

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022

(in Canadian Dollars)

This Management's Discussion and Analysis ("MD&A") of Pathfinder Ventures Inc. (the "Company") and its subsidiaries supplements but does not form part of the unaudited condensed interim consolidated financial statements and the notes thereto for the three and nine months ended September 30, 2023 and 2022 (collectively referred to hereafter as the "financial statements"). This MD&A provides management's comments on the Company's operations for the three and nine months ended September 30, 2023 and 2022 and the Company's financial condition as at September 30, 2023, as compared with December 31, 2022. This MD&A should be read in conjunction with the Company's audited consolidated financial statements and accompanying notes for the years ended December 31, 2022 and 2021.

The financial statements have been prepared by management in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee. All amounts are presented in Canadian dollars, the Company's presentation currency, unless otherwise stated. Other information contained in this document has been prepared by management and is consistent with the data contained in the financial statements.

The Company's certifying officers are responsible for ensuring that the financial statements and MD&A do not contain any untrue statements of a material fact or omissions of material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made. The Company's certifying officers certify that the financial statements together with the other financial information included in the filings fairly present in all material respects the financial condition, financial performance and cash flows of the Company as at the date of and for the periods presented in the filings.

In this MD&A, the words "we", "us", or "our", collectively refer to Pathfinder Ventures Inc. and its subsidiaries. The first, second, third and fourth quarters of the Company's fiscal years are referred to as "Q1", "Q2", "Q3" and "Q4", respectively. The nine months ended September 30, 2023 and 2022 are referred to as "YTD 2023" and "YTD 2022", respectively.

This MD&A takes into account information available up to the approval of the financial statements and MD&A by the Board of Directors on November 20, 2023.

The Company's Board of Directors provides an oversight role with respect to all public financial disclosures by the Company.

Management is responsible for the preparation and integrity of the Company's financial statements, including the maintenance of appropriate information systems, procedures and internal controls. Management is responsible for ensuring that information disclosed externally, including the information contained within the Company's financial statements and MD&A, is complete and reliable.

For a complete understanding of the Company's business environment, risks and uncertainties and the effect of accounting estimates on its results of operations and financial condition, this MD&A should be read together with the Company's financial statements.

Certain statements made may constitute forward-looking statements. Such statements involve a number of known and unknown risks, uncertainties and other factors. Actual results, performance and achievements may be materially different from those expressed or implied by these forward-looking statements.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

Certain statements in this document constitute forward-looking information under applicable securities legislation. Forward-looking information typically contains statements with words such as "anticipate", "believe", "estimate", "will", "expect", "plan", "intend", or similar words suggesting future outcomes or an outlook. Forward-looking information in this document includes, but is not limited to:

- our business plan and investment strategy; and
- general business strategies and objectives.

Such forward-looking information is based on a number of assumptions which may prove to be incorrect. Assumptions have been made with respect to the following matters, in addition to any other assumptions identified in this document which includes, but is not limited to:

- taxes and capital, operating, general & administrative and other costs;
- general business, economic and market conditions;
- the ability of the Company to obtain the required capital to finance its investment strategy and meet its commitments and financial obligations;
- the ability of the Company to obtain services and personnel in a timely manner and at an acceptable cost to carry out activities; and
- the timely receipt of required regulatory approvals.

Although the Company believes that the expectations reflected in such forward-looking information are reasonable, undue reliance should not be placed on them as there can be no assurance that such expectations will prove to be correct. Forward-looking information is based on expectations, estimates and projections that involve a number of risks and uncertainties which could cause actual results to differ materially than anticipated and described in the forward-looking information. The material risks and uncertainties include, but are not limited to:

- meeting current and future commitments and obligations;
- general business, economic and market conditions;
- the uncertainty of estimates and projections relating to future costs and expenses;
- changes in, or in the interpretation of, laws, regulations or policies;
- the ability to obtain required regulatory approvals in a timely manner;
- the outcome of existing and potential lawsuits, regulatory actions, audits and assessments; and
- other risks and uncertainties described elsewhere in this document.

The foregoing list of risks is not exhaustive. For more information relating to risks, see the section titled "Risk Factors" herein. The forward-looking information contained in this document is made as at the date hereof and, except as required by applicable securities law, the Company undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise.

DESCRIPTION OF BUSINESS

Pathfinder Ventures Inc. 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 as described below.

HIGHLIGHTS DURING THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2023

On August 30, 2023, the Company entered into an agreement with the convertible debenture holders to extend the maturity dates and conversion terms as well as to defer payment of the accrued interest on the tranche 1 and tranche 2 convertible debenture principal balance of \$1,235,000 and \$1,160,000, respectively. The maturity dates for both tranches were extended from July 26, 2023 to December 1, 2023. All other terms of the convertible debenture remain the same. Concurrently, the Company settled \$105,000 of tranche 1 convertible debt principal plus \$5,207 of accrued interest with 2,755,173 common share units having terms identical to the share units issued in the private placement discussed below.

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On August 31, 2023, the Company issued 10,000,000 units of common shares at a price of \$0.04 per unit for gross proceeds of \$400,000. Each unit is comprised of one common share and one-half of a warrant, a whole warrant exercisable to purchase a common share at a price of \$0.08 until February 28, 2025. If the shares trade or close at \$0.15 or higher for ten consecutive days after January 1, 2024, the Company may accelerate the expiry of the warrants by giving notice via news release and thereafter the warrants will automatically expire on the 30th day after such news release. An aggregate of \$10,080 and 252,000 warrants having the same terms as the private placement share unit warrants were issued in payment of finder fees.

Insiders of the Company purchased an aggregate of 3,837,500 units, representing 38.4% of the total share units sold pursuant to the offering, or 5.59% of the issued and outstanding shares following closing. The Company also granted 1,860,000 stock options to officers, directors, and consultants to the Company. These options have an exercise price of \$0.08, no vesting period and an expiry date of August 31, 2028.

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

On September 11, 2023, the Company entered into its first management services agreement with a newly constructed Mid-Coast RV Park located on the Sunshine Coast of British Columbia. The contract is expected to contribute to the Company's cash flow and brand growth.

HIGHLIGHTS SUBSEQUENT TO SEPTEMBER 30, 2023

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

On November 11, 2023, the Company received the remaining outstanding proceeds of \$10,000 from the private placement completed on August 28, 2023.

SELECTED FINANCIAL INFORMATION

The following table summarizes selected data derived from the financial statements:

	September 30, 2023	June 30, 2023	December 31, 2022
	\$	\$	\$
Cash	656,000	446,321	982,482
Receivables	315,398	340,840	116,417
Total assets	14,397,934	14,441,439	14,981,040
Current liabilities	5,606,185	6,102,538	9,251,809
Total liabilities	12,087,039	12,840,788	11,904,835
Working capital deficiency	4,536,856	5,181,785	8,102,325

During the three-month period ended September 30, 2023, the Company completed a private placement with gross proceeds of \$400,000, of which \$10,000 was outstanding for collection as at September 30, 2023. The proceeds helped add to the company's working capital and advance various business development opportunities in the pipeline, which included the expansion of the Agassiz campground and a First Nations partnership to develop a new RV resort in the southern British Columbia.

The decreased working capital deficiency of \$3,565,469 from the last year-end is a result of successful refinancing and consolidation of the Parksville mortgage loans with an increased loan value and the concurrent settlement of \$375,578 of debenture interest in the prior quarter. The improvement in the working capital position by \$646,688 from June 30, 2023, is a result of increased cash, decreased trade payables and the settlement of \$110,207 of convertible debenture and accrued interest in shares during the current quarter.

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The Company's YTD cash position was significantly impacted by payment of interest on convertible debenture as well as the financing, legal and additional interest costs associated with refinancing the Parksville mortgages and extending the corporate debt instruments, respectively, in the previous quarter. The cash position in Q2 was further impacted by softer revenues in April and May, which was offset by stronger revenues in the months of July and August. In both Q2 and Q3, the company generated positive cash flow from operating activities by strategically managing the cash flow, which included renegotiation of payment terms with creditors and promoting advanced reservations for increased deposit collection.

The Company's total assets decreased by \$583,106 from the last year-end as a result of a decrease in cash by \$326,482 and depreciation on the property and equipment, slightly offset by an increase in the receivables comprising mainly of payment processor holdbacks.

The Company's total liabilities increased by \$182,204 from the last year-end. This increase is primarily attributed to the ongoing accrual of interest on the promissory note and the accrual of licensing fees related to the company's leasehold interest. These increases were partially offset by a decrease in the convertible debenture balance of \$155,115, which was a result from settlement of accrued interest and principal balance of \$396,681 and \$105,000, respectively, with an offset by additional accrued interest post-settlement and other accounting adjustments.

The following table summarizes selected financial data derived from the financial statements for the three and nine months ended September 30, 2023 and 2022:

	Q3 2023	Q3 2022	YTD 2023	YTD 2022
	\$	\$	\$	\$
Revenues	1,544,628	1,402,325	2,894,556	2,778,341
Gross profit	1,463,913	1,335,712	2,707,746	2,617,194
Operating expenses	1,561,240	1,456,848	4,075,096	3,887,368
Net loss from operations	(97,327)	(121,136)	(1,367,350)	(1,270,174)
Net loss and comprehensive loss	(32,561)	(91,997)	(1,315,051)	(1,241,876)
Net loss per share - basic and diluted	(0.00)	(0.00)	(0.02)	(0.02)

The revenue for the three months ended September 30, 2023 increased by 11% or \$142,303 in comparison to the prior year same period. July and August of 2022 were impacted by an unusually high mosquito season in the Fort Langley location which had followed a Provincial-wide winter flood that increased standing water levels. 2023 experienced a normal summer season which resulted in normalization of the peak season revenues. The Parksville and Agassiz locations performed in par with the prior year, evidencing the continuing demand for Pathfinder camp resorts as summer destinations.

The revenue for the nine months ended September 30, 2023 increased by 6% or \$116,215 from the prior year same period, contributed largely by strong Q3 results and the year-on-year uplift in the winter season occupancy in Q1, partially offset by the softer Q2 results. Management is forecasting a softer Q4 winter occupancy outlook, which is likely to lead to a lower full-year revenue compared to the prior year. The softer occupancy is driven by a number of possible factors, such as customers preferring to travel to the south of the border after a long travel restriction during the pandemic and the changing life circumstances of the existing winter stay customers.

The net loss from operations for the nine months ended September 30, 2023 was comparable to that of the prior year period, with a slight increase in the current year due to softer Q2 results. The results are discussed in detail below.

A summary of quarterly results is as follows:

	Q3 2023	Q2 2023	Q1 2023	Q4 2022
	\$	\$	\$	\$
Total revenues	1,544,628	845,240	504,688	592,537
Net loss and comprehensive loss	(32,561)	(555,138)	(727,352)	(1,013,398)
Net loss per share - basic and diluted	-	(0.01)	(0.01)	(0.02)

	Q3 2022	Q2 2022	Q1 2022	Q4 2021
	\$	\$	\$	\$
Total revenues	1,402,325	916,938	459,078	465,575
Net loss and comprehensive loss	(91,997)	(401,621)	(748,258)	(2,218,603)
Net loss per share - basic and diluted	(0.00)	(0.01)	(0.01)	(0.04)

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The increased year-on-year revenue in Q3 was mainly driven by the normalization of the extreme weather conditions in the Fort Langley property. The revenues for the other properties remained largely at par with the prior year. A number of factors could have contributed to the decreased revenue in Q2, such as weather, increased international travel, return to office, and reduced disposable income. Increased revenue in Q1 was a result of a successful buildout of winter stay programs in the newer locations of Agassiz and Parksville.

Due to the seasonality of the camping business, the Company's highest occupancy and revenue are seen during the summer months of June through September. Whereas an extension of the camping demand to the shoulder months was seen in 2022 due to favorable weather conditions and the general trend for outdoor hospitality, 2023 saw a reversing trend, leading to lower occupancy in the months of April, May and September. The peak months of June, July and August continue to see full occupancy. A longer time horizon is required to assess the post-pandemic stabilized trend of seasonality in camping.

2023 HIGHLIGHTS AND OVERALL PERFORMANCE**RESULTS OF OPERATIONS**

	Q3 2023	Q3 2022	YTD 2023	YTD 2022
	\$	\$	\$	\$
Revenues	1,544,628	1,402,325	2,894,556	2,778,341
Costs of sales	(80,715)	(66,613)	(186,810)	(161,147)
Gross profit	1,463,913	1,335,712	2,707,746	2,617,194
Operating expenses				
Accretion expense	54,721	25,573	179,586	73,589
Consulting expense	11,372	8,475	41,655	41,708
Depreciation expense	187,367	199,323	560,952	583,541
Financing costs	12,140	-	15,140	6,085
General and administrative	43,459	44,266	134,301	127,933
Insurance	19,747	16,497	60,512	49,192
Interest expense	241,058	190,082	678,138	509,018
Investor relations	21,000	28,700	76,200	61,127
Lease expense	23,764	16,725	38,734	35,431
Legal and professional fees	123,097	116,709	297,781	292,457
Marketing	28,464	48,052	60,417	102,137
Property costs	209,595	150,135	454,613	484,118
Property taxes	16,039	12,923	38,323	34,025
Salaries and benefits	505,627	507,511	1,349,749	1,231,716
Share-based compensation	49,594	80,703	49,594	219,050
Supplies	14,196	11,174	39,401	36,241
	1,561,240	1,456,848	4,075,096	3,887,368
Net loss from operations	(97,327)	(121,136)	(1,367,350)	(1,270,174)
Other income (expenses)				
Foreign exchange loss	(479)	(293)	(1,694)	(1,687)
Gain on debt extinguishment	-	16,325	-	16,325
Gain on debt modification	68,007	-	27,148	-
Loss on disposition of assets	(16,994)	-	(16,994)	-
Other expense	(1,556)	-	(3,142)	-
Other income	15,788	13,107	46,981	13,660
Net loss and comprehensive loss	(32,561)	(91,997)	(1,315,051)	(1,241,876)

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Results of operations for Q3 2023 compared to Q3 2022

The Company reported a reduced net loss and comprehensive loss of \$32,561 compared to \$91,997 in the prior year comparable period. The primary drivers of this decrease in the net loss and comprehensive loss were as follows:

- Revenue was \$1,544,628 compared to \$1,402,325 in the prior year comparable period largely due to the normalization of the extreme weather condition in the Fort Langley location which negatively impacted prior year revenue.
- Marketing expense was \$28,464 compared to \$48,052 in the prior year comparable period. Additional expenses were incurred to market the Company's shares in various PR channels in the prior year period.
- Depreciation expense was \$187,367 compared to \$199,323 in the prior year comparable period as a result of disposition of assets during the current year period.
- Share-based compensation expense was \$49,594 compared to \$80,703 in the prior year comparable period. The fair value of the stock options granted during the current year was significantly lower compared to that of the stock options vested during the prior year period.
- Gain on debt modification was \$68,007 compared to \$nil in the prior year comparable period as a result of revaluation on extension of convertible debentures in the current year.

Offsetting the decrease in the net loss and comprehensive loss were increases to certain expenses as follows:

- Property costs increased to \$209,595 from \$150,135 in the prior year comparable period. Property costs comprise of maintenance, waste removal and utility costs. The increase was driven by increased wastewater treatment costs at one of the sites, which are expected to reduce significantly once an upgrade is made to the current equipment.
- Interest expense increased to \$241,058 from \$190,082 in the prior year comparable period as a result of the newly refinanced mortgage loan at Parksville location that bears a higher interest rate and loan value, as well as the annual compounding and amendment of the interest rate by an additional 2% on promissory notes.
- Financing costs increased to \$12,140 from \$nil in the prior year comparable period. The Company incurred fees in connection to the extension of the mortgage loan at the Agassiz location pertaining to the expanded land position.
- Accretion expense increased by \$29,148 to \$54,721 in the current year as a result of modifications of promissory notes and convertible debt agreements.

Results of operations for YTD 2023 compared to YTD 2022

The Company reported an increased net loss and comprehensive loss of \$1,315,051 compared to \$1,241,876 in the prior year comparable period. This was a result of increased operating expenses as explained below, partially offset by the increased revenue year-over-year.

- Interest expense increased to \$678,138 from \$509,018 in the prior year comparable period, as a result of the new mortgage loan at Parksville location entered into in April 2023 that bears higher interest rate and loan value, as well as the amendment of the interest rate by additional 2% on promissory notes and convertible debentures during the interest payment extension period.
- Salaries and benefits increased to \$1,349,749 from \$1,231,716 in the prior year comparable period due to additional full-time and seasonal labor hired in the current year to support the increased corporate and resort activities.
- Investor relations expense increased to \$76,200 compared with \$61,127 in the prior year comparable period. This expense includes fees paid to consultants for their direct solicitation of investment in the Company.
- Insurance costs increased to \$60,512 from \$49,192 due to the cost inflation impacting the insurance quotes for the current year.
- Financing costs increased to \$15,140 from \$6,085 in the prior year comparable period. The Company incurred the fees in connection to the extension of the mortgage loan at the Agassiz location pertaining to the expanded land position.
- General and administrative expense increased to \$134,301 from \$127,933 in the prior year comparable period as a result of additional office supply purchases as well as increased vehicle expense, partially offset by reduced travel costs.
- Accretion expense increased to \$179,586 from \$73,589 in the prior year comparable period as a result of modifications of promissory notes and convertible debt agreements.

Offsetting the increase in the net loss and comprehensive loss were decreases to certain expenses as follows:

- Revenue increased to \$2,894,556 compared to \$2,778,341 in the prior year comparable period as a result of higher occupancy during the summer months from July to August in the current year compared to the prior year period, largely due to the normalization of the mosquito season in the Fort Langley location.
- Depreciation expense decreased to \$560,952 from \$583,541 in the prior year comparable period as a result of declining balance accounting and disposition of assets during the current year period.

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- Marketing decreased to \$60,417 from \$102,137 in the prior year comparable period. Additional expenses were incurred to design brochures and maps for the camp locations and for news releases and marketing in various PR channels in the prior year period.
- Property costs decreased to \$454,613 from \$484,118 in the prior year comparable period. Maintenance and operational costs of the properties were lower due to decreased maintenance requirements in the current year period as well as additional site development and construction costs incurred during the prior year period. This decrease was partially offset by increased wastewater treatment costs at one of the sites, which are expected to reduce significantly once an upgrade is made to the current equipment.
- Share-based compensation expense was \$49,594 compared to \$219,050 in the prior year comparable period. The fair value of the stock options granted during the current year was significantly lower compared to that of the stock options vested during the prior year period.
- Gain on debt modification increased to \$27,148 from \$nil in the prior year comparable period as a result of a revaluation on the extension of convertible debentures in the current year.

Sources and uses of cash and cash equivalents

	Q3 2023	Q3 2022	YTD 2023	YTD 2022
	\$	\$	\$	\$
Cash (used in) provided by operating activities	42,375	171,779	(102,502)	560,229
Cash used in investing activities	(12,870)	(42,341)	(82,037)	(1,188,268)
Cash (used in) provided by financing activities	180,174	(187,838)	(141,943)	52,866
Change in cash during the period	209,679	(58,400)	(326,482)	(575,173)
Cash, beginning of the period	446,321	1,576,120	982,482	2,092,893
Cash, end of the period	656,000	1,517,720	656,000	1,517,720

Cash provided by operating activities in the current quarter was a result of strong revenue results and partial release of payment processor holdback, recorded as part of receivables. YTD cash used in operating activities is due to the increased processor holdback since the prior year-end.

Cash used in investing activities were a result of investments in property and equipment for camp resort site improvements. Reduced investments in YTD 2023 are due to a reduced requirement for capital expenditure after fully completing site development and set-up activities in YTD 2022. Expenditures on property and equipment in YTD 2022 comprised of acquisition of land, equipment as well as renovation of buildings and other facilities at the Agassiz location.

Cash provided by financing activities during Q3 2023 comprised of proceeds from private placement of units completed in August 2023 of \$390,000, partly offset by share issuance and debt servicing costs. Cash used in financing activities includes repayment of mortgages, new mortgage proceeds, transaction costs, interest paid on mortgages and debentures, and lease payments. During YTD 2023, the Company repaid the overdue interest and the resulting additional interest of the tranche 1 and tranche 2 convertible debentures, in the amounts of \$197,109 and \$178,469, respectively. The payments were made using the proceeds obtained from refinancing of the Parksville mortgages. In addition to the convertible debenture interest, the Company paid \$384,523 of YTD interest on its mortgage loans.

USE OF NON-IFRS FINANCIAL MEASURES

Adjusted EBITDA is defined as earnings before finance expense, interest expense, depreciation, amortization, any unusual, non-core, items and certain non-cash or one-time items. The Company considers its main operating activities to be the core business operations and management of its operating subsidiaries. Costs related to strategic initiatives such as business acquisitions, integration of newly acquired businesses and restructuring are considered non-core.

The non-cash adjustments are expenses incurred during the period which are not the result of the main operating activities of the Company or are related to the financing of these activities. Other expenses are unusual, non-core, non-cash or one-time insignificant items included within "other income" on the consolidated statements of income (loss) that are not related to the main operating activities.

While adjusted EBITDA is not a recognized measure under IFRS, management believes that it is a useful supplemental measure as it provides management and investors with an insightful indication of the performance of the Company. Adjusted EBITDA is an assessment of the normalized results and cash generated by the main operating activities, prior to the consideration of how these activities are financed or taxed as a facilitator for valuation and a proxy for cashflow. Management applies adjusted EBITDA in its operational decision making as an indication of the financial performance of its main operating activities.

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Investors should be cautioned, however, that adjusted EBITDA should not be construed as an alternative to a statement of cash flows as a measure of liquidity and cash flows. The methodologies we use to determine adjusted EBITDA may differ from those utilized by other issuers or companies and, accordingly, adjusted EBITDA as used in this MD&A may not be comparable to similar measures used by other issuers or companies. Readers are cautioned that adjusted EBITDA should not be construed as an alternative to net income (loss) determined in accordance with IFRS as indicators of an issuer's performance or to cash flows from operating, investing and financing activities as measures of liquidity and cash flows.

The following table reconciles adjusted EBITDA from loss before income tax, which is the most directly comparable measure calculated in accordance with IFRS:

	Q3 2023	Q3 2022	YTD 2023	YTD 2022
	\$	\$	\$	\$
Net loss and comprehensive loss	(32,561)	(91,997)	(1,315,051)	(1,241,876)
Add (deduct) impact of:				
Accretion expense	54,721	25,573	179,586	73,589
Depreciation expense	187,367	199,323	560,952	583,541
Financing costs	12,140	-	15,140	6,085
Interest expense	241,058	190,082	678,138	509,018
Share-based compensation	49,594	80,703	49,594	219,050
Foreign exchange loss	479	293	1,694	1,687
Gain on debt extinguishment	-	(16,325)	-	(16,325)
Gain on debt modification	(68,007)	-	(27,148)	-
Loss on disposition of assets	16,994	-	16,994	-
Other expense	1,556	-	3,142	-
Other income	(15,788)	(13,107)	(46,981)	(13,660)
Adjusted EBITDA	447,553	374,545	116,060	121,109

The Company's EBITDA in the current quarter was largely impacted by strong revenue results in the summer months from July and August. The increased revenue year-on-year was offset largely by increased salaries and benefits as well as investor relations, insurance, and filing/regulatory costs.

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.

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

	Q3 2023	Q3 2022	YTD 2023	YTD 2022
	\$	\$	\$	\$
Interest expense	23,765	32,521	77,957	52,356
Legal and professional fees	-	3,420	4,860	77,420
Salaries and benefits	103,846	97,984	328,996	240,950
Share-based compensation	35,996	54,050	35,996	152,633
	163,607	187,975	447,809	523,359

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

	September 30, 2023	December 31, 2022
	\$	\$
Receivables	10,137	-
Accounts payable and accrued liabilities	209,189	128,705
Promissory notes	700,000	694,215
Convertible debentures	108,480	107,785

Included in accounts payable and accrued liabilities as at September 30, 2023 is accrued interest of \$209,189 (December 31, 2022 - \$124,164) with respect to promissory notes and convertible debentures.

LIQUIDITY, CAPITAL RESOURCES AND GOING CONCERN

The Company has financed its operations primarily through the issuance of common shares and debt financing. The Company continues to seek capital through various means, including the issuance of equity and/or debt. The Company's financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. As at September 30, 2023, the Company had a working capital deficiency of \$4,536,856 (December 31, 2022 - \$8,102,325) and has an accumulated deficit of \$7,383,340 (December 31, 2022 - \$6,068,289). As at September 30, 2023, the Company had a cash balance of \$656,000 (December 31, 2022 - \$982,482) to settle current liabilities of \$5,606,185 (December 31, 2022 - \$9,251,809). With the exception of the promissory notes, convertible debentures, mortgages and lease liabilities, all of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

OUTSTANDING SHARE DATA

The authorized capital of the Company consists of an unlimited number of common shares without par value. As at September 30, 2023 and the date of this MD&A, the Company had the following outstanding:

	September 30, 2023	Date of the MD&A
	#	#
Common shares	68,681,976	68,681,976
Options	5,326,058	5,326,058
Warrants	6,377,587	6,377,587

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements as at September 30, 2023 or at the date of this MD&A.

CONTINGENT LIABILITIES

The Company has no contingent liabilities as at September 30, 2023 or at the date of this MD&A.

INVESTOR RELATIONS

Starting January 1, 2023, the Company engaged Oak Hill Financial Inc. to support the company with Investor Relations and Corporate Communications for a fee of \$8,000 per month, for an initial term of three months. The contract was put on hold in April 2023 until reactivation at the Company's discretion.

PROPOSED TRANSACTIONS

The Company has no undisclosed proposed transactions as at September 30, 2023 or at the date of this MD&A.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

a) Fair value of financial assets and liabilities

As at September 30, 2023, the Company's cash, receivables, accounts payable and accrued liabilities approximate their respective fair values due to the short-term nature. These financial instruments and the carrying values of mortgages, promissory notes, and convertible debentures are classified as and measured at amortized cost.

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 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 are due within 90 days; management has reviewed these accounts and believe that all balances are collectable net of the bad debt allowance. As at September 30, 2023, the Company has determined an allowance relating to the accounts to be \$nil given its historical collection record. Included in the receivables are holdbacks which are portions of payments held by the Company's processors from credit card sales. The counterparties retaining the holdbacks are comprised of highly rated Canadian financial institutions and a large global provider of financial services technology. As at September 30, 2023, the Company has determined that the credit risk exposure associated with holdbacks 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, 2023, the Company had a cash balance of \$656,000 (December 31, 2022 - \$982,482) to settle current liabilities of \$5,606,185 (December 31, 2022 - \$9,251,809). 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.

Foreign currency risk

As at September 30, 2023, the majority of 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 as at September 30, 2023 to interest rate risk through its financial instruments. The Company holds mortgages which have fixed and variable interest rates between 3.25% - 10.45% per annum.

CAPITAL RISK MANAGEMENT

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

The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company has in place a planning, budgeting and forecasting process which is used to identify the amount of funds required to ensure the Company has appropriate liquidity to meet short and long-term operating objectives. The Company is dependent on cash flows generated from operation and financing to fund its activities. In order to maintain or adjust its capital structure, the Company may issue new shares or debt. There have been no changes to the Company's approach to capital management during the nine months ended September 30, 2023.

INTERNATIONAL FINANCIAL REPORTING STANDARDS

The financial statements for the three and nine months ended September 30, 2023 and 2022 have been prepared in accordance with IFRS as issued by the IASB. The Company's significant accounting policies are described in Note 3 of the Company's annual audited consolidated financial statements for the years ended December 31, 2022 and 2021.

RISK FACTORS

For a detailed listing of the risk factors faced by the Company, please refer to the Company's MD&A for the years ended December 31, 2022 and 2021 and the Company's most recently available Annual Information Filing on SEDAR+ (www.sedarplus.ca).

CRITICAL ACCOUNTING ESTIMATES, JUDGEMENTS AND ASSUMPTIONS

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

The accounting estimates, judgements and assumptions used in the preparation of the financial statements are consistent with those applied and disclosed in Note 3 to the annual audited consolidated financial statements for the years ended December 31, 2022 and 2021.

OTHER INFORMATION

Additional information about the Company is available on the Company's website at <https://pathfinderventures.ca/> and at www.sedarplus.ca.