PATHFINDER VENTURES INC.

Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2025 and 2024

(Unaudited - Expressed in Canadian dollars)

Notice of Disclosure of Non-auditor Review of the Condensed Interim Consolidated Financial Statements for the Three and Six Months ended June 30, 2025 and 2024

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 June 30, 2025 and 2024, 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.

August 26, 2025

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

	Note	**June 30, 2025**	December 31, 2024
		$	$
ASSETS			
Current			
Cash		**443,954**	826,123
Prepaid expenses	5	**168,433**	264,766
Inventory		**29,264**	16,997
Receivables	6	**41,435**	153,607
		683,086	1,261,493
Deposits	7	**304,853**	306,476
Investment	8	**500,000**	500,000
Property and equipment	9	**13,179,776**	13,117,751
Total assets		**14,667,715**	15,185,720
LIABILITIES			
Current			
Accounts payable and accrued liabilities	10,19	**1,317,610**	1,122,081
Deferred revenue		**1,230,057**	675,402
Current portion of lease liabilities	9,12	**73,641**	64,557
Promissory notes	10,13,19	**626,715**	676,715
Current portion of mortgages	14	**4,778,883**	4,805,531
Current portion of debentures	10,16	**3,074,864**	47,900
		11,101,770	7,392,186
Loan payable	11	**60,000**	60,000
Lease liabilities	9,12	**280,040**	306,048
Debentures	10,16,19	**-**	2,901,881
Mortgages	14	**2,223,395**	2,279,640
Total liabilities		**13,665,205**	12,939,755
SHAREHOLDERS' EQUITY			
Share capital	17(b)	**11,315,701**	11,315,701
Reserves	18	**1,114,105**	1,114,105
Deficit		**(11,427,296)**	(10,183,841)
Total shareholders' equity		**1,002,510**	2,245,965
Total liabilities and shareholders' equity		**14,667,715**	15,185,720

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 number of shares)

		Three months ended	June 30,	Six months ended	June 30,
	Note	**2025**	2024	**2025**	2024
		$	$	**$**	$
Revenue		**984,835**	846,646	**1,401,407**	1,291,042
Management services revenue		**-**	6,000	**-**	15,000
Costs of sales		**(72,175)**	(63,458)	**(118,406)**	(112,742)
Gross profit		**912,660**	789,188	**1,283,001**	1,193,300
Operating expenses					
Accretion expense	13,15,16	**2,593**	28,913	**6,317**	93,974
Consulting expense		**2,987**	8,374	**7,903**	17,782
Depreciation expense	9	**157,437**	168,838	**309,009**	338,600
General and administrative		**51,454**	45,851	**95,459**	93,474
Insurance		**21,394**	18,801	**43,480**	41,568
Interest expense	10-16,19	**249,768**	214,536	**497,131**	453,336
Investor relations		**5,000**	15,000	**5,000**	30,000
Lease expense		**17,334**	13,199	**18,501**	14,627
Legal and professional fees	19	**145,996**	149,660	**273,875**	302,641
Marketing		**68,992**	10,342	**123,596**	53,022
Property costs		**143,738**	144,186	**268,857**	242,841
Property taxes		**15,690**	15,099	**31,909**	28,860
Salaries and benefits	19	**492,706**	446,046	**813,185**	744,803
Share-based compensation	19	**-**	53,213	**-**	53,213
Supplies		**18,302**	14,660	**31,324**	25,249
		1,393,391	1,346,718	**2,525,546**	2,533,990
Net loss from operations		**(480,731)**	(557,530)	**(1,242,545)**	(1,340,690)
Other income (expenses)					
Foreign exchange loss		**(565)**	(297)	**(807)**	(485)
Gain on disposition of property and equipment	9	**-**	-	**-**	156
Other		**(1,151)**	796	**(103)**	2,120
Net loss and comprehensive loss		**(482,447)**	(557,031)	**(1,243,455)**	(1,338,899)
Net loss per share:					
Basic and diluted		**(0.01)**	(0.02)	**(0.03)**	(0.06)
Weighted average number of common shares outstanding					
Basic and diluted		**45,495,501**	23,420,501	**45,495,501**	22,184,236

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)

	Six months ended June 30, 2025	Six months ended June 30, 2024
	$	$
Operating activities		
Net loss and comprehensive loss for the period	**(1,243,455)**	(1,338,899)
Adjustments for:		
Accretion expense	**6,317**	93,974
Depreciation expense	**309,009**	338,600
Interest expense	**497,131**	453,336
Share-based compensation	**-**	53,213
Gain on disposition of property and equipment	**-**	(156)
Changes in non-cash working capital:		
Prepaid expenses	**96,333**	13,789
Inventory	**(12,267)**	(6,056)
Receivables	**12,172**	(43,429)
Deposits	**1,623**	(67,913)
Accounts payable and accrued liabilities	**190,482**	171,858
Deferred revenue	**554,655**	383,122
Cash provided by operating activities	**412,000**	51,439
Investing activities		
Proceeds from sale of property and equipment	**-**	500
Purchases of property and equipment	**(301,041)**	(50,894)
Cash used in investing activities	**(301,041)**	(50,394)
Financing activities		
Proceeds from units issued in private placement	**100,000**	290,000
Repayment of mortgages	**(82,893)**	(54,163)
Interest paid on mortgages	**(303,796)**	(277,561)
Repayment of promissory notes principal	**(50,000)**	(48,000)
Repayment of promissory notes accrued interest	**(100,000)**	-
Lease payments	**(56,439)**	(65,599)
Cash used in financing activities	**(493,128)**	(155,323)
Change in cash	**(382,169)**	(154,278)
Cash, beginning of period	**826,123**	456,100
Cash, end of period	**443,954**	301,822
Supplemental cash flow information		
Cash income tax paid	**-**	-
Cash interest paid	**383,333**	281,251
Unit subscription receivable included in receivables	**-**	10,000
Interest expense included in accounts payable and accrued liabilities	**53,080**	52,663
Purchases of property and equipment included in accounts payable and accrued liabilities	**51,967**	22,835

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, 2023	17,170,494	8,687,137	200,000	1,028,856	(8,140,865)	1,775,128
Shares issued in private placement	6,250,007	500,000	(200,000)	-	-	300,000
Share-based compensation	-	-	-	53,213	-	53,213
Net loss and comprehensive loss for the period	-	-	-	-	(1,338,899)	(1,338,899)
Balance, June 30, 2024	23,420,501	9,187,137	-	1,082,069	(9,479,764)	789,442
Units issued in private placement	22,075,000	2,207,500	-	-	-	2,207,500
Unit issuance costs	-	(78,936)	-	32,036	-	(46,900)
Net loss and comprehensive loss for the period	-	-	-	-	(704,077)	(704,077)
Balance, December 31, 2024	45,495,501	11,315,701	-	1,114,105	(10,183,841)	2,245,965
Net loss and comprehensive loss for the period	-	-	-	-	(1,243,455)	(1,243,455)
Balance, June 30, 2025	**45,495,501**	**11,315,701**	**-**	**1,114,105**	**(11,427,296)**	**1,002,510**

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 six months ended June 30, 2025 and 2024 (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 June 30, 2025, the Company has a working capital deficiency of $10,418,684 (December 31, 2024 - $6,130,693) and for the three and six months ended June 30, 2025, reported a net loss and comprehensive loss of $482,447 and $1,243,455, respectively (2024 - $557,031 and $1,338,899, respectively). These conditions together indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. 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.

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 August 26, 2025.

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, 2024 and 2023 (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 June 30, 2025 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	Recreation parks
Pathfinder Camp Resorts (Fort Langley) Inc. (formerly Duckworth Management Group Ltd.)	Canada	100%	CAD	Recreation parks
Pathfinder Camp Resorts (Parksville) Inc.	Canada	100%	CAD	Recreation parks

e) Reclassification of prior period presentation

Certain prior period amounts have been reclassified for consistency with the current period presentation of statement of financial position. These reclassifications had no material effect on the reported statement of loss and comprehensive loss, the statement of cash flows or the statement of shareholders' equity.

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.

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.

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

5. PREPAID EXPENSES

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

	June 30, 2025	December 31, 2024
	$	$
Insurance	**39,827**	7,019
Legal and professional retainers	**-**	20,000
Marketing	**98,555**	193,890
Mortgage payment	**-**	43,857
Property taxes	**30,051**	-
	168,433	264,766

6. RECEIVABLES

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

	June 30, 2025	December 31, 2024
	$	$
Credit card processor holdbacks	**18,854**	4,502
GST receivable	**17,255**	46,073
Unit subscription receivable (Note17(b))	**-**	100,000
Other	**5,326**	3,032
	41,435	153,607

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 June 30, 2025 and December 31, 2024, the Company did not have a provision for expected credit losses on any of its receivables.

On January 10, 2025, the Company received $100,000, respectively to settle the unit subscription receivable (Note 17(b)).

7. DEPOSITS

Deposits consist of credit card retention deposits, security deposits for utilities, construction projects and the lease with Metro Vancouver.

As at June 30, 2025, the Company's deposits balance was $304,853 (December 31, 2024 - $306,476).

8. INVESTMENT

On November 27, 2024, the Company acquired a 5% equity interest in a company developing a new modular home park in Vernon, BC. This investment has been classified as fair value through profit and loss. The fair value of the investment at the acquisition date was $500,000. As at June 30, 2025, the fair value of the investment is $500,000 (December 31, 2024 - $500,000).

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

9. 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, 2023	394,515	5,599,520	2,074,961	6,340,477	16,441	662,344	94,076	15,182,334
Additions	360,197	5,220	10,977	1,866	258,260	17,448	-	653,968
Disposals	-	-	-	-	-	(1,620)	-	(1,620)
Balance, December 31, 2024	754,712	5,604,740	2,085,938	6,342,343	274,701	678,172	94,076	15,834,682
Additions	18,026	-	15,437	3,701	311,728	4,808	17,334	371,034
Balance, June 30, 2025	**772,738**	**5,604,740**	**2,101,375**	**6,346,044**	**586,429**	**682,980**	**111,410**	**16,205,716**
Accumulated depreciation								
Balance, December 31, 2023	(318,662)	-	(231,431)	(1,164,051)	(5,829)	(258,313)	(71,735)	(2,050,021)
Depreciation expense	(84,283)	-	(74,024)	(410,756)	(5,451)	(86,970)	(6,702)	(668,186)
Disposals	-	-	-	-	-	1,276	-	1,276
Balance, December 31, 2024	(402,945)	-	(305,455)	(1,574,807)	(11,280)	(344,007)	(78,437)	(2,716,931)
Depreciation expense	(41,456)	-	(35,782)	(189,031)	(4,330)	(35,214)	(3,196)	(309,009)
Balance, June 30, 2025	**(444,401)**	**-**	**(341,237)**	**(1,763,838)**	**(15,610)**	**(379,221)**	**(81,633)**	**(3,025,940)**
Carrying amount								
Balance, December 31, 2024	351,767	5,604,740	1,780,483	4,767,536	263,421	334,165	15,639	13,117,751
Balance, June 30, 2025	**328,337**	**5,604,740**	**1,760,138**	**4,582,206**	**570,819**	**303,759**	**29,777**	**13,179,776**

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

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

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

	June 30, 2025	December 31, 2024
	$	$
Accrued interest	**320,855**	367,775
Accrued liabilities	**250,492**	263,490
Government agencies payable (1)	**59,350**	31,381
Trade payables	**603,443**	392,965
Wages payable	**83,470**	66,470
	1,317,610	1,122,081

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

A summary of the sources of the Company's accrued interest is as follows:

	June 30, 2025	December 31, 2024
	$	$
Convertible debentures (1)	**15,896**	15,896
Loan payable	**3,521**	2,033
Promissory notes (2)	**301,438**	349,846
	320,855	367,775

(1) These amounts are due to a related party and due on demand
(2) Of this amount, $254,913 (December 31, 2024 - $309,594) is payable to related parties.

11. LOAN PAYABLE

Due to the global COVID-19 outbreak, the Government of Canada introduced the Canada Emergency Benefit Account which provided an interest free and partially forgivable loan ("CEBA loan") of $40,000, later increased to up to $60,000, to eligible businesses.

Under the terms of the CEBA loan, up to $20,000 of the principal would be forgiven if the remainder of the principal were repaid before January 18, 2024. During the year ended December 31, 2023, the Company recognized a $20,000 loss on the reversal of loan forgiveness as a reduction to other income as a result of not repaying the principal balance before January 18, 2024.

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.

During the three and six months ended June 30, 2025, the Company recorded interest expense on the loan payable of $748 and $1,488, respectively (2024 - $238 and $787, respectively). As at June 30, 2025, the loan payable has not been repaid and has a principal balance of $60,000 (December 31, 2024 - $60,000) and accrued interest expense of $3,521 (December 31, 2024 - $2,033) included in accounts payable and accrued liabilities.

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

12. LEASE LIABILITIES

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

	$
Balance, December 31, 2023	100,676
Addition	360,197
Interest expense	30,701
Lease payments	(120,969)
Balance, December 31, 2024	370,605
Addition	18,026
Interest expense	21,489
Lease payments	(56,439)
Balance, June 30, 2025	**353,681**
Current portion	**73,641**
Non-current portion	**280,040**

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.

On April 10, 2025, the Company entered into an equipment lease for a three-year term. The lease agreement includes an option purchase the equipment at lease end. In accordance with IFRS 16, the Company recognized a right-of-use ("ROU") asset and a corresponding lease liability at the commencement date. The ROU asset is presented within property and equipment (Note 9).

A summary of the Company's future minimum lease payments as at June 30, 2025 is as follows:

	$
2025	53,212
2026	106,425
2027	106,425
2028	102,139
2029	83,330
Total future minimum lease payments	451,531
Effects of discounting	(97,850)
Total present value of minimum lease payments	**353,681**

13. PROMISSORY NOTES

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

	Related parties	**Third party**	**Total**
	$	$	$
Balance, December 31, 2023	678,582	100,000	778,582
Accretion expense	4,133	-	4,133
Repayments	(106,000)	-	(106,000)
Balance, December 31, 2024	576,715	100,000	676,715
Repayments	(50,000)	-	(50,000)
Balance, June 30, 2025	**526,715**	**100,000**	**626,715**

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

13. PROMISSORY NOTES (continued)

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. The notes bear interest at 10% per annum and 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. The note bears interest at 12% per annum. The principal balance was 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 was to be repaid in full.

During the three and six months ended June 30, 2025, the Company made principal repayments of $30,000 and $50,000, respectively (2024 - $48,000 and $48,000, respectively).

For the three and six months ended June 30, 2025, the Company recorded interest expense of $25,939 and $51,592 (2024 - $25,938 and $51,876, respectively) and settled $100,000 of interest expense by paying cash. As at June 30, 2025, there is $301,438 of unpaid interest included in accounts payable and accrued liabilities (December 31, 2024 - $349,846) (Note 10).

14. MORTGAGES

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

	Mortgage (a)	Mortgage (b)	Mortgage (c)	Total
	$	$	$	$
Balance, December 31, 2023	2,586,459	600,000	4,031,873	7,218,332
Interest expense	89,661	59,154	440,559	589,374
Repayment	(198,240)	(59,154)	(465,141)	(722,535)
Balance, December 31, 2024	2,477,880	600,000	4,007,291	7,085,171
Interest expense	42,875	24,427	236,494	303,796
Repayment	(99,120)	(24,427)	(263,142)	(386,689)
Balance, June 30, 2025	**2,421,635**	**600,000**	**3,980,643**	**7,002,278**
Current portion	**198,240**	**600,000**	**3,980,643**	**4,778,883**
Non-current portion	**2,223,395**	**-**	**-**	**2,223,395**

(a) On July 9, 2021, the Company secured a $2,795,000 mortgage term loan for the Agassiz property. 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. During the three and six months ended June 30, 2025, the Company incurred interest expense of $21,439 and $42,875, respectively, related to this loan (2024 - $23,082 and $45,684, respectively).

(b) On April 7, 2022, the Company secured a $600,000 mortgage term loan for the Agassiz property. 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. During the three and six months ended June 30, 2025, the Company incurred interest expense of $12,050 and $24,427, respectively, related to this loan (2024 - $15,381 and $30,609, respectively).

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

14. MORTGAGES (continued)

(c) On April 26, 2023, the Company secured a $4,200,000 mortgage loan for the Parksville property. The 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. During the three and six months ended June 30, 2025, the Company incurred interest expense of $119,322 and $236,494, respectively, related to this loan (2024 - $88,931 and $201,268, respectively). As at June 30, 2025, the Company was in breach of the covenant and as a result the entire loan balance has been classified as a current liability.

15. CONVERTIBLE DEBENTURES

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

	Debenture issuance	**Liability component**
	$	$
Balance, December 31, 2023	2,500,000	2,548,771
Interest expense	-	40,026
Accretion expense	-	54,890
Refinanced with issuance of debentures (Note 16)	(2,500,000)	(2,643,687)
Balance, June 30, 2025 and December 31, 2024	**-**	**-**

a) Tranche 1

On March 1, 2024, the Company refinanced the outstanding principal balance of tranche 1 of $1,235,000 and accrued interest balance of $134,595 with a new debenture issuance (Note 16). The new debenture does not possess any conversion rights, accrued simple interest on principal at 10% per annum and matured on March 1, 2026. The issuance of the new debenture to replace the existing convertible debentures was 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. During the year ended December 31, 2024, the Company recognized a loss on extinguishment of debt of $47,604.

b) Tranche 2

On March 1, 2024, the Company refinanced the outstanding principal balance of tranche 2 of $1,160,000 and accrued interest balance of $114,092 with a new debenture issuance (Note 16). The new debenture does not possess any conversion rights, accrued simple interest on principal at 10% per annum and matured on March 1, 2026. The issuance of the new debenture to replace the existing convertible debentures was 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. During the year ended December 31, 2024, the Company recognized a loss on extinguishment of debt of $44,713.

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

16. DEBENTURES

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

	Tranche 1	Tranche 2	Total
	$	$	$
Debenture issuance, March 1, 2024	1,417,198	1,318,806	2,736,004
Interest	103,199	96,932	200,131
Accretion	7,037	6,609	13,646
Balance, December 31, 2024	1,527,434	1,422,347	2,949,781
Interest	61,243	57,523	118,766
Accretion	3,257	3,060	6,317
Balance, June 30, 2025	**1,591,934**	**1,482,930**	**3,074,864**
Current portion	**1,591,934**	**1,482,930**	**3,074,864**
Non-current portion	**-**	**-**	**-**

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 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 present value of the new debentures was determined using the principal balance of the $2,395,000, accrued and payable interest of $248,687 from the original convertible debentures, and the renewal fees which were discounted using an effective interest rate of 18%.

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.

During the three and six months ended June 30, 2025, the Company incurred interest expense of $59,711 and $118,766, respectively, on the debentures (2024 - $59,711 and $79,396, respectively).

17. SHARE CAPITAL

a) Authorized

Unlimited number of common voting shares without par value.

b) Issued and outstanding

During the six months ended June 30, 2025, the company had no share capital transactions.

During the year ended December 31, 2024, the Company had the following share capital transactions:

- On February 5, 2024, the Company completed a non-brokered private placement of 6,250,007 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 this private placement.

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

17. SHARE CAPITAL (continued)

- 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. On initial recognition, the warrants had a fair value of $nil. Unit issuance costs were comprised of cash of $29,400 and the issuance of 294,000 warrants to finders with a fair value of $20,223. 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	157.72%
Expected annual dividend yield	0.00%

- On December 23, 2024, the Company completed the second tranche of a private placement of 15,075,000 units at a price of $0.10 per unit for gross proceeds of $1,507,500. As at December 31, 2024, $100,000 of the proceeds were receivable (Note 6). As at June 30, 2025, the remaining $100,000 has been received (Note 6). 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 December 23, 2027. Proceeds were allocated using the residual value method. On initial recognition, the warrants had a fair value of $nil. Unit issuance costs were comprised of cash of $17,500 and the issuance of 175,000 warrants to finders with a fair value of $11,813. 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	3.89%
Expected volatility	154.36%
Expected annual dividend yield	0.00%

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.

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

	Options outstanding	**Weighted average exercise price**
	#	$
Balance, December 31, 2023	1,331,515	0.81
Granted	800,000	0.20
Expired	(189,406)	1.20
Balance, June 30, 2025 and December 31, 2024	**1,942,109**	**0.58**

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.

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

18. RESERVES (continued)

A summary of the Company's weighted average inputs used in the Black-Scholes option pricing model for stock options granted during the year ended December 31, 2024 is as follows:

Share price	$0.10
Exercise price	$0.20
Expected life	5 years
Risk-free interest rate (1)	3.62%
Expected volatility (2)	100.00%
Expected annual dividend yield	0.00%

(1) The risk-free interest rate of periods within the expected life of the stock options is based on the Canadian government bond rate.
(2) The computation of expected volatility was based on the Company's historical price volatility, over a period which approximates the expected life of the option.

A summary of the Company's stock options outstanding and exercisable as at June 30, 2025 is as follows:

Expiry date	Outstanding and exercisable	Weighted average exercise price	Weighted average remaining life
	#	$	Years
October 18, 2026	195,662	0.88	1.30
October 18, 2026	141,305	0.92	1.30
November 22, 2026	452,642	1.20	1.40
August 31, 2028	435,000	0.32	3.17
April 5, 2029	717,500	0.20	3.77
	1,942,109	**0.58**	**2.65**

b) Warrants

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

	Warrants outstanding and exercisable	Weighted average exercise price
	#	$
Balance, December 31, 2023	1,657,397	0.32
Issued	11,506,500	0.20
Balance, December 31, 2024	13,163,897	0.22
Expired	(407,397)	0.32
Balance, June 30, 2025	**12,756,500**	**0.20**

During the year ended December 31, 2024, the Company issued 11,506,500 share purchase warrants in connection with the private placements of units on September 13, 2024 and December 23, 2024 (Note 17(b)).

On February 18, 2025, the Company modified the terms of the 1,250,000 outstanding warrants issued on August 31, 2023 in a private placement of units. The exercise price was reduced from $0.32 to $0.20 per common share and the expiry date of February 28, 2025 was extended to February 28, 2028.

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

18. RESERVES (continued)

A summary of the Company's outstanding warrants as at June 30, 2025 is as follows:

Expiry date	**Outstanding and exercisable**	**Weighted average exercise price**	**Weighted average contractual remaining life**
	#	$	Years
September 13, 2027	3,794,000	0.20	2.21
December 23, 2027	7,712,500	0.20	2.48
February 28, 2028	1,250,000	0.20	2.67
Total	**12,756,500**	**0.20**	**2.42**

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 June 30,		Six months ended June 30,	
	2025	2024	**2025**	2024
	$	$	**$**	$
Interest expense	**22,784**	22,784	**45,318**	47,239
Legal and professional fees	**7,000**	21,000	**28,000**	42,000
Salaries and benefits	**93,231**	80,769	**162,462**	161,538
Share-based compensation	**-**	37,581	**-**	37,851
	123,015	162,134	**235,780**	288,628

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

	June 30, 2025	December 31, 2024
	$	$
Accounts payable and accrued liabilities	**294,067**	332,841
Debentures	**125,797**	109,367
Promissory notes	**526,715**	576,715

As at June 30, 2025, accounts payable and accrued liabilities included trade payables of $23,258 (December 31, 2024 - $7,351) as well as accrued interest related to promissory notes of $254,913 (December 31, 2024 - $309,594) and $15,896 (December 31, 2024 - $15,896) related to debentures (Note 10).

20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

a) Fair value of financial assets and liabilities

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The classification of each measurement within this hierarchy is based on the lowest-level significant input used in valuation. The three levels of the fair value hierarchy are:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities
- Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly
- Level 3 - Inputs that are not based on observable market data

The Company's financial assets and liabilities consist of cash, receivables, deposits, investment, accounts payable and accrued liabilities, loan payable, promissory notes, lease liabilities, mortgages and debentures.

Except for the investment, all financial assets and liabilities of the Company are measured at amortized cost. The investment is measured at fair value through profit or loss at level 3.

The fair values of cash, receivables, deposits, accounts payable and accrued liabilities approximate their respective carrying values due to the short-term nature. On initial recognition, the fair values of the Company's financial liabilities, including the loan payable, promissory notes and lease liabilities, mortgages and debentures were determined using the discounted cash flow method which involves discounting future cash flows at a risk-adjusted discount rate. The fair values of loan payable, debentures and mortgages approximate their respective carrying values as they accrue interest at market rates.

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 and subscription 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 June 30, 2025, the Company has determined an allowance relating to receivables to be $nil (December 31, 2024 - $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 June 30, 2025, the Company had a cash balance of $443,954 (December 31, 2024 - $826,123) to settle current liabilities of $11,101,770 (December 31, 2024 - $7,392,186). 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>Foreign currency risk</u>

As at June 30, 2025, 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.

<u>Interest rate risk</u>

As at June 30, 2025, the Company has exposure to interest rate risk through the promissory notes and one of its mortgages. A 1% variance in interest rate would impact the Company's loss and comprehensive loss by $15,282.

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

20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Other price risk

As at June 30, 2025, the Company has exposure to other price risk through its financial instruments. The Company holds an investment in a private company measured at FVTPL, which is exposed to equity price risk (Note 8). The Company manages equity price risk by reviewing the performance of its private company investment and adjusting its valuation assumptions as necessary. Management has assessed that the underlying inputs and assumptions have not changed materially since the acquisition of this investment.

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, however, 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 six months ended June 30, 2025.

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 June 30, 2025 is as follows:

	Corporate	**Resorts**	**Consolidated**
	$	$	$
Revenues	-	984,835	984,835
Costs of sales	-	(72,175)	(72,175)
Gross profit	-	912,660	912,660
Operating expenses	474,007	919,384	1,393,391
Net loss from operations	(474,007)	(6,724)	(480,731)
Net loss and comprehensive loss	**(473,732)**	**(8,715)**	**(482,447)**

A summary of the Company's net loss and comprehensive loss by segment for the three months ended June 30, 2024 is as follows:

	Corporate	**Resorts**	**Consolidated**
	$	$	$
Revenues	(2,913)	849,559	846,646
Management services revenue	6,000	-	6,000
Costs of sales	-	(63,458)	(63,458)
Gross profit	3,087	786,101	789,188
Operating expenses	522,400	824,318	1,346,718
Net loss from operations	(519,313)	(38,217)	(557,530)
Net loss and comprehensive loss	**(519,183)**	**(37,848)**	**(557,031)**

(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 six months ended June 30, 2025 is as follows:

	Corporate	Resorts	Consolidated
	$	$	$
Revenues	-	1,401,407	1,401,407
Costs of sales	-	(118,406)	(118,406)
Gross profit	-	1,283,001	1,283,001
Operating expenses	928,037	1,597,509	2,525,546
Net loss from operations	(928,037)	(314,508)	(1,242,545)
Net loss and comprehensive loss	**(927,580)**	**(315,875)**	**(1,243,455)**

A summary of the Company's net loss and comprehensive loss by segment for the six months ended June 30, 2024 is as follows:

	Corporate	Resorts	Consolidated
	$	$	$
Revenues	(2,913)	1,293,955	1,291,042
Management services revenue	15,000	-	15,000
Costs of sales	-	(112,742)	(112,742)
Gross profit	12,087	1,181,213	1,193,300
Operating expenses	1,055,562	1,478,428	2,533,990
Net loss from operations	(1,043,475)	(297,215)	(1,340,690)
Net loss and comprehensive loss	**(1,043,035)**	**(295,864)**	**(1,338,899)**

A summary of the Company's segmented financial positions as at June 30, 2025 is as follows:

	Corporate	Resorts	Consolidated
	$	$	$
Total assets	1,732,969	12,934,746	14,667,715
Total liabilities	4,537,158	9,128,047	13,665,205

A summary of the Company's segmented financial positions as at December 31, 2024 is as follows:

	Corporate	Resorts	Consolidated
	$	$	$
Total assets	2,594,536	12,591,184	15,185,720
Total liabilities	4,278,876	8,660,879	12,939,755

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