PATHFINDER VENTURES INC.

Consolidated Financial Statements

For the years ended December 31, 2023 and 2022

(Expressed in Canadian dollars)

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INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF PATHFINDER VENTURES INC.

Opinion

We have audited the consolidated financial statements of Pathfinder Ventures Inc. and its subsidiaries (collectively the "Company"), which comprise:

- the consolidated statements of financial position as at December 31, 2023 and 2022;
- the consolidated statements of loss and comprehensive loss for the years then ended;
- the consolidated statements of cash flows for the years then ended;
- the consolidated statements of changes in shareholders' equity for the years then ended; and
- the notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company incurred a net loss of $2,072,576 during the year ended December 31, 2023, and, as of that date, the Company's working capital deficiency is $4,930,409. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined that there are no key audit matters to communicate in our auditors' report.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditors' report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Michelle Chi Wai So.

Smythe LLP

Chartered Professional Accountants

Vancouver, British Columbia
April 29, 2024

PATHFINDER VENTURES INC.
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

	Note	**December 31, 2023**	December 31, 2022
		$	$
ASSETS			
Current			
Cash		**456,100**	982,482
Prepaid expenses	5	**95,416**	18,673
Inventory		**21,130**	21,677
Receivables	6,17	**311,409**	116,417
Current portion of deposits	7	**36,520**	10,235
		920,575	1,149,484
Property and equipment	8	**13,132,313**	13,821,556
Deposits	7	**-**	10,000
Total assets		**14,052,888**	14,981,040
LIABILITIES			
Current			
Accounts payable and accrued liabilities	9,17	**892,507**	625,162
Income tax payable		**-**	1,000
Current portion of lease liabilities	10	**95,457**	125,693
Promissory notes	11,17	**778,582**	793,389
Current portion of mortgages	12	**796,775**	4,302,057
Convertible debentures	14,17	**2,548,771**	2,659,157
Deferred revenue		**738,892**	745,351
		5,850,984	9,251,809
Lease liabilities	10	**5,219**	100,678
Mortgages	12	**6,421,557**	2,552,348
Total liabilities		**12,277,760**	11,904,835
SHAREHOLDERS' EQUITY			
Share capital	15(b)	**8,687,137**	8,175,293
Subscription deposits	15(b)	**200,000**	-
Reserves	16	**1,028,856**	969,201
Deficit		**(8,140,865)**	(6,068,289)
Total shareholders' equity		**1,775,128**	3,076,205
Total liabilities and shareholders' equity		**14,052,888**	14,981,040

Nature of operations and going concern (Note 1)
Subsequent events (Note 23)

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

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

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

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

	Note	Years ended December 31, **2023**	2022
		$	$
Revenues		**3,357,512**	3,370,878
Management services revenue		**9,000**	-
Costs of sales		**(224,047)**	(195,778)
Gross profit		**3,142,465**	3,175,100
Operating expenses			
Accretion expense	11,14	**245,575**	430,345
Consulting expense		**65,723**	56,330
Depreciation expense	8	**746,943**	786,532
Financing costs		**15,140**	6,085
General and administrative		**179,375**	170,896
Insurance		**80,658**	66,141
Interest expense	10,11,12,14,17	**918,517**	684,389
Investor relations		**100,200**	74,627
Lease expense		**40,801**	44,778
Legal and professional fees	17	**381,329**	394,723
Marketing		**83,358**	135,375
Property costs		**572,335**	572,072
Property taxes		**54,362**	46,948
Salaries and benefits	17	**1,784,624**	1,698,705
Share-based compensation	16,17	**49,594**	230,579
Supplies		**44,363**	68,692
		5,362,897	5,467,217
Net loss from operations		**(2,220,432)**	(2,292,117)
Other income (expenses)			
Foreign exchange loss		**(1,851)**	(2,815)
Gain on debt extinguishment	13	**-**	16,325
Gain on debt modification	14	**108,435**	-
Loss on disposition of assets	8	**(16,994)**	-
Other expense		**(3,142)**	-
Other income	18	**61,408**	23,333
Net loss and comprehensive loss		**(2,072,576)**	(2,255,274)
Net loss per share:			
Basic and diluted		**(0.03)**	(0.04)
Weighted average number of common shares outstanding			
Basic and diluted		**60,544,111**	55,926,803

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

PATHFINDER VENTURES INC.
Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

	Years ended December 31,	
	2023	2022
	$	$
Operating activities:		
Net loss and comprehensive loss	**(2,072,576)**	(2,255,274)
Adjustment for:		
Accretion expense	**245,575**	430,345
Depreciation expense	**746,943**	786,532
Interest expense	**918,517**	684,389
Share-based compensation	**49,594**	230,579
Gain on debt extinguishment	**-**	(16,325)
Gain on debt modification	**(108,435)**	-
Loss on disposition of assets	**16,994**	-
Changes in non-cash working capital:		
Prepaid expenses	**(76,743)**	38,349
Inventory	**547**	(8,600)
Receivables	**(194,992)**	(89,062)
Deposits	**(16,285)**	68,107
Accounts payable and accrued liabilities	**152,372**	211,971
Income tax payable	**(1,000)**	-
Deferred revenue	**(6,459)**	146,925
Cash (used in) provided by operating activities	**(345,948)**	227,936
Investing activities		
Proceeds from sale of equipment	**1,000**	-
Expenditures on property and equipment	**(83,647)**	(1,201,452)
Cash used in investing activities	**(82,647)**	(1,201,452)
Financing activities		
Proceeds from units issued in private placement	**400,000**	-
Share issuance costs	**(10,060)**	-
Proceeds from subscription deposits	**200,000**	-
Proceeds from mortgages	**3,998,972**	600,000
Repayment of mortgages	**(3,635,045)**	(267,090)
Interest paid on mortgages	**(535,926)**	(329,655)
Interest paid on convertible debentures	**(375,578)**	-
Lease payments	**(140,150)**	(140,150)
Cash used in financing activities	**(97,787)**	(136,895)
Change in cash	**(526,382)**	(1,110,411)
Cash, beginning of the year	**982,482**	2,092,893
Cash, end of the year	**456,100**	982,482
Supplemental cash flow information:		
Expenditures of property and equipment included in accounts payable and accrued liabilities	**748**	8,701
Interest expense related to promissory notes included in accounts payable	**107,030**	80,000
Deposits applied to purchase of property and equipment	**-**	50,000
Units issued in settlement of convertible debentures	**125,346**	-

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

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

	Common shares	Share capital	Share subscription deposits	Reserves	Deficit	Total shareholders' equity
	#	$	$	$	$	$
Balance, December 31, 2021	55,926,803	8,175,293	-	953,527	(4,037,715)	5,091,105
Share-based compensation	-	-	-	230,579	-	230,579
Gain on debt extinguishment with a shareholder	-	-	-	9,795	-	9,795
Debt extinguishment on convertible promissory notes	-	-	-	(224,700)	224,700	-
Net loss and comprehensive loss	-	-	-	-	(2,255,274)	(2,255,274)
Balance, December 31, 2022	55,926,803	8,175,293	-	969,201	(6,068,289)	3,076,205
Units issued in settlement of convertible debentures	2,755,173	125,346	-	(15,139)	-	110,207
Units issued in private placement	10,000,000	400,000	-	-	-	400,000
Unit issuance costs	-	(13,502)	-	3,442	-	(10,060)
Shares to be issued	-	-	200,000	-	-	200,000
Share-based compensation	-	-	-	49,594	-	49,594
Gain on debt modification with a shareholder	-	-	-	21,758	-	21,758
Net loss and comprehensive loss	-	-	-	-	(2,072,576)	(2,072,576)
Balance, December 31, 2023	**68,681,976**	**8,687,137**	**200,000**	**1,028,856**	**(8,140,865)**	**1,775,128**

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

1. NATURE OF OPERATIONS AND GOING CONCERN

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

These audited consolidated financial statements for the years ended December 31, 2023 and 2022 (the "financial statements") have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for at least the next twelve months. As at December 31, 2023, the Company has a working capital deficiency of $4,930,409 (December 31, 2022 - $8,102,325) and for the year ended December 31, 2023 reported a net loss and comprehensive loss of $2,072,576 (2022 - $2,255,274). As a result, the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. The Company's ability to continue as a going concern is dependent upon its ability to generate positive cash flows from operations, and/or raise adequate funding through equity or debt financing to discharge its liabilities as they come due. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. Subsequent to December 31, 2023, the Company completed a non-brokered private placement of 25,000,000 common shares for gross proceeds of $500,000 (Note 23).

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

2. BASIS OF PREPARATION

a) Statement of compliance

These financial statements were approved by the Board of Directors and authorized for issue on April 29, 2024.

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

b) Basis of presentation

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

c) Functional and presentation currency

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

d) Basis of consolidation

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

(Expressed in Canadian dollars, except where noted)

2. BASIS OF PRESENTATION (continued)

A summary of the Company's subsidiaries included in these financial statements as at December 31, 2023 and 2022 is as follows:

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

3. MATERIAL ACCOUNTING POLICIES

a) Cash

Cash includes cash held with Canadian financial institutions available upon demand.

b) Inventory

Inventory of merchandise, food and beverages are valued initially at cost and subsequently at the lower of cost and net realizable value. Net realizable value is determined as the estimated selling price in the ordinary course of business less the estimated costs of sale. Cost is determined using the first-in first-out basis. The Company reviews inventory for obsolete and slow-moving goods and any such inventory is written down to net realizable value.

c) Property and equipment

Property and equipment are measured at cost, net of accumulated depreciation and accumulated impairment losses, if any.

A summary of the Company's annual depreciation rates and methods is as follows:

Class of property and equipment	Depreciation rate	Depreciation method
Building	4%	Declining balance
Site fixtures	6% - 20%	Declining balance
Furniture and equipment	20% - 55%	Declining balance
Vehicle	30%	Declining balance
Leasehold improvements	Term of lease	Straight-line

An item of property or equipment is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying value of the asset) is included in profit or loss in the period the asset is derecognized.

d) Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Constructive obligations are obligations that derive from the Company's actions where:

- By an established pattern of past practice, published policies or a sufficiently specific current statement, the Company has indicated to other parties that it will accept certain responsibilities; and
- As a result, the Company has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

Provisions are reviewed at the end of each reporting period and adjusted to reflect management's current best estimate of the expenditure required to settle the present obligation at the end of the reporting period. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

3. MATERIAL ACCOUNTING POLICIES (continued)

d) Provisions (continued)

Provisions are reduced by actual expenditures for which the provision was originally recognized. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The accretion of the discount is charged to profit or loss.

e) Convertible debentures and convertible promissory notes

The convertible debentures and convertible promissory notes were determined to be compound instruments, comprising a financial liability (debt obligation) and an equity component (conversion option). In accordance IFRS 9 *Financial Instruments: Presentation*, the debt and equity portion representing the conversion option are presented separately. As the exercise prices of the convertible debentures and promissory notes are fixed in Canadian dollars for a fixed number of common shares, the conversion option is classified as residual equity. The liability component is first measured at its fair value on initial recognition and the residual component, if any, is allocated to reserves. Upon exercise of the convertible debentures and convertible promissory note, an amount that is proportionate to the amount of liability converted is re-allocated from reserves into share capital.

The liability component is accreted using the effective interest rate method over the term of the liability, such that the carrying amount of the financial liability will equal the principal balance at maturity.

Modification is deemed to be substantial if the net present value of the cash flows under the modified terms, including fees paid or recovered, is at least 10 percent different from the net present value of the remaining cash flows of the liability prior to the modification, both discounted at the original effective interest rate of the liability prior to the modification. A substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

The consideration paid, represented by the fair value of the modified convertible debentures, is allocated to the liability and equity components of the original convertible debentures at the date of extinguishment. The method used in allocating the consideration paid and the transaction costs to the separate components of the original debentures is consistent with that used in the original allocation to the separate components of the original convertible debentures of the proceeds received by the Company when the original convertible debentures were issued.

Once the allocation of the consideration is made, any resulting gain or loss is treated as follows:

- The amount of gain or loss relating to the original liability component is recognized in profit or loss or recognized in equity if the transaction is with a shareholder; and
- The amount of consideration relating to the original equity component is recognized in equity. It comprises the amount transferred from convertible debentures equity reserve attributable to the extinguished convertible debentures, net of the amount of consideration relating to the equity component of convertible debentures upon their early extinguishment.

f) Share capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, stock options, and warrants are classified as equity instruments.

The Company records proceeds from share issuances net of issue costs in equity.

g) Valuation of equity units issued in private placements

The Company has adopted a residual value method with respect to the measurement of warrants attached to private placement units. The Company first allocates value to the common shares based on their fair value with the residual, if any, allocated to the attached warrants. Any fair value attributed to the warrants is recorded as reserves.

3. MATERIAL ACCOUNTING POLICIES (continued)

h) Share-based payments

The Company grants stock options to acquire common shares of the Company to directors, officers, employees, and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes or provides services similar to those performed by an employee. The fair value of stock options granted to employees is recognized over the vesting period with a corresponding increase in reserves recorded. When stock options are exercised, share capital is increased by the sum of the consideration paid and the related portion of share-based payments previously recorded in reserves.

Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued if it is determined that the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received.

i) Loss per share

Basic earnings (loss) per share ("EPS") is calculated by dividing the net earnings (loss) of the Company by the basic weighted average number of common shares outstanding during the period.

Diluted EPS is calculated using the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted earnings (loss) per share assumes that the proceeds to be received on the exercise of dilutive stock options and warrants are used to repurchase common shares at the average market price during the period. In the Company's case, when a loss is incurred during the year, diluted and basic loss per share are the same because the effect on loss per share of potential issuance of shares under options and warrants would be anti-dilutive.

j) Financial instruments

Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI"), or at amortized cost. The classification depends on the Company's business model for managing the financial assets and terms of the related cashflow. Management determines the classification of its financial assets at initial recognition.

Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as FVTOCI.

Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets held at FVTPL are included in profit or loss in the period in which they arise. The Company does not have any financial assets classified as FVTPL.

Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. The Company does not have any financial assets classified as FVTOCI.

Financial assets at amortized cost are initially recognized at fair value and subsequently carried at amortized cost less any impairment. Transaction costs are netted against financial assets and are accounted for using the effective interest method. They are classified as current assets or non-current assets based on their maturity date. The Company's financial assets carried at amortized cost include cash, receivables, and deposits.

The Company recognizes loss allowances for expected credit losses ("ECLs") on its financial assets measured at amortized cost. Due to the nature of its financial assets, the Company measures loss allowances at an amount equal to expected lifetime ECLs. Lifetime ECLs are the anticipated ECLs that result from all possible default events over the expected life of a financial asset. ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the related financial asset.

3. MATERIAL ACCOUNTING POLICIES (continued)

j) Financial instruments (continued)

Financial assets (continued)

Management may, at initial recognition, irrevocably designate a financial asset as measured at fair value through profit or loss to prevent a measurement or recognition inconsistency.

Financial assets are derecognized when they mature or are sold and substantially all the risks and rewards of ownership have been transferred.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

- FVTPL - This category comprises derivatives or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the consolidated statements of financial position at fair value with changes in fair value recognized in profit or loss. As at December 31, 2023 and 2022, the Company does not have any financial liabilities classified as FVTPL.
- Amortized cost - This category includes accounts payables and accrued liabilities, promissory notes, mortgages, convertible promissory note, lease liabilities and convertible debentures, all of which are recognized at amortized cost.

k) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets to determine whether there are any indications of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. In determining the recoverable amount, the Company compares the carrying amount of the asset or the cash-generating units ("CGU"). Where the asset does not generate cash inflows that are independent from other assets, the Company estimates the recoverable amount of the CGU to which the asset belongs. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets.

The recoverable amount is determined as the higher of fair value less costs of disposal and the value in use. Fair value is determined with reference to discounted estimated future cash flow analysis or to recent transactions involving dispositions of similar properties. In assessing value in use, the estimated future cash flows are discounted to their present value.

The pre-tax discount rate applied to the estimated future cash flows measured on a value in use basis reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

If the carrying amount of an asset or CGU exceeds its recoverable amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognized as a charge to profit or loss. Non-financial assets that have been impaired are tested for possible reversal of the impairment whenever events or changes in circumstance indicate that the impairment may have reversed. Where an impairment, other than goodwill impairment, subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but only so that the increased carrying amount does not exceed the carrying amount that would have been determined (net of depletion and depreciation) had no impairment loss been recognized for the asset or CGU in prior periods. A reversal of impairment is recognized in profit or loss. Goodwill impairment losses are not reversed.

l) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for services rendered, stated net of discounts.

Revenue from parks and campgrounds

Revenues are recognized when the accommodation is provided (performance obligation of the Company), except for winter-stay revenues, which are recognized on a straight-line basis over the winter season (mid-October to mid-April). The Company recognizes non-accommodation revenue when the physical possession of the goods sold and significant risks and rewards and legal title have been transferred to the customer.

3. MATERIAL ACCOUNTING POLICIES (continued)

l) Revenue recognition (continued)

Revenue from parks and campgrounds (continued)

The Company receives cash in advance of recognition of revenue when customers reserve and pay for accommodation and sites for a period in the future. This revenue is recognized in a future period when the accommodation is provided, and the performance obligation is satisfied. This cash is treated as deferred revenue and held on the consolidated statements of financial position within current liabilities until such time as the revenue is earned.

Management services revenue

Management services revenue is generated through the performance of the management function of customer facilities. It includes rental space offering, application processing, collections, and facility supervision. Revenue from the performance of these services is recognized over the period of time that the services are performed.

m) Current and deferred income taxes

The Company's provision for income taxes is estimated based on the expected annual effective tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The current and deferred components of income taxes are estimated based on forecasted movements in temporary differences.

Deferred tax assets or liabilities, arising from temporary differences between the tax and accounting values of assets and liabilities, are recorded based on tax rates expected to be enacted when these differences are reversed. Deferred tax assets are recognized only to the extent it is considered probable that those assets will be recovered. This involves an assessment of when those deferred tax assets are likely to be realized, and a judgment as to whether there will be sufficient taxable profits available to offset the tax assets when they do reverse. This requires assumptions regarding future profitability and is therefore inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in respect of deferred tax assets, as well as in the amounts recognized in income in the period in which the change occurs.

Changes to the expected annual effective tax rate and differences between the actual and expected effective tax rate and between actual and forecasted movements in temporary differences will result in adjustments to the Company's provision for income taxes in the period changes are made and/or differences are identified.

n) Leases

The Company assesses whether a contract is or contains a lease at inception of the contract. A lease is recognized as a right-of-use asset and corresponding liability at the commencement date. Each lease payment included in the lease liability is apportioned between the repayment of the liability and a finance cost. Lease liabilities represent the net present value of fixed lease payments (including in-substance fixed payments), variable lease payments based on an index, rate, or subject to a fair market value renewal condition, amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and payments of penalties for terminating the lease, if it is probable that the lessee will exercise that option.

The lease payments are discounted using the interest rate implicit in the lease or, if that rate cannot be determined, the lessee's incremental borrowing rate. The period over which the lease payments are discounted is the expected lease term, including renewal and termination options that the Company is reasonably certain to exercise.

Payments associated with short-term leases and leases of low-value assets are recognized as an expense on a straight-line basis in general and administration and sales and marketing expense in profit or loss. Short term leases are defined as leases with a lease term of 12 months or less.

Right-of-use assets are measured at cost, which is calculated as the amount of the initial measurement of lease liability plus any lease payments made at or before the commencement date, any initial direct costs and related restoration costs. The right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the useful life of the underlying asset. The depreciation is recognized from the commencement date of the lease.

3. MATERIAL ACCOUNTING POLICIES (continued)

o) New accounting standards and interpretations adopted

The Company adopted the following amendments to accounting standards, which are effective for annual periods beginning on or after January 1, 2023:

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 judgments* provide guidance and examples to help entities apply materiality judgments 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 an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition, or presentation of any items in the Company's financial statements.

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 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.

The Company has not early adopted any other new accounting standard, interpretation or amendment that has been issued but is not yet effective.

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Company's 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.

Critical Accounting Estimates

The following are the key estimates that may have a significant risk of resulting in a material adjustment in future periods:

Depreciation

Property and equipment are carried at cost, less accumulated depreciation and accumulated impairment losses. Depreciation is calculated on a declining balance basis. Depreciation rates used are based on standard rates for the corresponding assets and reflect management's best estimate of the useful lives of these assets.

Discount rate

The Company has applied estimates with respect to the discount rate utilized in calculating the present value of future cash flows for bank loans and the liability and equity components of convertible instruments. Changes in these assumptions could materially affect the recorded amounts.

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY (continued)

Critical Accounting Estimates (continued)

Share-based compensation

The Company determines the fair value of share-based compensation granted using the Black-Scholes option pricing model. This option pricing model requires the development of market-based subjective inputs, including the risk-free interest rate, expected price volatility, and expected life of the option. Changes in these inputs and underlying assumption used to develop them can materially affect the fair value estimate.

In situations where share option awards are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

Leases

IFRS 16 *Leases* applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset.

When the Company recognizes a lease, the future lease payments are discounted using the Company's incremental borrowing rate. This significant estimate impacts the carrying amount of the lease liabilities and the interest expense recorded profit or loss.

When the Company recognizes a lease, it assesses the lease term based on the conditions of the lease and determines whether it will extend the lease at the end of the lease contract or exercise an early termination option. As it is not reasonably certain that the extension or early termination options will be exercised, the Company determined that the term of its leases are the lesser of original lease term or the life of the leased asset. This significant estimate could affect future results if the Company extends the lease or exercises an early termination option.

Receivables

The Company's receivables balance is mainly made up of holdbacks, which are portions of payment held by the processor from credit card sales. The Company is subject to credit risk on the balances of receivables and assesses the recoverability of receivables using expected credit losses on an ongoing basis. Assessing receivables for impairment involves significant judgment and uncertainty, including estimates of future events. Changes in circumstances underlying these estimates may result in the Company recognizing an allowance against receivables.

Critical Accounting Judgments

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

Impairment of non-financial assets

Judgment is required in determining whether property and equipment have indicators of impairment. Determining the amount of impairment of property and equipment requires an estimation of the recoverable amount, which is defined as the higher of fair value less the cost of disposal or value in use. Many factors used in assessing recoverable amounts are outside of the control of management and it is reasonably likely that assumptions and estimates will change from period to period. These changes may result in future impairments.

(Expressed in Canadian dollars, except where noted)

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY (continued)

Critical Accounting Judgments (continued)

Modification versus extinguishment of financial liability

Judgment is required in applying IAS 32 *Financial Instruments: Presentation* and IFRS 9 *Financial Instruments* to determine whether the amended terms of the promissory note and convertible promissory note are a substantial modification of an existing financial liability and whether it should be accounted for as an extinguishment of the original promissory note and convertible promissory note.

Going concern

The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. Further information regarding going concern is outlined in Note 1.

5. PREPAID EXPENSES

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

	December 31, 2023	December 31, 2022
	$	$
Insurance	**66,750**	3,177
Legal and professional retainers	**20,000**	-
Marketing	**6,543**	5,501
Other prepaid expenses	**2,123**	9,995
	95,416	18,673

6. RECEIVABLES

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

	December 31, 2023	December 31, 2022
	$	$
Credit card processor holdbacks	**262,936**	77,663
GST receivable	**9,226**	37,963
Management services fee	**9,450**	-
Operational expenses reimbursement	**23,953**	-
Other	**5,844**	791
	311,409	116,417

Credit card processor holdbacks are portions of customer deposit payments held by the credit card processors for advanced bookings made online. The holdbacks are returned when the customer departs after a stay and the revenues have been earned.

7. DEPOSITS

As at December 31, 2023, the current portion of deposits of $36,520 (December 31, 2022 - $10,235) consists of security deposits for utilities, construction projects and the lease with Metro Vancouver. The long-term portion of deposits in December 31, 2022 consisted of security deposits for the lease with Metro Vancouver expiring on October 31, 2024, which was reclassified to current deposits during the year ended December 31, 2023.

(Expressed in Canadian dollars, except where noted)

8. PROPERTY AND EQUIPMENT

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

	Right-of-use assets	Land	Building	Site fixtures	Leasehold improvements	Furniture and equipment	Vehicle	Total
	$	$	$	$	$	$	$	$
Cost								
Balance, December 31, 2021	434,297	4,823,646	2,055,043	6,037,189	5,661	478,876	85,861	13,920,573
Additions	-	775,874	19,918	287,510	10,780	135,520	-	1,229,602
Balance, December 31, 2022	434,297	5,599,520	2,074,961	6,324,699	16,441	614,396	85,861	15,150,175
Additions	-	-	-	15,778	-	51,701	8,215	75,694
Disposals	(39,782)	-	-	-	-	(3,753)	-	(43,535)
Balance, December 31, 2023	**394,515**	**5,599,520**	**2,074,961**	**6,340,477**	**16,441**	**662,344**	**94,076**	**15,182,334**
Accumulated depreciation								
Balance, December 31, 2021	(115,281)	-	(74,883)	(243,877)	(1,207)	(52,322)	(54,517)	(542,087)
Depreciation expense	(114,540)	-	(79,668)	(474,028)	(1,969)	(106,924)	(9,403)	(786,532)
Balance, December 31, 2022	(229,821)	-	(154,551)	(717,905)	(3,176)	(159,246)	(63,920)	(1,328,619)
Depreciation expense	(111,223)	-	(76,880)	(446,146)	(2,653)	(102,226)	(7,815)	(746,943)
Disposals	22,382	-	-	-	-	3,159	-	25,541
Balance, December 31, 2023	**(318,662)**	**-**	**(231,431)**	**(1,164,051)**	**(5,829)**	**(258,313)**	**(71,735)**	**(2,050,021)**
Carrying amount								
Balance, December 31, 2022	204,476	5,599,520	1,920,410	5,606,794	13,265	455,150	21,941	13,821,556
Balance, December 31, 2023	**75,853**	**5,599,520**	**1,843,530**	**5,176,426**	**10,612**	**404,031**	**22,341**	**13,132,313**

During the year ended December 31, 2023, the Company disposed of certain equipment with a carrying value of $17,994 for proceeds of $1,000, resulting in a loss on disposition of assets of $16,994 (2022 - $nil).

(Expressed in Canadian dollars, except where noted)

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

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

	December 31, 2023	December 31, 2022
	$	$
Trade payables	**312,126**	178,276
Accrued liabilities	**201,183**	154,396
Accrued interest	**261,419**	138,493
Wages payable	**63,055**	88,643
Government agencies payable	**54,724**	65,354
	892,507	625,162

Included in trade payables on December 31, 2023, is the interest free Canada Emergency Business Account ("CEBA") loan balance of $60,000 (December 31, 2022 - $40,000) received in 2020. On September 14, 2023, the Government of Canada announced changes to the maturity date which was extended to December 31, 2026. On January 19, 2024, the CEBA loan converted to a non-amortizing term loan subject to an interest rate of 5% (Note 23). As a result of not repaying the principal balance on or before January 18, 2024, the Company recognized a $20,000 loss on reversal of loan forgiveness as a reduction of other income (Note 18).

Included in accrued interest on December 31, 2023, is $245,523 (December 31, 2022 - $138,493) unpaid interest expense from promissory notes, of which $217,959 (December 31, 2022 - $124,164) are due to related parties, and $15,896 (December 31, 2022 - $nil) of unpaid interest from convertible debentures due to a related party, for which a waiver for payment was obtained until the maturity date payment on March 1, 2024 (Notes 11 and 14(a)).

10. LEASE LIABILITIES

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

	$
Balance, December 31, 2021	341,787
Interest expense	24,734
Lease payments	(140,150)
Balance, December 31, 2022	226,371
Interest expense	14,455
Lease payments	(140,150)
Balance, December 31, 2023	**100,676**
Current portion	**95,457**
Non-current portion	**5,219**

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

	December 31, 2023
	$
2024	**99,992**
2025	**4,475**
Total future minimum lease payments	**104,467**
Effects of discounting	**(3,791)**
Total present value of minimum lease payments	**100,676**

(Expressed in Canadian dollars, except where noted)

11. PROMISSORY NOTES

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

	$
Balance, December 31, 2021	278,433
Debt extinguishment	(300,000)
Promissory note issued	300,000
Gain on debt extinguishment	(9,795)
Accretion expense	41,076
Reclassification from convertible promissory notes (Note 13)	483,675
Balance, December 31, 2022	793,389
Gain on debt modification	(21,758)
Accretion expense	6,951
Balance, December 31, 2023	**778,582**

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

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

On September 29, 2022, pursuant to amending agreements, existing convertible promissory notes of $483,675 were reclassified to promissory notes (Note 13).

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

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

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

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

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

(Expressed in Canadian dollars, except where noted)

11. PROMISSORY NOTES (continued)

On December 1, 2023, the Company entered into an agreement with the holder of the promissory note with principal of $300,000 to extend the maturity date to December 31, 2024, while keeping the interest rate at 12% until the maturity date. The principal balance is to be repaid in instalments of $8,000 per month beginning on January 31, 2024 until December 31, 2024, at which time the remaining principal balance is to be repaid in full. This amendment was treated as a modification that resulted in a gain on debt modification of $21,758, which was recorded under equity pursuant to IAS 1 *Presentation of Financial Statements* as the transaction is with a shareholder.

For the year ended December 31, 2023, the Company recorded interest expense on the promissory notes of $107,030 (2022 - $42,603). Included in accounts payable and accrued liabilities at December 31, 2023 is $245,523 of unpaid interest (December 31, 2022 - $138,493) (Note 9).

12. MORTGAGES

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

	Mortgage (a)	Mortgage (b)	Mortgage (c)	Mortgage (d)	Mortgage (e)	Total
	$	$	$	$	$	$
Balance, December 31, 2021	700,000	3,066,666	2,754,829	-	-	6,521,495
Addition	-	-	-	600,000	-	600,000
Interest expense	98,004	104,965	95,481	31,205	-	329,655
Repayment	(98,004)	(272,597)	(194,939)	(31,205)	-	(596,745)
Balance, December 31, 2022	700,000	2,899,034	2,655,371	600,000	-	6,854,405
Addition	-	-	-	-	4,200,000	4,200,000
Transaction costs	-	-	-	-	(201,028)	(201,028)
Interest expense	39,917	37,313	92,195	60,311	306,190	535,926
Repayment	(739,917)	(2,936,347)	(161,107)	(60,311)	(273,289)	(4,170,971)
Balance, December 31, 2023	**-**	**-**	**2,586,459**	**600,000**	**4,031,873**	**7,218,332**
Current portion	**-**	**-**	**108,822**	**600,000**	**87,953**	**796,775**
Non-current portion	**-**	**-**	**2,477,637**	**-**	**3,943,920**	**6,421,557**

(a) On December 15, 2020, the Company, through its wholly owned subsidiary Pathfinder Camp Resort (Parksville), raised $700,000 through the issuance of a mortgage loan. The loan bears interest at 14% per annum and is repayable upon demand. For the year ended December 31, 2023, the Company incurred interest expenses of $39,917 (2022 - $98,004) 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. On April 26, 2023, the Company, together with Parksville, refinanced this mortgage loan, thereby consolidating it with the first mortgage loan held at the property. Detailed terms of the new consolidated loan are outlined in (e) below.

(b) On April 13, 2021, the Company, through its wholly owned subsidiary Pathfinder Camp Resort (Parksville), raised $3,175,000 through the issuance of a mortgage term loan. The loan bears interest at 3.51% per annum to maturity for a period of 5 years. A portion of the loan amount was used to repay another existing mortgage. The remaining use of funds are applied to on-going construction and development of the campgrounds and lands. For the year ended December 31, 2023, the Company incurred interest expense of $37,313 (2022 - $104,965) 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 undertakings and all personal property of the Parksville site. On April 26, 2023, the Company, together with Parksville, refinanced this mortgage loan, thereby consolidating it with the second mortgage loan held at the property. Detailed terms of the new consolidated loan are outlined in (e) below.

(Expressed in Canadian dollars, except where noted)

12. MORTGAGES (continued)

(c) On July 9, 2021, the Company, through its wholly owned subsidiary Pathfinder Camp Resorts (Agassiz) Inc. (formerly Pathfinder Camp Resorts Inc.), raised $2,795,000 through the issuance of a mortgage term loan. The loan bears interest at 3.55% per annum. On June 26, 2023, the Company amended the agreements for the mortgage term loan, whereby the Company agreed to pay monthly instalments of interest only commencing on July 9, 2023 until and including October 9, 2023. Commencing November 9, 2023, the Company will pay monthly instalments of principal and interest in the amount of $16,520 until July 9, 2026, the loan maturity date. For the year ended December 31, 2023, the Company incurred interest expense of $92,195 (2022 - $95,481) related to this loan. The mortgage term is secured by a first registered charge and assignment, as well as a general security agreement over all present and future assets of Agassiz. The financial covenant of the mortgage requires the Company to maintain a debt service coverage, defined as the ratio of EBITDA to all principal and interest payments, of 1.2:1 times and will be reviewed by the lender in 2026.

(d) On April 7, 2022, the Company, through its wholly owned subsidiary Pathfinder Camp Resorts (Agassiz) Inc. (formerly Pathfinder Camp Resorts Inc.), raised $600,000 through the issuance of a mortgage term loan. The mortgage bears interest at prime rate plus 3.25% per annum and is repayable on July 31, 2023. On July 17, 2023, the loan maturity date was extended to January 7, 2025. All other terms of the mortgage remain the same. For the year ended December 31, 2023, the Company incurred interest expense of $60,311 (2022 - $31,205) related to this loan. The mortgage term is secured by a first charge on the expansion land parcel acquired by Agassiz.

(e) On April 26, 2023, the Company, together with Parksville, refinanced the first and second mortgage term loans for the Parksville property. The refinancing increased the overall loan value to $4,200,000. The new mortgage loan has a three-year term and bears interest of 9.5% with interest-only payments for the first 12 months and blended payment starting thereafter based on a 15-year amortization period.

The mortgage term is secured by a first registered charge and assignment of rent, a general security agreement over all present and future assets, as well as a pledge of shares of Parksville. The agreement provides a right-of-first-refusal provision on the sale of all current and future properties of the Company and restrictions on future debt financing, whereby lender consent must be obtained prior to raising additional debt. The Company has the right to repay the full principal amount of the loan at anytime prior to the maturity date.

As a financial covenant, the Company must maintain a quarterly debt service ratio of not less than 1.1:1, calculated on the combined net operating income of Parksville and Fort Langley.

For the year ended December 31, 2023, the Company incurred interest expense of $306,190 (2022 - $nil) related to this loan.

13. CONVERTIBLE PROMISSORY NOTES

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

	$
Balance, December 31, 2021	464,016
Debt extinguishment	(500,000)
Convertible promissory notes issued	500,000
Gain on debt extinguishment	(16,325)
Accretion expense	35,984
Reclassification to promissory notes (Note 11)	(483,675)
Balance, December 31, 2023 and 2022	**-**

On September 29, 2022, the Company amended the agreement for this convertible promissory note, whereby all parties agreed to extend the maturity to the earlier of January 31, 2023, or an event of default occurring and with no conversion feature. This amendment was treated as an extinguishment of the original liability. As such, the equity portion of the convertible promissory note of $224,700 was reclassified from reserves to deficit. A new promissory note for $483,675 was recorded with no conversion feature, which results in the reclassification to the promissory notes (Note 11). Consequently, $16,325 was recorded as a gain on debt extinguishment to profit or loss for the year ended December 31, 2022.

(Expressed in Canadian dollars, except where noted)

14. CONVERTIBLE DEBENTURES

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

	Debenture issuance	Liability component	Equity component
	$	$	$
Balance, December 31, 2021	2,500,000	2,055,872	256,675
Interest expense	-	250,000	-
Accretion expense	-	353,285	-
Balance, December 31, 2022	2,500,000	2,659,157	256,675
Settlement of interest expense	-	(396,681)	-
Interest expense	-	261,106	-
Accretion expense	-	238,624	-
Gain on debt modification	-	(108,435)	-
Settlement of convertible debentures	-	(105,000)	(15,139)
Balance, December 31, 2023	**2,500,000**	**2,548,771**	**241,536**

a) Tranche 1

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

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

On April 28, 2023, the Company settled $213,005 of interest expense. $197,109 was paid in cash. Payment of the remaining $15,896, which was due to a related party, was reclassified to accounts payable and accrued liabilities and a waiver for the payment was obtained and is effective until March 1, 2024 (Note 17).

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

On August 30, 2023, the Company settled $105,000 of tranche 1 convertible debenture principal and $5,207 of accrued interest with 2,755,173 common share units at a price of $0.04 per common share unit. Each unit consists of one common share and a one-half warrant, each whole warrant entitles the holder to purchase a common share at a price of $0.08 until February 28, 2025. If after December 31, 2023, the shares trade or close at $0.15 or higher for ten consecutive trading days, the Company may accelerate the expiry of the warrants by giving notice via news release, after which the warrants will automatically expire on the 30th day after such notice. The value of the conversion feature for these settled convertible debentures was transferred from reserve to share capital in the amount of $15,139 (Note 15).

14. CONVERTIBLE DEBENTURES (continued)

a) Tranche 1 (continued)

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

As at December 31, 2023, the balance of unpaid interest related to tranche 1 convertible debentures is $119,161 (December 31, 2022 - $192,005).

b) Tranche 2

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

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

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

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

As at December 31, 2023, the balance of unpaid interest related to tranche 2 convertible debentures is $94,706 (December 31, 2022 - $152,230).

15. SHARE CAPITAL

a) Authorized

Unlimited number of common voting shares without par value.

15. SHARE CAPITAL (continued)

b) Issued and outstanding

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

- On August 30, 2023, the Company settled $105,000 of tranche 1 convertible debenture principal and $5,207 of accrued interest by issuing 2,755,173 units at a price of $0.04 per unit. Each unit consists of a one common share and one-half share purchase warrant. Each whole warrant entitles the holder to purchase a common share of the Company at a price of $0.08 until February 28, 2025. If, after December 31, 2023, the shares trade or close at $0.15 or higher for ten consecutive trading days, the Company may accelerate the expiry of the warrants by giving notice via news release, after which the warrants will automatically expire on the 30th day after such notice. On initial recognition, the warrants had a fair value of $nil. The value of the conversion feature for these settled convertible debentures was transferred from reserve to share capital in the amount of $15,139.

- On August 28, 2023, the Company completed a private placement of 10,000,000 units at $0.04 per unit for gross proceeds of $400,000. Each unit consists of one common share and one-half share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at a price of $0.08 per common share until February 28, 2025. On initial recognition, the warrants had a fair value of $nil. The Company paid cash of $10,060 and issued 252,000 finders warrants with a fair value of $3,442 for unit issuance costs (Note 16).

- As at December 31, 2023, the Company had received $200,000 in subscription deposits in relation to non-brokered private placement completed on December 4, 2023. Subsequent to year-end, the Company completed the common share financing for cash proceeds of $500,000 (Note 23).

There were no share transactions during the year ended December 31, 2022.

c) Escrow Shares

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

Pursuant to the escrow agreement for 7,509,191 escrowed common shares, the shares are subject to a timed release in equal tranches over a period of 36 months with 10% having been released on October 14, 2021. The remaining escrowed shares will be released in equal tranches of 15% every six months thereafter.

As at December 31, 2023, 2,252,757 common shares were held in escrow (December 31, 2022 - 3,003,676).

16. RESERVES

a) Stock options

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

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

During the year ended December 31, 2023, the Company granted 1,860,000 options to employees, directors, consultants, and officers of the Company at an exercise price of $0.08. The options expire on August 31, 2028 and vested immediately. The fair value of the options was $49,594.

The Company recorded $230,579 in share-based compensation during the year ended December 31, 2022 relating to previously granted options.

(Expressed in Canadian dollars, except where noted)

16. RESERVES (continued)

a) Stock options (continued)

A summary of the Company's inputs used in the Black-Scholes option pricing model for stock options granted during the year ended December 31, 2023 is as follows:

Stock price	$0.04
Exercise price	$0.08
Risk-free interest rate	3.89%
Expected life	5.00 years
Expected volatility	100.00%
Expected dividend yield	0.00%

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

	Options outstanding	Weighted average exercise price
	#	$
Balance, December 31, 2021	3,770,406	0.26
Expired	(304,348)	0.23
Balance, December 31, 2022	3,466,058	0.27
Granted	1,860,000	0.08
Balance, December 31, 2023	**5,326,058**	**0.20**

A summary of the Company's stock options outstanding as at December 31, 2023 is as follows:

Expiry date	Outstanding and exercisable	Weighted average exercise price	Weighted average remaining life
	#	$	Years
October 18, 2026	900,272	0.22	2.80
October 18, 2026	565,218	0.23	2.80
November 22, 2026	2,000,568	0.30	2.90
August 31, 2028	1,860,000	0.08	4.67
	5,326,058	**0.20**	**3.49**

b) Warrants

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

	Warrants outstanding and exercisable	Weighted average exercise price
	#	$
Balance, December 31, 2021	2,317,018	0.25
Expired	(1,139,030)	0.22
Balance, December 31, 2022	1,177,988	0.28
Issued	6,629,587	0.08
Expired	(1,177,988)	0.28
Balance, December 31, 2023	**6,629,587**	**0.08**

(Expressed in Canadian dollars, except where noted)

16. RESERVES (continued)

b) Warrants (continued)

A summary of the Company's outstanding warrants as at December 31, 2023 is as follows:

Expiry date	Outstanding and exercisable	Weighted average exercise price	Weighted average contractual remaining life
	#	$	Years
February 28, 2025	6,629,587	0.08	1.18

During the year ended December 31, 2023, 1,177,988 outstanding warrants expired unexercised (December 31, 2022 - 1,139,030).

17. 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 for the years ended December 31, 2023 and 2022 is as follows:

	2023	2022
	$	$
Interest expense	**105,144**	80,000
Legal and professional fees	**4,860**	77,420
Salaries and benefits	**450,149**	378,120
Share-based compensation	**35,996**	159,696
	596,149	695,236

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

	December 31, 2023	December 31, 2022
	$	$
Receivables	**24,178**	-
Accounts payable and accrued liabilities	**233,855**	128,705
Promissory notes	**700,000**	694,215
Convertible debentures	**106,928**	107,785

Included in receivables are recoverable operating expenses paid on behalf of properties managed by related parties, as well as proceeds from sale of equipment to a related party, both of which remained outstanding as at December 31, 2023.

As at December 31, 2023, accounts payable and accrued liabilities include accrued interest related to promissory notes of $217,959 (December 31, 2022 - $124,164) and $15,896 (December 31, 2022 - $nil) related to convertible debentures (Note 9).

As at December 31, 2023, there were no trade payables due to related parties included in accounts payable and accrued liabilities (December 31, 2022 - $4,541).

18. OTHER INCOME

Other income primarily consists of the fair market value of accommodation provided at no cost to full-time employees living on site. During the year ended December 31, 2023, other income was partially offset by a $20,000 loss on reversal of loan forgiveness (Note 9).

19. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

a) Fair value of financial assets and liabilities

As at December 31, 2023, 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, lease liabilities 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 December 31, 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 December 31, 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 December 31, 2023, the Company had a cash balance of $456,100 (December 31, 2022 - $982,482) to settle current liabilities of $5,850,984 (December 31, 2022 - $9,251,809). Accounts payable have contractual maturities of less than 30 days and are subject to normal trade terms.

The remaining contractual maturities for financial liabilities held by the Company are as follows:

	2024	2025	2026	2027	2028 and beyond	Total
	$	$	$	$	$	$
Accounts payable and accrued liabilities	892,507	-	-	-	-	**892,507**
Lease liabilities	95,457	5,219	-	-	-	**100,676**
Promissory notes	800,000	-			-	**800,000**
Mortgages	796,775	196,775	196,775	196,775	5,831,232	**7,218,332**
Convertible debentures	2,395,000	-	-	-	-	**2,395,000**
	4,979,739	**201,994**	**196,775**	**196,775**	**5,831,232**	**11,406,515**

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 December 31, 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.

(Expressed in Canadian dollars, except where noted)

19. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

b) Risk management (continued)

Interest rate risk

The Company has exposure as at December 31, 2023 to interest rate risk through its financial instruments. The Company holds mortgages which have variable interest rates between 3.25% - 10.45% per annum.

20. 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 year ended December 31, 2023.

21. 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. A summary of the Company's net loss and comprehensive loss by segment for the year ended December 31, 2023 and the carrying amounts of assets and liabilities by segment as at December 31, 2023 is as follows:

	Corporate	Resorts	Consolidated
	$	$	$
Revenues	-	3,357,512	3,357,512
Management services revenue	9,000	-	9,000
Costs of sales	-	(224,047)	(224,047)
Gross profit	9,000	3,133,465	3,142,465
Operating expenses	2,121,243	3,241,654	5,362,897
Net loss from operations	(2,112,243)	(108,189)	(2,220,432)
Net loss and comprehensive loss	**(2,006,860)**	**(65,716)**	**(2,072,576)**
Total assets	294,513	13,758,375	14,052,888
Total liabilities	3,872,168	8,405,592	12,277,760

A summary of the Company's net loss and comprehensive loss by segment for the year ended December 31, 2022 and the carrying amounts of assets and liabilities by segment as at December 31, 2022 is as follows:

	Corporate	Resorts	Consolidated
	$	$	$
Revenues	-	3,370,878	3,370,878
Costs of sales	-	(195,778)	(195,778)
Gross profit	-	3,175,100	3,175,100
Operating expenses	2,256,328	3,210,889	5,467,217
Net loss from operations	(2,256,328)	(35,789)	(2,292,117)
Net loss and comprehensive loss	**(2,241,288)**	**(13,986)**	**(2,255,274)**
Total assets	214,281	14,766,759	14,981,040
Total liabilities	3,786,015	8,118,820	11,904,835

(Expressed in Canadian dollars, except where noted)

21. SEGMENTED INFORMATION (continued)

The Company's assets are located in Canada.

22. INCOME TAXES

a) Income tax expense

A summary of the Company's reconciliation of income taxes at statutory rates for the years ended December 31, 2023 and 2022, is as follows:

	2023	2022
	$	$
Loss before income taxes	**(2,072,576)**	(2,255,274)
Combined federal and provincial statutory income tax rates	**27%**	27%
Income tax expense at statutory rates	**(559,000)**	(609,000)
Non-deductible expenditures and non-taxable revenues	**20,000**	64,000
Change in statutory, foreign tax, foreign exchange rates and other	**1,000**	5,000
Share issuance costs and financing fees	**(3,000)**	(2,000)
Adjustment to prior years provision versus statutory tax returns and expiry of non-capital losses	**40,000**	367,000
Temporary differences originated in the year	**(5,000)**	-
Change in unrecognized deductible temporary differences	**506,000**	175,000
Total income tax expense	**-**	-

b) Deferred taxes

A summary of the Company's significant components of net deferred tax assets is as follows:

	December 31, 2023	December 31, 2022
	$	$
Share issuance costs and financing fees	**30,000**	70,000
Non-capital losses	**1,663,000**	1,163,000
Property and equipment	**(31,000)**	(40,000)
Intangible assets	**2,000**	3,000
Right-of-use lease liabilities	**27,000**	61,000
Right-of-use assets	**(20,000)**	(55,000)
Debt with accretion	**(15,000)**	(52,000)
Net deferred tax assets	**1,656,000**	1,150,000

Deferred taxes reflect the tax effects of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and tax values. A summary of the Company's unrecognized deductible temporary differences is as follows:

	December 31, 2023	December 31, 2022
	$	$
Share issuance costs and financing fees [(1)]	**110,000**	256,000
Non-Capital losses [(2)]	**5,146,000**	4,307,000
Property and equipment [(3)]	**769,000**	(149,000)
Intangible assets [(3)]	**9,000**	9,000
Right-of-use lease liabilities [(3)]	**101,000**	226,000
Right-of-use assets [(3)]	**-**	(204,000)
Debt with accretion [(3)]	**-**	(192,000)

(1) The unrecognized deductible temporary difference expires between 2043 and 2047.
(2) The unrecognized deductible temporary difference expires between 2040 and 2043.
(3) The unrecognized deductible temporary difference has no expiry date.

23. SUBSEQUENT EVENTS

On January 18, 2024, the CEBA loan remained outstanding and was converted to a non-amortizing term loan with full principal repayment due on December 31, 2026.

On February 5, 2024, the Company completed a non-brokered private placement of 25,000,000 common shares at a price of $0.02 per share for gross proceeds of $500,000. Included in gross proceeds are $200,000 subscription deposits received prior to year end in advance of the private placement closing (Note 15(b)). No fees were paid in connection with the private placement.

On April 5, 2024, the Company granted 3,200,000 stock options to employees, directors, officers, and consultants of the Company at an exercise price of $0.05. The stock options expire April 5, 2029 and vest immediately.