

PATHFINDER VENTURES INC.
(Formerly Discovery One Investment Corp.)

Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2022 and 2021

(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, 2022 and 2021.

Pursuant to National Instrument 51-102, 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 financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of Pathfinder Ventures Inc. (the "Company") for the interim periods ended September 30, 2022 and 2021, have been prepared in accordance with the International Accounting Standard 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board and are the responsibility of the Company's management.

The Company's independent auditors, Smythe LLP, have not performed a review of these condensed interim consolidated financial statements for the three and nine months ended September 30, 2022 and 2021.

November 28, 2022

PATHFINDER VENTURES INC. (formerly Discovery One Investment Corp.)
Condensed Interim Consolidated Statements of Financial Position
As at September 30, 2022 and December 31, 2021
(Unaudited - Expressed in Canadian dollars)

	Note	September 30, 2022	December 31, 2021
		\$	\$
ASSETS			
Current			
Cash and cash equivalents		1,517,720	2,092,893
Prepaid expenses	5	61,026	57,022
Inventory		22,466	13,077
Receivables		69,676	27,355
Current portion of deposits	6	46,996	88,342
		1,717,884	2,278,689
Property and equipment	7	13,991,602	13,378,486
Deposits	6	10,000	50,000
Total assets		15,719,486	15,707,175
LIABILITIES			
Current			
Accounts payable and accrued liabilities	8,10,12,16	606,910	355,041
Income tax payable		1,000	1,000
Current portion of lease liabilities	9	123,040	115,416
Promissory notes	10,16	773,958	278,433
Current portion of bank loans	11	1,530,840	967,101
Convertible promissory notes	12,16	-	464,016
Current portion of convertible debentures	13	2,258,818	-
Deferred revenue		822,381	598,426
		6,116,947	2,779,433
Lease liabilities	9	133,114	226,371
Bank loans	11	5,391,351	5,554,394
Convertible debentures	13	-	2,055,872
Total liabilities		11,641,412	10,616,070
SHAREHOLDERS' EQUITY			
Share capital	14	8,175,293	8,175,293
Reserves	15	957,672	953,527
Deficit		(5,054,891)	(4,037,715)
Total shareholders' equity		4,078,074	5,091,105
Total liabilities and shareholders' equity		15,719,486	15,707,175

Nature of operations and going concern (Note 1)
Commitments (Note 19)
Subsequent events (Note 21)

These condensed interim consolidated financial statements were approved and authorized for issue on behalf of the Board of Directors on November 28, 2022.

/s/ "Joseph Bleackley"
Director

/s/ "Michael Iverson"
Director

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

PATHFINDER VENTURES INC. (formerly Discovery One Investment Corp.)
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
For the three and nine months ended September 30, 2022 and 2021
(Unaudited - Expressed in Canadian dollars, except number of shares)

	Note	Three months ended		Nine months ended	
		September 30,		September 30,	
		2022	2021	2022	2021
		\$	\$	\$	\$
Revenues		1,402,325	1,175,226	2,778,341	1,996,852
Costs of sales		(66,613)	(75,923)	(161,147)	(156,201)
Gross margin		1,335,712	1,099,303	2,617,194	1,840,651
Operating expenses					
Accretion expense	10,12,13,16	25,573	20,146	73,589	47,855
Consulting expense		8,475	1,220	41,708	127,004
Depreciation expense	7	199,323	182,034	583,541	277,829
Financing costs		-	4,105	6,085	34,154
General and administrative	16	44,266	5,900	127,933	136,075
Insurance		16,497	16,126	49,192	43,584
Interest expense	9,10,11,12,13,16	190,082	127,836	509,018	294,524
Investor relations		28,700	-	61,127	-
Lease expense		16,725	20,840	35,431	31,997
Legal and professional fees	16	116,709	99,286	292,457	355,483
Management compensation	16	-	51,687	-	220,770
Marketing		48,052	30,635	102,137	93,329
Property costs		150,135	77,449	484,118	357,100
Property taxes		12,923	10,552	34,025	31,654
Salaries and benefits	16	507,511	367,182	1,231,716	702,381
Share-based compensation	15,16	80,703	187,850	219,050	187,850
Supplies		11,174	69,134	36,241	80,716
		1,456,848	1,271,982	3,887,368	3,022,305
Net loss from operations		(121,136)	(172,679)	(1,270,174)	(1,181,654)
Foreign exchange loss		(293)	(308)	(1,687)	(354)
Gain on debt extinguishment	12	16,325	-	16,325	-
Gain on sale of asset		-	-	-	2,575
Other income		13,107	17,455	13,660	28,149
Net loss and comprehensive loss		(91,997)	(155,532)	(1,241,876)	(1,151,284)
Net loss per share					
Basic and diluted		0.00	0.00	(0.02)	(0.03)
Weighted average number of common shares outstanding					
Basic and diluted		55,926,803	47,112,695	55,926,803	44,580,879

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

PATHFINDER VENTURES INC. (formerly Discovery One Investment Corp.)
Condensed Interim Consolidated Statements of Cash Flows
For the nine months ended September 30, 2022 and 2021
(Unaudited - Expressed in Canadian dollars)

	2022	Nine months ended September 30, 2021
	\$	\$
Operating Activities		
Net loss	(1,241,876)	(1,151,284)
Items not affecting cash:		
Accretion expense	73,589	47,855
Depreciation expense	583,541	277,829
Interest expense	266,301	92,012
Share-based compensation	219,050	187,850
Gain on debt extinguishment	(16,325)	-
Gain on sale of asset	-	(2,575)
Changes in non-cash working capital items:		
Prepaid expenses	(4,004)	169,896
Inventory	(9,389)	(6,693)
Receivables	(42,321)	(14,452)
Deposits	81,346	4,783
Accounts payable and accrued liabilities	183,645	(190,950)
Deferred revenue	223,955	149,135
Cash provided by (used in) operating activities	317,512	(436,594)
Investing Activities		
Proceeds from sale of assets	-	3,119
Expenditures on property and equipment	(1,188,268)	(6,006,649)
Cash used in investing activities	(1,188,268)	(6,003,530)
Financing Activities		
Proceeds from shares issued - private placements	-	1,975,929
Share issuance costs	-	(88,928)
Proceeds from bank loans	600,000	7,146,250
Repayment of bank loans	(199,304)	(4,261,124)
Proceeds from convertible debenture	-	2,500,000
Convertible debt issuance cost	-	(136,203)
Proceeds from loan payable	-	250,000
Lease payments	(105,113)	(94,914)
Cash provided by financing activities	295,583	7,291,010
Change in cash and cash equivalents during the period	(575,173)	850,886
Cash and cash equivalents, beginning of the period	2,092,893	1,110,950
Cash and cash equivalents, end of the period	1,517,720	1,961,836
Supplemental cash flow information:		
Interest paid on bank loans	242,717	202,512
Unpaid balance of purchase of property and equipment	8,389	141,297

PATHFINDER VENTURES INC. (formerly Discovery One Investment Corp.)
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
For the nine months ended September 30, 2022 and 2021
(Unaudited - Expressed in Canadian dollars, except number of shares)

	Number of common shares	Share capital	Share subscription deposits	Reserves	Deficit	Total shareholders' equity
	#	\$	\$	\$	\$	\$
Balance, December 31, 2020	32,712,994	3,831,778	252,152	105,595	(667,828)	3,521,697
Shares issued - private placement	14,399,701	2,228,081	(252,152)	-	-	1,975,929
Share issue costs - finders' warrants	-	(37,847)	-	37,847	-	-
Share issue costs - finders' fees	-	(88,928)	-	-	-	(88,928)
Debt extinguishment	-	-	-	(20,720)	-	(20,720)
Loss on debt extinguishment	-	-	-	(95,128)	-	(95,128)
Equity component of convertible promissory notes	-	-	-	224,700	-	224,700
Equity component of convertible debentures	-	-	-	351,610	-	351,610
Convertible debentures transaction costs - warrants	-	-	-	57,912	-	57,912
Share-based compensation	-	-	-	187,850	-	187,850
Net loss and comprehensive loss	-	-	-	-	(1,151,284)	(1,151,284)
Balance, September 30, 2021	47,112,695	5,933,084	-	849,666	(1,819,112)	4,963,638
Shares issued - options exercised	90,479	35,131	-	(15,131)	-	20,000
Shares issued – reverse takeover transaction	8,723,629	2,207,078	-	166,528	-	2,373,606
Deferred income tax recovery from convertible debentures	-	-	-	(94,935)	-	(94,935)
Share-based compensation	-	-	-	47,399	-	47,399
Net loss and comprehensive loss	-	-	-	-	(2,218,603)	(2,218,603)
Balance, December 31, 2021	55,926,803	8,175,293	-	953,527	(4,037,715)	5,091,105
Debt extinguishment on convertible promissory notes	-	-	-	(224,700)	224,700	-
Gain on debt extinguishment with a shareholder	-	-	-	9,795	-	9,795
Share-based compensation	-	-	-	219,050	-	219,050
Net loss and comprehensive loss	-	-	-	-	(1,241,876)	(1,241,876)
Balance, September 30, 2022	55,926,803	8,175,293	-	957,672	(5,054,891)	4,078,074

PATHFINDER VENTURES INC. (formerly Discovery One Investment Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2022 and 2021

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

1. Nature of operations and going concern

Pathfinder Ventures Inc. (the "Company") (formerly known as "Discovery One Investment Corp." or "DOIT") 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 ("TSX-V") 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.

On October 14, 2021, the Company consolidated the number of common shares at the rate of 0.452398, resulting in 47,112,695 post-consolidation shares. The historical share data in these unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2022 and 2021 (the "financial statements") has been retrospectively updated to present the shares on a post-consolidation basis.

Reverse takeover transaction

Pacific Frontier Investment Inc. ("PFI") was incorporated on November 1, 2019 under the laws of British Columbia. PFI has 100% ownership interest in Pathfinder Camp Resorts Inc., Duckworth Management Group Ltd., and Pathfinder Camp Resorts (Parksville) Inc.

On March 10, 2021, DOIT announced that it entered into an amalgamation agreement dated March 9, 2021 (the "Amalgamation Agreement") with PFI and 1231986 B.C. Ltd. ("Newco"), a wholly owned subsidiary of DOIT. Pursuant to the Amalgamation Agreement, DOIT acquired all of the issued and outstanding securities of PFI in exchange for securities of DOIT (the "Transaction"), carried out by way of a three-cornered amalgamation. As a result of the Transaction, the Company continued with the business of PFI. PFI is arm's length to DOIT.

Effective October 14, 2021, the Transaction closed whereby PFI issued 8,723,629 common shares to DOIT's shareholders (Note 4). Concurrent with the closing of the Transaction, DOIT changed its name to Pathfinder Ventures Inc. The Company's common shares were listed on the TSX-V on October 20, 2021.

Management determined that the Transaction constituted a reverse acquisition for accounting purposes whereby PFI acquired the Company. For accounting purposes, PFI is treated as the accounting acquirer (legal subsidiary), and the Company is treated as the accounting acquiree (legal parent) in these financial statements. As PFI was deemed to be the acquirer for accounting purposes, its assets, liabilities, and operations since incorporation are included in these financial statements at their historical carrying values. The Company's results of operations are included from the transaction date, October 14, 2021. The comparative figures are those of PFI prior to the reverse acquisition.

Going concern

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of operations. However, there are several conditions that may cast material uncertainty on the Company's ability to continue as a going concern. As at September 30, 2022, the Company has working capital deficiency of \$4,399,063 (December 31, 2021 - \$500,744) and for the three and nine months ended September 30, 2022 reported a net loss and comprehensive loss of \$91,997 and \$1,241,876, respectively (2021 - \$155,532 and \$1,151,284, respectively).

There can be no assurance that the Company will be able to record net income and raise funds, in which case the Company may be unable to meet its obligations. Should the Company be unable to realize its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the consolidated statements of financial position. The financial statements do not include adjustments to amounts and classifications of assets and liabilities that may be necessary should the Company be unable to continue operations. Such adjustments could be material.

As of the date of these financial statements, COVID-19 has had no impact on the Company's ability to access and develop its current properties but may impact the Company's ability to raise funding or develop its properties should travel restrictions related to COVID-19 be extended or expanded in scope.

PATHFINDER VENTURES INC. (formerly Discovery One Investment Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2022 and 2021

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

2. Basis of presentation

a. Statement of compliance

These financial statements were approved and authorized for issuance on November 28, 2022 by the directors of the Company.

These financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards and interpretations of the International Financial Reporting Interpretations Committee.

b. Basis of measurement

These financial statements, including comparatives, have been prepared in accordance with IAS 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 consolidated financial statements for the years ended December 31, 2021 and 2020 (the "annual financial statements"), which include the information necessary or useful to understanding the Company's business and financial statement presentation. In particular, the Company's use of judgements and estimates and significant accounting policies were presented in Note 3 of those annual financial statements and have been consistently applied in the preparation of these financial statements.

c. Basis of consolidation

These financial statements include the accounts of the Company and its subsidiaries. All intercompany transactions and balances are eliminated on consolidation. Subsidiaries are all entities over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity, and has the ability to affect those returns through its power over the entity.

These financial statements incorporate the accounts of the Company and the following subsidiaries:

Name of subsidiary	Abbreviation	Percentage ownership
Duckworth Management Group Ltd.	DMG	100%
Pacific Frontier Investment Inc.	PFI	100%
Pathfinder Camp Resorts Inc.	PCR	100%
Pathfinder Camp Resorts (Parksville) Inc.	PCRP	100%

d. Functional and presentation currency

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

3. Significant accounting policies

The accounting policies applied in the preparation of these financial statements are consistent with those applied and disclosed in Note 3 to the annual financial statements.

PATHFINDER VENTURES INC. (formerly Discovery One Investment Corp.)**Notes to the Condensed Interim Consolidated Financial Statements**

For the three and nine months ended September 30, 2022 and 2021

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

4. Reverse takeover transaction

Upon the closing of the Transaction on October 14, 2021, the following occurred:

- PFI issued 8,723,629 common shares to DOIT's shareholders at the fair value of \$0.2530 per common share for a total fair value of \$2,207,078.
- PFI incurred \$177,566 in listing expense prior to the closing of the Transaction and the amount is allocated as part of the consideration.

As a result of the Transaction, PFI obtained control of the Company and is considered to have acquired the Company. The Transaction constituted a reverse takeover acquisition ("RTO") of the Company by PFI and has been accounted for as a reverse acquisition transaction in accordance with the guidance provided in IFRS 2 *Share-based Payments* and IFRS 3 *Business Combinations*. The Company did not qualify as a business according to the definition in IFRS 3 *Business Combinations* as the significant inputs, processes, and outputs, that together constitute a business, did not exist in DOIT at the time of acquisition. Rather, it is treated as an issuance of common shares by PFI for the net assets of the Company and its public listing, with PFI as the continuing entity. Accordingly, no goodwill or intangible assets were recorded with respect to the Transaction.

For accounting purposes, PFI is treated as the accounting parent (legal subsidiary) and the Company as the accounting subsidiary (legal parent). The fair value of the consideration paid by PFI, net of transaction costs, less the fair value of net assets of the Company acquired by PFI, constitutes the listing expense and has been recorded in the consolidated statement of loss and comprehensive loss. These financial statements reflect the assets, liabilities, and operations of PFI since its incorporation and the Company from October 14, 2021.

The following table summarizes the purchase price allocation:

	October 14, 2021
	\$
Purchase price:	
Fair value of DOIT common shares (8,723,629 post-consolidation shares at \$0.2530 per share)	2,207,078
Fair value of existing DOIT stock options (869,566 options expiring October 18, 2026)	166,528
Transaction costs (legal fees and exchange fees concurrent with the listing)	177,566
Total consideration	2,551,172
Net assets acquired:	
Cash	84,275
Short-term investments	559,110
Receivable	3,777
Note receivable from PFI ⁽¹⁾	250,000
Accounts payable and accrued liabilities	(9,500)
Total net assets	887,662
Listing expense	1,663,510

⁽¹⁾ Upon consolidation, the note receivable from PFI was classified as intercompany and eliminated on consolidation.

5. Prepaid expenses

	September 30, 2022	December 31, 2021
	\$	\$
Insurance	15,517	46,182
Marketing	37,552	8,917
Property taxes	7,228	-
Other prepaid expenses	729	1,923
	61,026	57,022

PATHFINDER VENTURES INC. (formerly Discovery One Investment Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2022 and 2021

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

6. Deposits

On November 29, 2021, the Company entered into an agreement with an arms-length party to acquire a 100% interest in a property adjacent to its existing Pathfinder Camp Resorts location in Agassiz, BC for an aggregate purchase price of \$750,000 in cash, excluding closing costs. The Company paid a \$50,000 cash deposit in December 2021 related to this agreement which was applied to the purchase price upon completion of the property purchase on April 7, 2022.

As at September 30, 2022, the balance of the current portion of deposits of \$46,996 (December 31, 2021 - \$88,342) consists of security deposits for utility, construction and maintenance as well as security holdback from an online payment processor.

As at September 30, 2022, the balance of deposits is \$10,000 (December 31, 2021 - \$50,000) consists of security deposits for the lease with Metro Vancouver that will expire at October 31, 2024.

PATHFINDER VENTURES INC. (formerly Discovery One Investment Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2022 and 2021

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

7. Property and equipment

	Right-of-use assets	Land	Building	Site fixtures	Leasehold improvement	Furniture and equipment	Vehicle	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Cost								
Balance, December 31, 2020	319,667	4,823,646	1,553,882	92,074	993,069	64,597	67,189	7,914,124
Disposal	-	-	-	-	-	(544)	-	(544)
Additions	114,630	-	187,496	199,136	5,072,236	414,823	18,672	6,006,993
Transfers from leasehold improvements	-	-	313,665	5,745,979	(6,059,644)	-	-	-
Balance, December 31, 2021	434,297	4,823,646	2,055,043	6,037,189	5,661	478,876	85,861	13,920,573
Additions	-	775,874	17,318	282,785	10,780	109,900	-	1,196,657
Balance, September 30, 2022	434,297	5,599,520	2,072,361	6,319,974	16,441	588,776	85,861	15,117,230
Accumulated depreciation								
Balance, December 31, 2020	(6,801)	-	(2,751)	(365)	(94)	9,968	(45,085)	(45,128)
Depreciation expense	(108,480)	-	(72,132)	(243,512)	(1,113)	(62,290)	(9,432)	(496,959)
Balance, December 31, 2021	(115,281)	-	(74,883)	(243,877)	(1,207)	(52,322)	(54,517)	(542,087)
Depreciation expense	(85,905)	-	(59,702)	(352,717)	(1,477)	(76,688)	(7,052)	(583,541)
Balance, September 30, 2022	(201,186)	-	(134,585)	(596,594)	(2,684)	(129,010)	(61,569)	(1,125,628)
Carrying amount								
Balance, December 31, 2021	319,016	4,823,646	1,980,160	5,793,312	4,454	426,554	31,344	13,378,486
Balance, September 30, 2022	233,111	5,599,520	1,937,776	5,723,380	13,757	459,766	24,292	13,991,602

During the year ended December 31, 2021, the leasehold improvements totalling \$6,059,644 were transferred to building and site fixtures when they became available for use.

PATHFINDER VENTURES INC. (formerly Discovery One Investment Corp.)**Notes to the Condensed Interim Consolidated Financial Statements**

For the three and nine months ended September 30, 2022 and 2021

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

8. Accounts payable and accrued liabilities

The following table presents the composition of accounts payable and accrued liabilities:

	September 30, 2022	December 31, 2021
	\$	\$
Trade payables	199,260	156,400
Accrued liabilities	143,887	60,284
Accrued interest	118,329	58,493
Wages payable	61,059	37,808
Government agencies payable	84,375	42,056
	606,910	355,041

Included in trade payables on September 30, 2022, is a Visa loan balance of \$50,000 (December 31, 2021 - \$50,000). This loan, received in 2020, is a Canada Emergency Business Account loan which is non-interest-bearing until December 31, 2023, and thereafter bears interest at 5% per annum.

Included in the accrued interest on September 30, 2022, is the unpaid interest expense from promissory notes (Note 10).

9. Lease liabilities

The following table presents a continuity of lease liabilities:

	September 30, 2022	December 31, 2021
	\$	\$
Balance, beginning of period	341,787	326,008
Additions	-	114,630
Interest expense	19,480	31,100
Lease payments	(105,113)	(129,951)
Balance, end of period	256,154	341,787
Less: Current portion of lease liabilities	123,040	115,416
Lease liabilities	133,114	226,371

10. Promissory notes

The following table presents a continuity of the promissory note:

	September 30, 2022	December 31, 2021
	\$	\$
Balance, beginning of period	278,433	300,000
Debt extinguishment	(300,000)	(300,000)
Promissory note issued	300,000	300,000
Gain on debt extinguishment	(9,795)	(39,474)
Accretion expense	21,645	17,907
Reclassification from convertible promissory notes (Note 12)	483,675	-
Balance, end of period	773,958	278,433

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 Pathfinder Fort Langley acquisition. 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* as the transaction is with a shareholder. The debt component was calculated using a discount rate of 10%.

PATHFINDER VENTURES INC. (formerly Discovery One Investment Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2022 and 2021

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

10. Promissory notes (continued)

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 *Presentation of Financial Statements* as the transaction is with a shareholder. The debt component was calculated using a discount rate of 10%.

For the three and nine months ended September 30, 2022, the Company recorded interest expense on the promissory note of \$22,438 (2021 - \$nil). Included in accounts payable and accrued liabilities at September 30, 2022 is \$22,438 of unpaid interest (December 31, 2021 - \$nil).

PATHFINDER VENTURES INC. (formerly Discovery One Investment Corp.)**Notes to the Condensed Interim Consolidated Financial Statements**

For the three and nine months ended September 30, 2022 and 2021

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

11. Bank loans

The following table presents the composition of bank loans as at September 30, 2022 and December 31, 2021:

	Mortgage (a)	Mortgage (b)	Mortgage (c)	Mortgage (d)	Mortgage (e)	Mortgage (f)	Mortgage (g)	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Balance, December 31, 2020	1,276,827	1,725,000	700,000	-	-	-	-	3,701,827
Additions	-	-	-	1,176,250	3,175,000	2,795,000	-	7,146,250
Repayment	(1,276,827)	(1,725,000)	-	(1,176,250)	(108,334)	(40,171)	-	(4,326,582)
Balance, December 31, 2021	-	-	700,000	-	3,066,666	2,754,829	-	6,521,495
Addition	-	-	-	-	-	-	600,000	600,000
Repayment	-	-	-	-	(125,102)	(74,202)	-	(199,304)
Balance, September 30, 2022	-	-	700,000	-	2,941,564	2,680,627	600,000	6,922,191
Less: Current portion	-	-	700,000	-	128,718	102,122	600,000	1,530,840
Bank loans	-	-	-	-	2,812,846	2,578,505	-	5,391,351

PATHFINDER VENTURES INC. (formerly Discovery One Investment Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2022 and 2021

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

11. Bank loans (continued)

- (a) On October 29, 2020, the Company, through its wholly owned subsidiary Pathfinder Camp Resorts Inc., raised \$1,283,750 through the issuance of a bank mortgage. The mortgage bears interest at 4.35% per annum and will be repayable upon demand. For the three and nine months ended September 30, 2022 and 2021, the Company incurred interest expense of \$nil and \$nil, respectively (2021 - \$1,632 and \$28,892, respectively), related to this loan. The mortgage term is secured by a commercial security agreement covering all present and future assets of Pathfinder Camp Resort Inc. This loan was repaid in 2021.
- (b) On December 15, 2020, the Company, through its wholly owned subsidiary Pathfinder Camp Resort (Parksville), raised \$1,725,000 through the issuance of a bank mortgage. The mortgage bears interest at 5.45% per annum and will be repayable upon demand. For the three and nine months ended September 30, 2022 and 2021, the Company incurred interest expense of \$nil and \$nil, respectively (2021 - \$nil and \$18,885), related to this loan. 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 undertaking and assets of Parksville, including receivables, inventory, property, equipment and machinery. This loan was repaid in 2021.
- (c) On December 15, 2020, the Company, through its wholly owned subsidiary Pathfinder Camp Resort (Parksville), raised \$700,000 through the issuance of a bank mortgage. The mortgage bears interest at 14% per annum and is repayable upon demand. For the three and nine months ended September 30, 2022 and 2021, the Company incurred interest expense of \$24,501 and \$73,503, respectively (2021 - \$24,701 and \$73,414, respectively), related to this loan. 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.
- (d) On February 10, 2021, the Company, through its wholly owned subsidiary Pathfinder Camp Resort Inc., raised \$1,176,250 through the issuance of a bank mortgage. The mortgage bears interest at 5.45% per annum and will be repayable upon demand. For the three and nine months ended September 30, 2022 and 2021, the Company incurred interest expense of \$nil and \$nil, respectively (2021 - \$5,270 and \$18,280, respectively), related to this loan. The mortgage term is secured by the existing commercial security agreement covering all present and future assets. This loan was repaid in 2021.
- (e) On April 13, 2021, the Company, through its wholly owned subsidiary Pathfinder Camp Resort (Parksville), raised \$3,175,000 through the issuance of a bank mortgage. The mortgage 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 bank loan. The remaining use of funds are applied to on-going construction and development of the campgrounds and lands. For the three and nine months ended September 30, 2022 and 2021, the Company incurred interest expense of \$26,274 and \$79,346, respectively (2021 - \$27,746 and \$46,331, respectively), related to this loan. 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 undertaking all personal property of the Parksville site.
- (f) On July 9, 2021, the Company, through its wholly owned subsidiary Pathfinder Camp Resort Inc., raised \$2,795,000 through the issuance of a bank mortgage. The mortgage bears interest at 3.55% per annum and is repayable upon demand. For the three and nine months ended September 30, 2022 and 2021, the Company incurred interest expense of \$23,956 and \$72,003, respectively (2021 - \$16,710 and \$16,710, respectively), related to this loan. The mortgage term is secured by the existing commercial security agreement covering all present and future assets.
- (g) On April 7, 2022, the Company, through its wholly owned subsidiary Pathfinder Camp Resort Inc., raised \$600,000 through the issuance of a bank mortgage. The mortgage bears interest at prime rate plus 3.25% per annum and is repayable on January 31, 2023. For the three and nine months ended September 30, 2022 and 2021, the Company incurred interest expense of \$11,414 and \$17,865, respectively (2021 - \$nil and \$nil, respectively), related to this loan. The mortgage term is secured by the existing commercial security agreement covering all present and future assets.

PATHFINDER VENTURES INC. (formerly Discovery One Investment Corp.)**Notes to the Condensed Interim Consolidated Financial Statements**

For the three and nine months ended September 30, 2022 and 2021

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

12. Convertible promissory notes

	September 30, 2022	December 31, 2021
	\$	\$
Balance, beginning of the period	464,016	487,544
Debt extinguishment	(500,000)	(500,000)
Extinguishment of equity component	-	20,720
Convertible promissory notes issued	500,000	500,000
Equity component of convertible promissory notes	-	(224,700)
Loss on debt extinguishment	(16,325)	134,602
Accretion expense	35,984	45,850
Reclassification to promissory notes (Note 10)	(483,675)	-
Balance, end of the period	-	464,016

On October 30, 2020, the Company raised \$500,000 through the issuance of a convertible promissory note to a director of the Company, that matures on the earlier of April 1, 2021 or event of default occurring. The holder may at any time convert a portion of the remaining principal into common shares of the Company at \$0.15 per share. The equity component at the grant date was determined to be \$20,720 using the residual value method. The debt component was calculated using a discount rate of 10%. Separate from the conversion feature, the convertible debenture is subject to 10% annual interest rate, compounded annually. This convertible promissory note is secured by a second fixed financial charge against the lands and property in Agassiz, BC held through the Company's wholly owned subsidiary Pathfinder Camp Resorts Inc.

On April 30, 2021, the Company amended the agreement for the issuance of a convertible promissory note to a director of the Company, where both parties agreed to extend the maturity to the earlier of September 30, 2022 or event of default occurring. This amendment was treated as an extinguishment of the original liability. As such, during the year ended December 31, 2021, the equity portion of the original convertible promissory note of \$20,720 was derecognized and the amended equity component was revalued at the extinguishment date using a Black-Scholes option pricing model applying the following inputs: share price of \$0.15; exercise price of \$0.15; expected life of 1.42 years; volatility rate of 100%; dividend yield of 0%; and risk-free rate of 0.21%. The fair value of the equity component at the date of extinguishment was determined to be \$224,700. Consequently, \$134,602 was recorded as a loss on debt extinguishment to reserves.

On July 26, 2021, \$150,000 of the convertible promissory note balance was assigned from the director to another related party of the Company and \$100,000 of the convertible promissory note balance was assigned from the director to a new holder that is unrelated to Company. There were no changes to the term of the convertible promissory notes at the time of this assignment.

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 event of default occurring. 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 \$500,000 was recorded with no conversion feature, which results in the reclassification to the promissory notes (Note 10). Consequently, \$16,235 was recorded as a gain on debt extinguishment to net loss and comprehensive loss.

For the three and nine months ended September 30, 2022, the Company recorded interest expense on the convertible promissory notes of \$12,603 and \$37,397, respectively (2021 - \$12,602 and \$37,397, respectively). Included in accounts payable and accrued liabilities at September 30, 2022 is \$95,890 of unpaid interest (December 31, 2021 - \$58,493).

PATHFINDER VENTURES INC. (formerly Discovery One Investment Corp.)**Notes to the Condensed Interim Consolidated Financial Statements**

For the three and nine months ended September 30, 2022 and 2021

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

13. Convertible debentures

The following is the continuity of the Company's convertible debentures:

	Debenture issuance	Liability component	Equity component
	\$	\$	\$
Balance, December 31, 2020	-	-	-
Issued	2,500,000	2,118,764	381,236
Transaction costs	-	(164,490)	(29,626)
Interest expense	-	94,236	-
Accretion expense	-	7,362	-
Deferred income tax recovery	-	-	(94,935)
Balance, December 31, 2021	2,500,000	2,055,872	256,675
Interest expense	-	186,986	-
Accretion expense	-	15,960	-
Balance, September 30, 2022	2,500,000	2,258,818	256,675

The following transactions occurred during the year ended December 31, 2021:

On July 26, 2021, the Company completed the first tranche of a brokered placement of 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 10 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. 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.

On September 8, 2021, the Company completed the second tranche of a brokered placement of convertible debentures for total gross proceeds of \$1,160,000. 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 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 10 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. Transaction costs were \$97,049 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.

14. Share capital**a. Authorized**

Unlimited number of common voting shares without par value.

PATHFINDER VENTURES INC. (formerly Discovery One Investment Corp.)**Notes to the Condensed Interim Consolidated Financial Statements**

For the three and nine months ended September 30, 2022 and 2021

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

14. Share capital (continued)**b. Issued and outstanding**

During the year ended December 31, 2021, the Company completed the following transactions:

On February 17, 2021, pursuant to a private placement, the Company issued 14,399,701 common shares at \$0.15 per share for the gross proceeds of \$2,228,081, of which \$252,152 of this was received during the year ended December 31, 2020, and was recorded as a subscription deposit as at December 31, 2020. In connection with the private placement, the Company issued 561,807 finder's warrants that entitle the holder to purchase one common share of the Company at \$0.22 per warrant and expire on February 17, 2023 (Note 15). In connection with the private placement, the Company incurred finder's fees of \$88,928 for professional services rendered.

On October 14, 2021, the Company consolidated the number of common shares at the rate of 0.452398, resulting in 47,112,695 post-consolidation shares. The historical share data in these financial statements has been retrospectively updated to present the shares on a post-consolidation basis.

On October 14, 2021, pursuant to closing the Transaction, the Company issued 8,723,629 common shares of the Company to DOIT's shareholders in exchange for the net assets of DOIT and its public listing (Note 4).

On November 4, 2021, the Company issued 90,479 common shares pursuant to the exercise of 90,479 stock options with an exercise price of \$0.22 for gross proceeds of \$20,000.

There were no share transactions during the nine months ended September 30, 2022.

15. Reserves**a) Stock Options**

A summary of the Company's stock option activity is presented below:

	Options outstanding	Weighted average exercise price
	#	\$
Balance, December 31, 2020	-	-
Granted	3,770,406	0.26
Balances, December 31, 2021 and September 30, 2022	3,770,406	0.26

On July 2, 2021, the Company granted 900,272 fully vested incentive stock options to directors, officers, employees, and technical consultants of the Company. The exercise price of the options is \$0.22 per option with the expiry date of October 18, 2026. The fair value of the options was determined to be \$189,133 using the Black-Scholes option pricing model with the following assumptions: expected life of 5.3 years, discount rate of 0.96% based on the bond rate of the Bank of Canada, expected volatility of 100% and 0% expected dividend yield.

On October 14, 2021, in connection with the Transaction (Note 4), the Company acquired 869,566 stock options that are fully vested. The exercise price of the options is \$0.23 per option with the expiry date of October 18, 2026. The fair value of the options issued was determined to be \$166,528 using the Black-Scholes option pricing model with the following assumptions: expected life of 5 years, discount rate of 1.18% based on the bond rate of the Bank of Canada, expected volatility of 100% and 0% expected dividend yield.

On November 22, 2021, the Company issued 2,000,568 incentive stock options to directors, officers, employees, and technical consultants of the Company. Half of the granted stock options will be vested in 6 months from the issuance date and the remaining balance will be vested in 12 months from the issuance date. The exercise price of the options is \$0.30 with the expiry date of November 22, 2026. The fair value of the options issued was determined to be \$276,695 using the Black-Scholes option pricing model with the following assumptions: expected life of 5 years, discount rate of 1.56% based on the bond rate of the Bank of Canada, expected volatility of 100% and 0% expected dividend yield.

PATHFINDER VENTURES INC. (formerly Discovery One Investment Corp.)**Notes to the Condensed Interim Consolidated Financial Statements**

For the three and nine months ended September 30, 2022 and 2021

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

15. Reserves (continued)

The expected life in years represents the period of time the options granted are expected to be outstanding. The volatility rate is based on comparable companies with a historical volatility. The risk-free rate is based on Canada government bonds with a remaining term equal to the expected life of the options.

The following are the stock options outstanding and exercisable as of September 30, 2022:

Expiry date	Outstanding	Exercisable	Weighted average exercise price	Weighted average remaining life
	#	#	\$	Years
October 18, 2026	900,272	900,272	0.22	4.05
October 18, 2026	869,566	869,566	0.23	4.05
November 22, 2026	2,000,568	1,000,284	0.30	4.15
	3,770,406	2,770,122	0.26	4.10

b) Warrants

A summary of the Company's warrants activity is presented below:

	Warrants outstanding and exercisable	Weighted average exercise price
	#	\$
Balance, December 31, 2020	1,139,030	0.22
Granted, February 17, 2021	561,807	0.22
Granted, July 26, 2021	308,083	0.33
Granted, September 8, 2021	308,098	0.33
Balance, December 31, 2021 and September 30, 2022	2,317,018	0.25

The following are the warrants outstanding and exercisable as of September 30, 2022:

Expiry date	Outstanding	Exercisable	Weighted average exercise price	Weighted average contractual remaining life
	#	#	\$	Years
October 2, 2022	258,772	258,772	0.22	0.01
October 31, 2022	408,678	408,678	0.22	0.08
November 30, 2022	92,108	92,108	0.22	0.17
December 14, 2022	289,716	289,716	0.22	0.21
December 23, 2022	89,756	89,756	0.22	0.23
February 17, 2023	561,807	561,807	0.22	0.38
July 26, 2023	308,083	308,083	0.33	0.82
September 8, 2023	308,098	308,098	0.33	0.94
	2,317,018	2,317,018	0.25	0.38

On October 2, 2020, the Company issued 258,772 finder's warrants to purchase one additional common share of the Company at \$0.22 per warrant with an expiry date of October 2, 2022. The fair value of the finder's warrants issued was determined to be \$17,436 using the Black-Scholes option pricing model with the following assumptions: expected life of 2 years, discount rate of 0.22%, expected volatility of 100% and 0% expected dividend yield.

On October 31, 2020, the Company issued 408,678 finder's warrants to purchase one additional common share of the Company at \$0.22 per warrant with an expiry date of October 31, 2022. The fair value of the finder's warrants issued was determined to be \$27,543 using the Black-Scholes option pricing model with the following assumptions: expected life of 2 years, discount rate of 0.24%, expected volatility of 100% and 0% expected dividend yield.

On November 30, 2020, the Company issued 92,108 finder's warrants to purchase one additional common share of the Company at \$0.22 per warrant with an expiry date of November 30, 2022. The fair value of the finder's warrants issued was determined to be \$6,208 using the Black-Scholes option pricing model with the following assumptions: expected life of 2 years, discount rate of 0.24%, expected volatility of 100% and 0% expected dividend yield.

PATHFINDER VENTURES INC. (formerly Discovery One Investment Corp.)**Notes to the Condensed Interim Consolidated Financial Statements**

For the three and nine months ended September 30, 2022 and 2021

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

15. Reserves (continued)

On December 14, 2020, the Company issued 289,716 finder's warrants to purchase one additional common share of the Company at \$0.22 per warrant with an expiry date of December 14, 2022. The fair value of the finder's warrants issued was determined to be \$19,528 using the Black-Scholes pricing model with the following assumptions: expected life of 2 years, discount rate of 0.25%, expected volatility of 100% and 0% expected dividend yield.

On December 23, 2020, the Company issued 89,756 finder's warrants to purchase one additional common share of the Company at \$0.22 per warrant with an expiry date of December 23, 2022. The fair value of the finder's warrants issued was determined to be \$6,048 using the Black-Scholes option pricing model with the following assumptions: expected life of 2 years, discount rate of 0.22%, expected volatility of 100% and 0% expected dividend yield.

On February 17, 2021, in connection with the private placement (Note 14(b)), the Company issued 561,807 finder's warrants that entitle the holder to purchase one common share of the Company at \$0.22 per warrant and expire on February 17, 2023. The fair value of the finder's warrants was determined to be \$37,846 using the Black-Scholes option pricing model with the following assumptions: expected life of 2 years, discount rate of 0.2% based on the bond rate of the Bank of Canada, expected volatility of 100% and 0% expected dividend yield.

On July 26, 2021, in connection with the convertible debenture issuance (Note 13), the Company issued 308,083 finder's warrants to purchase one additional common share of the Company at \$0.33 per warrant with an expiry date of July 26, 2023. The fair value of the finder's warrants issued was determined to be \$28,967 using the Black-Scholes option pricing model with the following assumptions: expected life of 2 years, discount rate of 0.56% based on the bond rate of the Bank of Canada, expected volatility of 100% and 0% expected dividend yield.

On September 8, 2021, in connection with the convertible debenture issuance (Note 13), the Company issued 308,098 finder's warrants to purchase one additional common share of the Company at \$0.33 per warrant with an expiry date of September 8, 2023. The fair value of the finder's warrants issued was determined to be \$28,945 using the Black-Scholes option pricing model with the following assumptions: expected life of 2 years, discount rate of 0.49% based on the bond rate of the Bank of Canada, expected volatility of 100% and 0% expected dividend yield.

16. Related party transactions

Key management personnel include those persons 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.

During the three and nine months ended September 30, 2022 and 2021, the remuneration of the key management personnel was as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
	\$	\$	\$	\$
Accretion expense	17,282	16,310	50,432	44,019
General and administrative	-	3,312	-	13,175
Interest expense	32,521	10,082	52,356	35,589
Legal and professional fees	3,420	18,800	77,420	74,300
Management compensation	-	17,500	-	125,000
Salaries and benefits	97,984	34,187	240,950	95,770
Share-based compensation	54,050	156,292	152,633	156,292
	205,257	256,483	573,791	544,145

PATHFINDER VENTURES INC. (formerly Discovery One Investment Corp.)**Notes to the Condensed Interim Consolidated Financial Statements**

For the three and nine months ended September 30, 2022 and 2021

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

16. Related party transactions (continued)

Balances due to related parties as at September 30, 2022 and December 31, 2021, were as follows:

	September 30, 2022	December 31, 2021
	\$	\$
Accounts payable and accrued liabilities	112,489	59,795
Promissory note	677,223	278,433
Convertible promissory notes	-	371,213
	789,712	709,441

Included in accounts payable and accrued liabilities as at September 30, 2022 is \$112,489 (December 31, 2021 - \$59,795) with respect to accrued interest expense and the reimbursement for key management personnel. The amounts are non-interest bearing.

17. Financial instruments and risk management**a. Fair value of financial assets and liabilities**

At September 30, 2022, the Company's cash and cash equivalents, receivables, deposits, accounts payable and accrued liabilities are classified as and measured at amortized cost. The carrying values of bank loans, promissory note, convertible promissory notes, and convertible debentures are measured at amortized cost. Their fair value approximates their carrying values due to the relatively short term to maturity of these instruments.

b. Risk management

The Company's financial instruments are exposed to certain financial risks, including credit risk, liquidity risk, market risk, foreign currency risk, and interest rate risk.

Credit risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. The risk for cash and cash equivalents 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.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it has sufficient liquidity to meet liabilities when due. As at September 30, 2022, the Company had a cash and cash equivalents of \$1,517,720 (December 31, 2021 - \$2,092,893) to settle current liabilities of \$6,116,947 (December 31, 2021 - \$2,779,433). Accounts payable have contractual maturities of less than 30 days and are subject to normal trade terms.

Market risk

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

PATHFINDER VENTURES INC. (formerly Discovery One Investment Corp.)**Notes to the Condensed Interim Consolidated Financial Statements**

For the three and nine months ended September 30, 2022 and 2021

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

17. Financial instruments and risk management (continued)*Foreign currency risk*

As at September 30, 2022, the Company's expenditures are in Canadian dollars. Any future equity raised is expected to be predominantly 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 at September 30, 2022 to interest rate risk through its financial instruments. The Company's bank loans have variable interest rates between 3.25% - 14% per annum.

18. 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 also 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 nine months ended September 30, 2022.

19. Commitments

A summary of undiscounted liabilities and future operating commitments at September 30, 2022 are as follows:

	Total	Within 1 year	2 - 5 years	Greater than 5 years
	\$	\$	\$	\$
Accounts payable and accrued liabilities	606,910	606,910	-	-
Income tax payable	1,000	1,000	-	-
Lease payments	268,389	140,148	128,241	-
Promissory note	800,000	800,000	-	-
Bank loans	6,922,191	1,767,537	5,154,654	-
Deferred revenue	822,381	822,381	-	-
Convertible debentures	2,500,000	2,500,000	-	-
	11,920,871	6,637,976	5,282,895	-

20. 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.

PATHFINDER VENTURES INC. (formerly Discovery One Investment Corp.)**Notes to the Condensed Interim Consolidated Financial Statements**

For the three and nine months ended September 30, 2022 and 2021

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

20. Segmented information (continued)

The following table presents the Company's operations by segment for the three months ended September 30, 2022.

	Corporate	Resorts	Consolidated
	\$	\$	\$
Revenues	-	1,402,325	1,402,325
Costs of sales	-	(66,613)	(66,613)
Gross margin	-	1,335,712	1,335,712
Operating expenses	539,074	917,774	1,456,848
Net income (loss) from operations	(539,074)	417,938	(121,136)
Net income (loss) and comprehensive income (loss)	(522,749)	430,752	(91,997)
Total assets	241,346	15,478,140	15,719,486
Total liabilities	3,260,661	8,380,751	11,641,412

The following table presents the Company's operations by segment for the three months ended September 30, 2021.

	Corporate	Resorts	Consolidated
	\$	\$	\$
Revenues	-	1,175,226	1,175,226
Costs of sales	-	(75,923)	(75,923)
Gross margin	-	1,099,303	1,099,303
Operating expenses	490,387	781,595	1,271,982
Net income (loss) from operations	(490,387)	317,708	(172,679)
Net income (loss) and comprehensive income (loss)	(490,110)	334,578	(155,532)
Total assets	1,529,577	14,301,246	15,830,823
Total liabilities	3,203,250	7,663,935	10,867,185

The following table presents the Company's operations by segment for the nine months ended September 30, 2022.

	Corporate	Resorts	Consolidated
	\$	\$	\$
Revenues	-	2,778,341	2,778,341
Costs of sales	-	(161,147)	(161,147)
Gross margin	-	2,617,194	2,617,194
Operating expenses	1,431,921	2,455,447	3,887,368
Net income (loss) from operations	(1,431,921)	161,747	(1,270,174)
Net income (loss) and comprehensive income (loss)	(1,416,332)	174,456	(1,241,876)
Total assets	241,346	15,478,140	15,719,486
Total liabilities	3,260,661	8,380,751	11,641,412

PATHFINDER VENTURES INC. (formerly Discovery One Investment Corp.)**Notes to the Condensed Interim Consolidated Financial Statements**

For the three and nine months ended September 30, 2022 and 2021

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

20. Segmented information (continued)

The following table presents the Company's operations by segment for the nine months ended September 30, 2021.

	Corporate	Resorts	Consolidated
	\$	\$	\$
Revenues	-	1,996,852	1,996,852
Costs of sales	-	(156,201)	(156,201)
Gross margin	-	1,840,651	1,840,651
Operating expenses	1,211,014	1,811,291	3,022,305
Net income (loss) from operations	(1,211,014)	29,360	(1,181,654)
Net income (loss) and comprehensive income (loss)	(1,207,687)	56,403	(1,151,284)
Total assets	1,529,577	14,301,246	15,830,823
Total liabilities	3,203,250	7,663,935	10,867,185

The Company's assets are located in Canada.

21. Subsequent events

During October 2022, 667,450 outstanding warrants to purchase one additional common share of the Company at \$0.22 per warrant expired.