

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023

(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, 2024 and 2023 (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, 2024 and 2023 and the Company's financial condition as at September 30, 2024, as compared with December 31, 2023. 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, 2023 and 2022 (the "Annual Financial Statements").

The Financial Statements have been prepared by management in accordance with International Financial Reporting Standards ("IFRS Accounting Standards") as issued by the International Accounting Standards Board, including International Accounting Standards ("IAS") 34 *Interim Financial Reporting*. All amounts are presented in Canadian dollars, the Company's presentation currency, unless otherwise stated. The functional currency of the Company and its subsidiaries is disclosed in the notes to the Financial Statements. 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 a 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, 2024 and 2023 are referred to as "YTD 2024" and "YTD 2023", 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 28, 2024 (the "MD&A Date").

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.

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.

PATHFINDER VENTURES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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 include, but are 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 and Uncertainties" 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 and management services for third-party recreation parks.

HIGHLIGHTS DURING THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2024

On February 5, 2024, the Company completed a non-brokered private placement of 6,250,000 common shares at a price of \$0.08 per share for gross proceeds of \$500,000. No fees were paid in connection with the private placement.

On March 1, 2024, the Company entered into new agreements with the former convertible debenture holders to amend the terms of the original convertible debentures issued in 2021 such that the amendment was treated as debt extinguishment and new financial liabilities were recognized. The new debentures have principal balance of \$2,395,000, are unsecured, accrue simple interest at 10% per annum and mature on March 1, 2026.

On April 5, 2024, the Company granted 800,000 stock options to employees, directors, officers, and consultants of the Company at an exercise price of \$0.20. The stock options expire April 5, 2029 and vested immediately.

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

On September 13, 2024, the Company completed the first tranche of a private placement of 7,000,000 units at a price of \$0.10 per unit for gross proceeds of \$700,000. The Company intends to use the net proceeds of the private placement for general working capital, to support current RV resort developments and expansions, and to advance acquisition opportunities within its pipeline, consisting of RV resorts and lifestyle communities.

PATHFINDER VENTURES INC.**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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

SUMMARY QUARTERLY PERFORMANCE

A summary of the Company's financial results over the last eight most recently completed quarters is as follows:

	Q3 2024	Q2 2024	Q1 2024	Q4 2023
	\$	\$	\$	\$
Total revenues	1,576,911	852,646	453,396	471,956
Net income (loss) and comprehensive income (loss)	68,119	(557,031)	(781,868)	(757,525)
Net income (loss) per share - basic and diluted	0.00	(0.02)	(0.04)	(0.04)
	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	0.00	(0.04)	(0.05)	(0.07)

The revenues in Q3 2024 are consistent with the revenues in Q3 2023. 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. As a result, the Company recognizes its highest revenue in the second and third quarters every year. The Company reported net income and comprehensive income of \$68,119 in Q3 2024 as a result of lower salaries and benefits as compared to prior periods as well as lower share-based compensation, depreciation and property costs.

RESULTS OF OPERATIONS

	Q3 2024	Q3 2023	YTD 2024	YTD 2023
			\$	\$
Revenues	1,576,911	1,544,628	2,867,953	2,894,556
Management services revenue	-	-	15,000	-
Costs of sales	(82,039)	(80,715)	(194,781)	(186,810)
Gross profit	1,494,872	1,463,913	2,688,172	2,707,746
Operating expenses				
Accretion expense	29,620	54,721	123,594	179,586
Consulting expense	17,834	11,372	35,616	41,655
Depreciation expense	163,567	187,367	502,167	560,952
Financing costs	-	12,140	-	15,140
General and administrative	44,695	43,459	138,169	134,301
Insurance	26,643	19,747	68,211	60,512
Interest expense	259,572	241,058	712,908	678,138
Investor relations	36,000	21,000	66,000	76,200
Lease expense	27,518	23,764	42,145	38,734
Legal and professional fees	147,452	123,097	450,093	297,781
Marketing	44,914	28,464	97,936	60,417
Property costs	114,562	209,595	357,403	454,613
Property taxes	17,618	16,039	46,478	38,323
Salaries and benefits	490,827	505,627	1,261,910	1,349,749
Share-based compensation	-	49,594	53,213	49,594
Supplies	18,986	14,196	44,235	39,401
	1,439,808	1,561,240	4,000,078	4,075,096
Net income (loss) from operations	55,064	(97,327)	(1,311,906)	(1,367,350)
Other income (expenses)				
Foreign exchange loss	(1,549)	(479)	(2,034)	(1,694)
Gain on debt modification	-	68,007	-	27,148
Gain (loss) on disposition of property and equipment	-	(16,994)	156	(16,994)
Other expense	-	(1,556)	-	(3,142)
Other income	14,604	15,788	43,004	46,981
Net income (loss) and comprehensive income (loss)	68,119	(32,561)	(1,270,780)	(1,315,051)

Q3 2024 compared to Q3 2023

The Company's net income and comprehensive income was \$68,119 compared to net loss and comprehensive loss of \$32,561 in the prior year comparable period. The primary drivers of this change were as follows:

- Accretion expense decreased to \$29,620 compared to \$54,721 in the prior year comparable period due to the extinguishment of convertible debentures and issuance of the replacement debentures on March 1, 2024.
- Depreciation expense decreased to \$163,567 compared to \$187,367 in the prior year comparable period due to a decrease in right-of-use asset depreciation associated with the termination of a lease on February 29, 2024.
- Property costs decreased to \$114,562 compared to \$209,595 in the prior year comparable period. Property costs include maintenance, waste removal, and utility costs. Maintenance and operational costs of the properties were higher in the prior year comparable period due to increased maintenance requirements during Q3 2023.
- Share-based compensation decreased to \$nil compared to \$49,594 in the prior year comparable period as a result of the issuance of stock options on August 31, 2023 which vested immediately.

Partially offsetting the decrease in the net loss and comprehensive loss was an increase in legal and professional fees to \$147,452 compared to \$123,097 in the prior year comparable period, largely due to additional expenses for capital raise consulting services and the fees paid to the new Chief Financial Officer ("CFO") which are recorded under legal and professional expenses in the current period.

The Company's gross profit has remained relatively stable period over period, and this is in line with management's expectations considering the seasonality of the camping business.

YTD 2024 compared to YTD 2023

The Company's net loss and comprehensive loss decreased to \$1,270,780 compared to \$1,315,051 in the prior year comparable period. The primary drivers of this decrease in net loss and comprehensive loss were as follows:

- Accretion expense decreased to \$123,594 compared to \$179,586 in the prior year comparable period due to the extinguishment of convertible debentures and issuance of the replacement debentures on March 1, 2024.
- Depreciation expense decreased to \$502,167 compared to \$560,952 in the prior year comparable period due to a decrease in right-of-use asset depreciation associated with the termination of a lease on February 29, 2024.
- Property costs decreased to \$357,403 compared to \$454,613 in the prior year comparable period. Property costs include maintenance, waste removal and utility costs. Maintenance and operational costs of the properties were lower due to decreased maintenance requirements in the current year period.
- Salaries and benefits decreased to \$1,261,910 compared to \$1,349,749 due to the previous CFO resigning in December 2023. Consulting fees paid to the new CFO are recorded under legal and professional expenses in the current period.

Partially offsetting the increase in the net loss and comprehensive loss was increases to certain expenses as follows:

- Legal and professional fees increased to \$450,093 compared to \$297,781 in the prior year comparable period largely due to additional legal services required for the revision on lending agreements, capital raise consulting and the fees paid to the CFO which are recorded under legal and professional expenses in the current period.
- Marketing increased to \$97,936 compared to \$60,417 in the prior year comparable period largely due to the launch of new advertising campaigns in the current period.

Revenue and gross profit were relatively consistent period over period and were in line with management's expectations when considering seasonality. During the nine months ended September 30, 2024, the Company recorded \$15,000 in management services revenue associated with services provided to third-party recreation parks. The Company does not anticipate that this additional revenue stream will materially increase revenue in the future.

PATHFINDER VENTURES INC.**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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

SOURCES AND USES OF CASH AND CASH EQUIVALENTS

A summary of the Company's cash flows is as follows:

	YTD 2024	YTD 2023
	\$	\$
Cash provided by (used in) operating activities	151,462	(102,502)
Cash used in investing activities	(228,499)	(82,037)
Cash provided by (used in) financing activities	293,648	(141,943)
Change in cash	216,611	(326,482)
Cash, beginning of the period	456,100	982,482
Cash, end of the period	672,711	656,000

Cash provided by operating activities was \$151,462 in the current period compared to cash used in operating activities of \$102,502 in the prior year comparable period. The increase in cash provided by operating activities was mainly due to improved working capital management resulting in an increased cash inflow.

Cash outflows for investing activities increased in the current period mainly due to higher purchases of property and equipment in the current year period.

Cash provided by financing activities was \$293,648 in the current period compared to cash used of \$141,943 in the prior year comparable period. During the current period, the Company received higher proceeds from the issuance of units and common shares through a non-brokered private placement, which was partially offset by repayment of mortgages and promissory notes as well as lease payments. In the prior year comparable period, the Company used cash in the repayment of mortgages and convertible debentures as well as lease payments, which was partially offset by proceeds received from mortgages.

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" and "other expense" on the consolidated statements of profit or loss that are not related to the main operating activities.

While Adjusted EBITDA is not a recognized measure under IFRS Accounting Standards, 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.

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 Accounting Standards as indicators of an issuer's performance or to cash flows from operating, investing and financing activities as measures of liquidity and cash flows.

PATHFINDER VENTURES INC.**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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

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

	Q3 2024	Q3 2023	YTD 2024	YTD 2023
	\$	\$	\$	\$
Net income (loss) and comprehensive income (loss)	68,119	(32,561)	(1,270,780)	(1,315,051)
Add (deduct) impact of:				
Accretion expense	29,620	54,721	123,594	179,586
Depreciation expense	163,567	187,367	502,167	560,952
Financing costs	-	12,140	-	15,140
Interest expense	259,572	241,058	712,908	678,138
Foreign exchange loss	1,549	479	2,034	1,694
Gain on debt modification	-	(68,007)	-	(27,148)
Loss (gain) on disposition of property and equipment	-	16,994	(156)	16,994
Other expense	-	1,556	-	3,142
Other income	(14,604)	(15,788)	(43,004)	(46,981)
Adjusted EBITDA	507,823	397,959	26,763	66,466

The Company's Adjusted EBITDA in the current year was impacted by lower depreciation expense and lower accretion expense that resulted from a revaluation on the extension of convertible debentures, partially offset by higher interest expense resulting from the new mortgage loan at the Parksville location.

RELATED PARTY TRANSACTIONS

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

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

	Q3 2024	Q3 2023	YTD 2024	YTD 2023
	\$	\$	\$	\$
Interest expense	23,034	25,526	70,273	79,718
Legal and professional fees	21,000	-	63,000	4,860
Salaries and benefits	69,231	103,846	230,769	328,996
Share-based compensation	-	35,996	37,581	35,996
	113,265	165,368	401,623	449,570

During the three months ended September 30, 2024 and 2023, related party transactions with executive key management personnel included:

- Legal and professional fees of \$21,000 (2023 - \$nil) provided by Manning Lee Management Ltd, an entity controlled by the Company's Chief Financial Officer.
- Salaries and benefits of \$69,231 (2023 - \$103,846) paid to the Company's Chief Executive Officer and Chief Operating Officer during the current period. The prior period amount includes compensation paid to the Chief Executive Officer and Chief Operating Officer, and the previous CFO of the Company.

During the nine months ended September 30, 2024 and 2023, related party transactions with executive key management personnel included:

- Legal and professional fees of \$63,000 (2023 - \$4,860) provided by Manning Lee Management Ltd, an entity controlled by the Company's Chief Financial Officer.
- Salaries and benefits of \$230,769 (2023 - \$328,996) provided by the Company's Chief Executive Officer and Chief Operating Officer during the current year. The prior year amount includes compensation paid to the Chief Executive Officer and Chief Operating Officer, and the previous CFO of the Company.

PATHFINDER VENTURES INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the three and nine months ended September 30, 2024 and 2023

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

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

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

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

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, 2024, the Company had a working capital deficiency of \$2,059,719 (December 31, 2023 - \$4,930,409) and has an accumulated deficit of \$9,411,645 (December 31, 2023 - \$8,140,865).

OUTSTANDING SHARE DATA

The authorized capital of the Company consists of an unlimited number of common shares without par value. A summary of the Company's outstanding securities is as follows:

	September 30, 2024	MD&A Date
	#	#
Common shares	30,420,501	30,420,501
Options	2,126,515	2,126,515
Warrants	5,451,397	5,451,397

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements as at September 30, 2024 or at the MD&A Date.

PROPOSED TRANSACTIONS

The Company has no undisclosed proposed transactions as at September 30, 2024 or at the MD&A Date.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair value of financial assets and liabilities

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

PATHFINDER VENTURES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

Risk management

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

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

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

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

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 has remained unchanged since incorporation.

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

ACCOUNTING POLICIES, CRITICAL ESTIMATES, JUDGEMENTS AND ASSUMPTIONS

Material accounting policies

The Company's material accounting policies are described in Note 3 to the Annual Financial Statements.

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

Disclosure of accounting policies - amendments to IAS 1 and IFRS Practice Statement 2

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

Classification of liabilities as current or non-current - amendments to IAS 1

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

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

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

Definition of accounting estimates - amendments to IAS 8

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

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

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

Significant accounting judgments and sources of estimation uncertainty

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

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

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

RISKS AND UNCERTAINTIES

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, 2023 and 2022 on SEDAR+ at www.sedarplus.ca.

OTHER INFORMATION

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