,311	306,190	535,926
Repayment	(739,917)	(2,936,347)	(161,107)	(60,311)	(273,289)	(4,170,971)
Balance, December 31, 2023	-	-	2,586,459	600,000	4,031,873	7,218,332
Interest expense	-	-	67,793	45,417	321,734	434,944
Repayment	-	-	(148,680)	(45,417)	(333,570)	(527,667)
Balance, September 30, 2024	**-**	**-**	**2,505,572**	**600,000**	**4,020,037**	**7,125,609**
Current portion	-	-	-	600,000	65,826	665,826
Non-current portion	-	-	2,505,572	-	3,954,211	6,459,783

(a) On December 15, 2020, the Company, through its wholly owned subsidiary Pathfinder Camp Resort (Parksville), raised $700,000 through the issuance of a mortgage loan. The loan bears interest at 14% per annum and is repayable upon demand. The mortgage term is secured by a commercial security agreement with second-priority security interest in all present and future undertakings and assets of Parksville, including receivables, inventory, property, equipment and machinery. On April 26, 2023, the Company, together with Parksville, refinanced this mortgage loan, thereby consolidating it with the first mortgage loan held at the property. Detailed terms of the new consolidated loan are outlined in (e) below. For the three and nine months ended September 30, 2024, the Company incurred interest expense of $nil and $nil, respectively (2023 - $nil and $39,917, respectively) related to this loan.

13. MORTGAGES (continued)

(b) On April 13, 2021, the Company, through its wholly owned subsidiary Pathfinder Camp Resort (Parksville), raised $3,175,000 through the issuance of a mortgage term loan. The loan bears interest at 3.51% per annum to maturity for a period of 5 years. A portion of the loan amount was used to repay another existing mortgage. The remaining use of funds are applied to on-going construction and development of the campgrounds and lands. The mortgage term is secured by a commercial security agreement in favour of the lender for first-priority security interest in all present and future undertakings and all personal property of the Parksville site. On April 26, 2023, the Company, together with Parksville, refinanced this mortgage loan, thereby consolidating it with the second mortgage loan held at the property. Detailed terms of the new consolidated loan are outlined in (e) below. For the three and nine months ended September 30, 2024, the Company incurred interest expense of $nil and $nil, respectively (2023 - $nil and $37,312, respectively) related to this loan.

(c) On July 9, 2021, the Company, through its wholly owned subsidiary Pathfinder Camp Resorts (Agassiz) Inc. (formerly Pathfinder Camp Resorts Inc.), raised $2,795,000 through the issuance of a mortgage term loan. The loan bears interest at 3.55% per annum. On June 26, 2023, the Company amended the agreements for the mortgage term loan, whereby the Company agreed to pay monthly instalments of interest only commencing on July 9, 2023 until and including October 9, 2023. Commencing November 9, 2023, the Company will pay monthly instalments of principal and interest in the amount of $16,520 until July 9, 2026, the loan maturity date. The mortgage term is secured by a first registered charge and assignment, as well as a general security agreement over all present and future assets of Agassiz. The financial covenant of the mortgage requires the Company to maintain a debt service coverage, defined as the ratio of EBITDA to all principal and interest payments, of 1.2:1 times and will be reviewed by the lender in 2026. For the three and nine months ended September 30, 2024, the Company incurred interest expense of $22,109 and $67,793, respectively (2023 - $23,055 and $69,341, respectively) related to this loan.

(d) On April 7, 2022, the Company, through its wholly owned subsidiary Pathfinder Camp Resorts (Agassiz) Inc. (formerly Pathfinder Camp Resorts Inc.), raised $600,000 through the issuance of a mortgage term loan. The mortgage bears interest at prime rate plus 3.25% per annum and is repayable on July 31, 2023. On July 17, 2023, the loan maturity date was extended to January 7, 2025. All other terms of the mortgage remain the same. The mortgage term is secured by a first charge on the expansion land parcel acquired by Agassiz. For the three and nine months ended September 30, 2024, the Company incurred interest expense of $14,808 and $45,417, respectively (2023 - $15,421 and $44,976, respectively) related to this loan.

(e) On April 26, 2023, the Company, together with Parksville, refinanced the first and second mortgage term loans for the Parksville property. The refinancing increased the overall loan value to $4,200,000. The new mortgage loan has a three-year term and bears interest of 9.5% with interest-only payments for the first 12 months and blended payment starting thereafter based on a 15-year amortization period. The mortgage term is secured by a first registered charge and assignment of rent, a general security agreement over all present and future assets, as well as a pledge of shares of Parksville. The agreement provides a right-of-first-refusal provision on the sale of all current and future properties of the Company and restrictions on future debt financing, whereby lender consent must be obtained prior to raising additional debt. The Company has the right to repay the full principal amount of the loan at anytime prior to the maturity date. As a financial covenant, the Company must maintain a quarterly debt service ratio of not less than 1.1:1, calculated on the combined net operating income of Parksville and Fort Langley. For the three and nine months ended September 30, 2024, the Company incurred interest expense of $120,465 and $321,733, respectively (2023 - $112,865 and $192,977, respectively) related to this loan.

(Unaudited - Expressed in Canadian dollars, except where noted)

14. CONVERTIBLE PROMISSORY NOTES

A summary of the Company's convertible promissory notes is as follows:

	$
Balance, December 31, 2022	464,016
Debt extinguishment	(500,000)
Convertible promissory notes issued	500,000
Gain on debt extinguishment	(16,325)
Accretion expense	35,984
Reclassification to promissory notes (Note 12)	(483,675)
Balance, September 30, 2024 and December 31, 2023	**-**

On September 29, 2022, the Company amended the agreement for this convertible promissory note, whereby all parties agreed to extend the maturity to the earlier of January 31, 2023, or an event of default occurring and with no conversion feature. This amendment was treated as an extinguishment of the original liability. As such, the equity portion of the convertible promissory note of $224,700 was reclassified from reserves to deficit. A new promissory note for $483,675 was recorded with no conversion feature, which results in the reclassification to the promissory notes (Note 12). Consequently, $16,325 was recorded as a gain on debt extinguishment to profit or loss for the year ended December 31, 2023.

15. CONVERTIBLE DEBENTURES

A summary of the Company's convertible debentures is as follows:

	Debenture issuance	Liability component
	$	$
Balance, December 31, 2022	2,500,000	2,659,157
Settlement of interest expense	-	(396,681)
Interest expense	-	261,106
Accretion expense	-	238,624
Gain on debt modification	-	(108,435)
Settlement of convertible debentures	-	(105,000)
Balance, December 31, 2023	2,500,000	2,548,771
Interest expense	-	40,026
Accretion expense	-	54,889
Refinanced with issuance of debentures (Note 16)	(2,500,000)	(2,643,686)
Balance, September 30, 2024	**-**	**-**

a) Tranche 1

On July 26, 2021, the Company completed a brokered placement of tranche 1 convertible debentures for total gross proceeds of $1,340,000. The convertible debentures are unsecured, bear interest at 10% per annum and mature two years after the date of issue. Each convertible debenture is convertible into units at a price of $0.22. Each unit consists of one common share and one non-transferrable warrant entitling the holder to purchase one common share at a price of $0.33 until July 26, 2023. Conversion is at the right of the holder; however, the Company may force conversion of the convertible debentures into units in the event that the Company's shares close at a price of more than two times the conversion price of $0.22 for ten consecutive trading days. On initial recognition, the convertible debentures were discounted at a rate of 18% and recorded at the present value of interest and principal payments of $1,055,405, net of transaction costs. Transaction costs were $97,067, comprised of a cash payment of $68,100 and 308,083 finder's warrants with a fair value of $28,967. Each finder's warrant entitles the holder to purchase one common share of the Company at $0.33 and expires on July 26, 2023. The fair value of finder's warrants was determined using a Black-Scholes option pricing model applying the following inputs: share price of $0.22; exercise price of $0.33; expected life of two years; volatility rate of 100%; dividend yield of 0%; and risk-free rate of 0.56%. The equity component representing the conversion feature was calculated using the residual method and determined to be $187,528.

15. CONVERTIBLE DEBENTURES (continued)

On February 1, 2023, the Company obtained 30-day waivers for the $201,551 of accrued interest payment due on February 5, 2023. On March 6, 2023, the Company extended the payment of interest to April 30, 2023, during which period the holders of the debenture were entitled to 12% interest on the $1,340,000 principal and the overdue interest of $201,551. This amendment was treated as debt modification. The debt modification gave rise to a loss on debt modification of $21,870.

On April 28, 2023, the Company settled $213,005 of interest expense. $197,109 was paid in cash. Payment of the remaining $15,896, which was due to a related party, was reclassified to accounts payable and accrued liabilities and a waiver for the payment was obtained and is effective until March 1, 2024 (Note 19).

On July 26, 2023, the Company entered into an agreement with the convertible debenture holders to extend the maturity dates and conversion terms from July 26, 2023 to December 1, 2023 as well as to defer payment of the accrued interest on the convertible debenture principal balance of $1,235,000. All other terms of the convertible debenture remain the same. This amendment was treated as debt modification. The debt modification gave rise to a gain on debt modification of $41,121.

On August 30, 2023, the Company settled $105,000 of tranche 1 convertible debenture principal and $5,207 of accrued interest with 2,755,173 common share units at a price of $0.04 per common share unit. Each unit consists of one common share and a one-half warrant, each whole warrant entitles the holder to purchase a common share at a price of $0.08 until February 28, 2025. If after June 30, 2024, the shares trade or close at $0.15 or higher for ten consecutive trading days, the Company may accelerate the expiry of the warrants by giving notice via news release, after which the warrants will automatically expire on the 30th day after such notice. The value of the conversion feature for these settled convertible debentures was transferred from reserve to share capital in the amount of $15,139. (Note 17(b)). As of September 30, 2024, the Company has not issued any notice regarding the acceleration of expiry.

On December 1, 2023, the Company entered into an agreement with the convertible debenture holders to extend the maturity dates and conversion terms from December 1, 2023 to March 1, 2024 as well as to defer payment of the accrued interest on the convertible debenture principal balance of $1,235,000. All other terms of the convertible debenture remained the same. This amendment was treated as debt modification. The debt modification gave rise to a gain on debt modification of $42,113.

On March 1, 2024, the Company refinanced the outstanding principal balance of tranche 1 of $1,235,000 into a new debenture. The new debenture does not possess any conversion rights, accrues simple interest on principal at 10% per annum and matures on March 1, 2026. The accrued interest on the original convertible debenture remains outstanding and payable. At March 1, 2024, the balance of accrued and payable interest was $134,595 (December 31, 2023 - $113,955). The issuance of the new debenture to replace the existing convertible debentures is considered a substantial modification of the terms of the original convertible debenture and was accounted for as an extinguishment and replacement of the original debenture with the with new debenture (Note 16).

b) Tranche 2

On September 8, 2021, the Company completed a brokered placement of tranche 2 convertible debentures for total gross proceeds of $1,160,000. The convertible debentures are unsecured, bear interest at 10% per annum and mature on September 8, 2023. Each convertible debenture is convertible into units at a price of $0.22. Each unit consists of one common share and one non-transferrable warrant entitling the holder to purchase one common share at a price of $0.33 until September 8, 2023. Conversion is at the right of the holder; however, the Company may force conversion of the convertible debentures into units in the event that the Company's shares close at a price of more than two times the conversion price of $0.22 for ten consecutive trading days. On initial recognition, the convertible debentures were discounted at a rate of 18% and recorded at the present value of interest and principal payments of $898,869, net of transaction costs. Transaction costs were $97,048, comprised of a cash payment of $68,103 and 308,098 finder's warrants with a fair value of $28,945. Each finder's warrant entitles the holder to purchase one common share of the Company at $0.33 and expires on September 8, 2023. The fair value of finder's warrants was determined using a Black-Scholes option pricing model applying the following inputs: share price of $0.22; exercise price of $0.33; expected life of two years; volatility rate of 100%; dividend yield of 0%; and risk-free rate of 0.56%. The equity component representing the conversion feature was calculated using the residual method and determined to be $164,082.

On March 14, 2023, the Company extended the payment of interest of $173,523 due on March 18, 2023 to April 30, 2023, during which period the holders of the debenture were entitled to 12% interest on the $1,160,000 principal and the overdue interest of $173,523. This amendment was treated as debt modification. The debt modification gave rise to a loss on debt modification of $18,989. On April 28, 2023, the Company settled $178,469 of interest expense by paying cash.

(Unaudited - Expressed in Canadian dollars, except where noted)

15. CONVERTIBLE DEBENTURES (continued)

On July 26, 2023, the Company entered into an agreement with the convertible debenture holders to extend the maturity dates and conversion terms from September 8, 2023 to December 1, 2023 as well as to defer payment of the accrued interest on the convertible debenture principal balance of $1,160,000. All other terms of the convertible debenture remain the same. This amendment was treated as debt modification. The debt modification gave rise to a gain on debt modification of $26,886.

On December 1, 2023, the Company entered into an agreement with the convertible debenture holders to extend the maturity dates and conversion terms from December 1, 2023 to March 1, 2024 as well as to defer payment of the accrued interest on the convertible debenture principal balance of $1,160,000. All other terms of the convertible debenture remained the same. This amendment was treated as debt modification. The debt modification gave rise to a gain on debt modification of $39,174.

On March 1, 2024, the Company refinanced the outstanding principal balance of Tranche 2 of $1,160,000 into a new debenture. The new debenture does not possess any conversion rights, accrues simple interest on principal at 10% per annum and matures on March 1, 2026. The accrued interest on the original convertible debenture remains outstanding and payable. At March 1, 2024, the balance of accrued and payable interest was $114,092 (December 31, 2023 - $94,706). The issuance of the new debenture to replace the existing convertible debentures is considered a substantial modification of the terms of the original convertible debenture and was accounted for as an extinguishment and replacement of the original debenture with the with new debentures (Note 16).

16. DEBENTURES

A summary of the Company's debentures is as follows:

	Tranche 1	**Tranche 2**	**Total**
	$	$	$
Debenture issuance, March 1, 2024	1,235,000	1,160,000	2,395,000
Interest	206,664	181,786	388,450
Accretion	17,732	47,845	65,577
Balance, September 30, 2024	**1,459,396**	**1,389,631**	**2,849,027**

On March 1, 2024, the Company entered into new agreements with the former convertible debenture holders to amend the terms of the original convertible debentures issued in 2021 such that the amendment was treated as debt extinguishment and new financial liabilities were recognized. The balance of accrued and payable interest of $248,687 for Tranche 1 and Tranche 2 of the original convertible debentures was carried forward. The new debentures have a principal balance of $2,395,000, are unsecured, accrue simple interest at 10% per annum and mature on March 1, 2026. The debenture terms include the payment of renewal fees to debenture holders as follows:

- March 1, 2025 - in the amount of 2% of the average of the daily principal outstanding for the period from March 1, 2024 to February 28, 2025.

- March 1, 2026 - in the amount of 3% of the average of the daily principal outstanding for the period from March 1, 2025 to February 28, 2026.

For the three and nine months ended September 30, 2024, the Company incurred interest expense of $60,367 and $139,763, respectively (2023 - $nil and $nil, respectively) on the new debentures.

(Unaudited - Expressed in Canadian dollars, except where noted)

17. SHARE CAPITAL

a) Authorized

Unlimited number of common voting shares without par value.

b) Issued and outstanding

During the nine months ended September 30, 2024, the Company had the following share capital transactions:

- On February 5, 2024, the Company completed a non-brokered private placement of 6,250,000 common shares at a price of $0.08 per share for gross proceeds of $500,000. Included in gross proceeds are $200,000 of subscription deposits received prior to December 31, 2023 in advance of the private placement closing. No fees were paid in connection with the private placement.

- On September 13, 2024, the Company completed the first tranche of a private placement of 7,000,000 units at a price of $0.10 per unit for gross proceeds of $700,000. Each unit consists of one common share and one-half share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at a price of $0.20 per common share until September 13, 2027. Proceeds were allocated using the residual value method. The closing price of one common share on the announcement date of the private placement was $0.12, as a result, on initial recognition, the warrants had a fair value of $nil. Unit issuance costs were comprised of cash of $29,401 and the issuance of 294,000 warrants to finders with a fair value of $20,162. The fair value of the warrants was estimated using the Black-Scholes pricing model with the following inputs:

Share price	$0.09
Exercise price	$0.20
Expected life	3 years
Risk-free interest rate	4.40%
Expected volatility	157.10%
Expected annual dividend yield	0.00%

During the year ended December 31, 2023, the Company had the following share capital transactions:

- On August 30, 2023, the Company settled $105,000 of tranche 1 convertible debenture principal and $5,207 of accrued interest by issuing 688,793 units at a price of $0.16 per unit. Each unit consists of a one common share and one-half share purchase warrant. Each whole warrant entitles the holder to purchase a common share of the Company at a price of $0.32 until February 28, 2025. If, after June 30, 2024, the shares trade or close at $0.60 or higher for ten consecutive trading days, the Company may accelerate the expiry of the warrants by giving notice via news release, after which the warrants will automatically expire on the 30th day after such notice. On initial recognition, the warrants had a fair value of $nil. The value of the conversion feature for these settled convertible debentures was transferred from reserve to share capital in the amount of $15,139. As of September 30, 2024, the Company has not issued any notice regarding the acceleration of expiry.

- On August 28, 2023, the Company completed a private placement of 2,500,000 units at $0.16 per unit for gross proceeds of $400,000. Each unit consists of one common share and one-half share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at a price of $0.32 per common share until February 28, 2025. On initial recognition, the warrants had a fair value of $nil. The Company paid cash of $10,060 and issued 63,000 finders warrants with a fair value of $3,442 for unit issuance costs.

c) Escrow Shares

The Company entered into an escrow agreement on October 14, 2021, with terms as follows:

Pursuant to the escrow agreement for 1,877,298 escrowed common shares, the shares are subject to a timed release in equal tranches over a period of 36 months with 10% having been released on October 14, 2021. The remaining escrowed shares are to be released in equal tranches of 15% every six months thereafter.

As at September 30, 2024, 281,595 common shares were held in escrow (December 31, 2023 - 563,189).

(Unaudited - Expressed in Canadian dollars, except where noted)

18. RESERVES

a) Stock options

The Company has a stock option plan that allows the Company to grant options to its employees, directors, consultants and officers for a maximum of 10% of outstanding shares to be issued.

Options have a maximum term of ten years and terminate up to 90 days following the date on which an optionee ceases to be an employee, director, consultant or officer. In the case of death, the option terminates at the earlier of twelve months after the date of death and the expiration of the option period.

On April 5, 2024, the Company granted 800,000 stock options exercisable at $0.20 per share to certain officers and directors. The options are exercisable for a 5-year term, expiring on April 5, 2029. The options vested immediately. The fair value of the options was determined to be $53,213 using the Black-Scholes option pricing model.

A summary of the Company's inputs used in the Black-Scholes option pricing model for stock options granted during the nine months ended September 30, 2024 is as follows:

Share price	$0.10
Exercise price	$0.20
Expected life	5 years
Risk-free interest rate	3.62%
Expected volatility	100.00%
Expected annual dividend yield	0.00%

A summary of the Company's stock option activity is as follows:

	Options outstanding	Weighted average exercise price
	#	$
Balance, December 31, 2022	866,515	1.07
Granted	465,000	0.32
Balance, December 31, 2023	1,331,515	0.81
Granted	800,000	0.20
Expired	(5,000)	1.20
Balance, September 30, 2024	**2,126,515**	**0.58**

A summary of the Company's stock options outstanding as at September 30, 2024 is as follows:

Expiry date	Outstanding and exercisable	Weighted average exercise price	Weighted average remaining life
	#	$	Years
October 18, 2026	225,068	0.88	2.05
October 18, 2026	141,305	0.92	2.05
November 22, 2026	495,142	1.20	2.15
August 31, 2028	465,000	0.32	3.92
April 5, 2029	800,000	0.20	4.52
	2,126,515	**0.58**	**3.41**

During the three and nine months ended September 30, 2024, the Company recognized share-based compensation from the vesting of stock options of $nil and $53,213, respectively (2023 - $49,594 and $49,594, respectively).

(Unaudited - Expressed in Canadian dollars, except where noted)

18. RESERVES (continued)

b) Warrants

During the nine months ended September 30, 2024, the Company issued 3,794,000 share purchase warrants in connection with the private placement of units on September 13, 2024 (Note 17(b)).

A summary of the Company's warrant activity is as follows:

	Warrants outstanding and exercisable	**Weighted average exercise price**
	#	$
Balance, December 31, 2022	294,497	1.11
Issued	1,657,397	0.32
Expired	(294,497)	1.12
Balance, December 31, 2023	1,657,397	0.32
Issued	3,794,000	0.20
Balance, September 30, 2024	**5,451,397**	**0.24**

A summary of the Company's outstanding warrants as at September 30, 2024 is as follows:

Expiry date	**Outstanding and exercisable**	**Weighted average exercise price**	**Weighted average contractual remaining life**
	#	$	Years
February 28, 2025	1,657,397	0.32	0.42
September 13, 2027	3,794,000	0.20	2.99
Total	**5,451,397**	**0.24**	**2.21**

19. RELATED PARTY TRANSACTIONS

Key management personnel include those having the authority and responsibility of planning, directing and executing the activities of the Company. The Company has determined that its key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

A summary of the Company's related party transactions is as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	**2024**	2023
	$	$	**$**	$
Interest expense	**23,034**	25,526	**70,273**	79,718
Legal and professional fees	**21,000**	-	**63,000**	4,860
Salaries and benefits	**69,231**	103,846	**230,769**	328,996
Share-based compensation	**-**	35,996	**37,581**	35,996
	113,265	165,368	**401,623**	449,570

(Unaudited - Expressed in Canadian dollars, except where noted)

19. RELATED PARTY TRANSACTIONS (continued)

A summary of the Company's related party balances is as follows:

	September 30, 2024	December 31, 2023
	$	$
Receivables	**-**	24,178
Accounts payable and accrued liabilities	**324,506**	233,855
Promissory notes	**625,710**	678,582
Convertible debentures	**-**	106,928
Debentures	**109,367**	-

Receivables of $24,178 as at December 31, 2023 were recoverable operating expenses paid for on behalf of properties managed by a former related party.

As at September 30, 2024, accounts payable and accrued liabilities include accrued interest related to promissory notes of $286,562 (December 31, 2023 - $217,959) and $15,896 (December 31, 2023 - $15,896) related to convertible debentures (Note 9).

20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

a) Fair value of financial assets and liabilities

As at September 30, 2024, the Company's cash, receivables, deposits, accounts payable and accrued liabilities approximate their respective fair values due to the short-term nature. These financial instruments and the carrying values of mortgages, promissory notes, and debentures are classified as and measured at amortized cost.

b) Risk management

The Company is exposed to certain financial risks by its financial instruments. The risk exposures and their impact on the Company's financial statements are summarized below.

<u>Credit risk</u>

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. The risk for cash is mitigated by holding these instruments with highly rated Canadian financial institutions. The maximum credit risk exposure associated with cash is limited to the total carrying value.

Receivables (excluding GST receivable) are due within 90 days; management has reviewed these accounts, and the amounts presented are those that management expects to recover net of any allowance for lifetime expected credit losses. Included in receivables are holdbacks which are portions of payments held by the Company's processors from credit card sales. The counterparties retaining the holdbacks are comprised of highly rated Canadian financial institutions and a large global provider of financial services technology. As at September 30, 2024, the Company has determined an allowance relating to receivables to be $nil (December 31, 2023 - $nil) given its historical collection record and has assessed credit risk as minimal.

<u>Liquidity risk</u>

The Company's approach to managing liquidity risk is to ensure that it has sufficient liquidity to meet liabilities as they become due. As at September 30, 2024, the Company had a cash balance of $672,711 (December 31, 2023 - $456,100) to settle current liabilities of $3,433,400 (December 31, 2023 - $5,850,984). Accounts payable have contractual maturities of less than 30 days and are subject to normal trade terms. The Company's liquidity risk is high and it will need to seek additional forms of financing to meet its current liabilities.

<u>Market risk</u>

Market risk is the risk of loss that may arise from changes in market factors such as foreign exchange rates and interest rates.

20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Foreign currency risk

As at September 30, 2024, the majority of Company's expenditures are in Canadian dollars. Any future equity raised is expected to be in Canadian dollars. The Company believes it has no significant foreign exchange rate risk. The Company does not hold balances in foreign currencies which would give rise to exposure to foreign exchange rate risk.

Interest rate risk

The Company has exposure as at September 30, 2024 to interest rate risk through its financial instruments. The Company holds mortgages which have variable interest rates between 3.51% - 9.50% per annum.

21. CAPITAL RISK MANAGEMENT

The Company's objectives of capital management are intended to safeguard the Company's normal operating requirements on an ongoing basis. The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged since incorporation.

The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company has in place a planning, budgeting and forecasting process which is used to identify the amount of funds required to ensure the Company has appropriate liquidity to meet short and long-term operating objectives. The Company is dependent on cash flows generated from operation and financing to fund its activities. In order to maintain or adjust its capital structure, the Company may issue new shares or debt. There have been no changes to the Company's approach to capital management during the three and nine months ended September 30, 2024.

22. SEGMENTED INFORMATION

Reportable segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision makers in deciding how to allocate resources, and in assessing performance. The chief operating decision maker is the Chief Executive Officer.

A summary of the Company's net loss and comprehensive loss by segment for the three months ended September 30, 2024 and the carrying amounts of assets and liabilities by segment as at September 30, 2024, is as follows:

	Corporate	**Resorts**	**Consolidated**
	$	$	$
Revenues (refund)	(4,373)	1,581,284	1,576,911
Management services revenue	-	-	-
Costs of sales	-	(82,039)	(82,039)
Gross profit	(4,373)	1,499,245	1,494,872
Operating expenses	513,296	926,512	1,439,808
Net loss from operations	(517,669)	572,733	55,064
Net loss and comprehensive loss	**(518,787)**	**586,906**	**68,119**
Total assets	1,701,440	12,890,485	14,591,925
Total liabilities	4,342,530	8,721,235	13,063,765

(Unaudited - Expressed in Canadian dollars, except where noted)

22. SEGMENTED INFORMATION (continued)

A summary of the Company's net loss and comprehensive loss by segment for the three months ended September 30, 2023 and the carrying amounts of assets and liabilities by segment as at September 30, 2023, is as follows:

	Corporate	Resorts	Consolidated
	$	$	$
Revenues	-	1,544,628	1,544,628
Costs of sales	-	(80,715)	(80,715)
Gross profit	-	1,463,913	1,463,913
Operating expenses	555,413	1,005,827	1,561,240
Net loss from operations	(555,413)	458,086	(97,327)
Net loss and comprehensive loss	**(488,937)**	**456,376**	**(32,561)**
Total assets	327,390	14,070,544	14,397,934
Total liabilities	3,702,704	8,384,335	12,087,039

A summary of the Company's net loss and comprehensive loss by segment for the nine months ended September 30, 2024 and the carrying amounts of assets and liabilities by segment as at September 30, 2024, is as follows:

	Corporate	Resorts	Consolidated
	$	$	$
Revenues (refund)	(7,286)	2,875,239	2,867,953
Management services revenue	15,000	-	15,000
Costs of sales	-	(194,781)	(194,781)
Gross profit	7,714	2,680,458	2,688,172
Operating expenses	1,568,858	2,431,220	4,000,078
Net loss from operations	(1,561,144)	249,238	(1,311,906)
Net loss and comprehensive loss	**(1,561,822)**	**291,042**	**(1,270,780)**
Total assets	1,701,440	12,890,485	14,591,925
Total liabilities	4,342,530	8,721,235	13,063,765

A summary of the Company's net loss and comprehensive loss by segment for the nine months ended September 30, 2023 and the carrying amounts of assets and liabilities by segment as at September 30, 2023, is as follows:

	Corporate	Resorts	Consolidated
	$	$	$
Revenues	-	2,894,556	2,894,556
Costs of sales	-	(186,810)	(186,810)
Gross profit	-	2,707,746	2,707,746
Operating expenses	1,609,764	2,465,332	4,075,096
Net loss from operations	(1,609,764)	242,414	(1,367,350)
Net loss and comprehensive loss	**(1,585,707)**	**270,656**	**(1,315,051)**
Total assets	327,390	14,070,544	14,397,934
Total liabilities	3,702,704	8,384,335	12,087,039

All of the Company's assets are located in Canada.