Management's Discussion and Analysis ("MD&A")

The following management discussion and analysis as of November 26, 2025 is provided to enhance the reader's understanding of, and should be read in conjunction with, Regent Pacific Properties Inc.'s (the "Company") annual audited consolidated financial statements for the years ended December 31, 2024 and 2023, and accompanying notes thereto (the "Annual Financial Statements") and the unaudited interim condensed consolidated financial statements for the three and nine months ended September 30, 2025, and accompanying notes thereto (the "Interim Financial Statements"). All dollar amounts are expressed in Canadian funds unless otherwise stated. The Annual Financial Statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("the IASB"). The Interim Financial Statements are prepared in accordance with International Accounting Standard ("IAS") 34 – *Interim Financial Reporting* as issued by the IASB.

Unless indicated otherwise, reference herein to Q1 2025 and Q1 2024 refers to the three-month periods ended March 31, 2025 and 2024, respectively. References to Q2 2025 and Q2 2024 refers to the three-month periods ended June 30, 2025 and 2024, respectively. References to Q3 2025 and Q3 2024 refers to the three-month periods ended September 30, 2025 and 2024, respectively. Reference to Q4 2024 refers to the three-month period ended December 31, 2024.

Additional information relating to the Company, including the Annual Financial Statements and Interim Financial Statements, are available on SEDAR+ at www.sedarplus.ca.

Core Business

The Company is a real estate development and investment company with a portfolio consisting of:

- a premiere 72,675 sq. ft. three-story commercial office tower and attached single-story bays with underground parking facility ("Cassel Centre") located in Edmonton, Alberta; and
- ten (10) residential condominium units located in Edmonton, Alberta.

Objectives and Strategy

The Company seeks to expand its portfolio of high-quality, income producing properties.

Overall Performance

As at September 30, 2025, Cassel Centre had fixed-term leases for approximately 95% of its rentable area with lease terms remaining of between approximately one (1) and ten (10) years.

The Company ranks and classifies its tenants based on criteria including but not limited to:

- Credit Rating: Tenants are evaluated based on their credit ratings provided by recognized credit rating agencies.
- Lease Term and Stability: The length of the lease term and the stability of the tenant's business are considered.
- Industry and Business Profile: The nature of the tenant's business, industry trends, and market positioning.
- Historical Payment Performance: The Company reviews the tenant's historical payment performance to gauge their reliability in meeting lease obligations.

Based on these criteria, the Company classifies its tenants into different categories to manage risk and optimize the overall quality of its tenant portfolio. This classification assists the Company in making informed decisions regarding lease negotiations, property management, and portfolio diversification strategies.

In addition, as at September 30, 2025, the Company owned ten (10) residential condominium units located in Edmonton, Alberta which are rented to long-term tenants. The occupancy rate at September 30, 2025 was 100% and the leases are on one (1) year terms.

On July 2, 2025, the Company acquired six (6) residential condominium units located in Edmonton, Alberta for a purchase price of $1,987,000 from a company indirectly majority owned by the CEO, director and majority shareholder of the Company. The purchase was funded with the use of $887,000 of the Company's deposit (see "Transactions with Related Parties" below) together with a mortgage of $1,100,000. The mortgage is payable in monthly blended instalments of $6,420, bears interest at a fixed rate of 4.90% per annum, is amortized over 25 years, has a term of 22 months and is secured by the residential investment properties and general assignment of rent.

In addition, the mortgage payable requires that the Company's subsidiary, 1572587 Alberta Ltd., which holds the condominium units, to apply the proceeds from any sales of the condominium units toward the outstanding mortgage payable balance in order to maintain a loan-to-value ("LTV") ratio of 55%. The terms of the mortgage payable also restrict certain payments to

management and shareholders and other withdrawals, without the prior written consent of Servus.

On September 25, 2025, the Company granted 1,000,000 stock options to the directors of the Company at an exercise price of $0.10 per common share and with a term of two (2) years, subject to any earlier termination in accordance with the terms of the Company's stock option plan. The stock options vested immediately upon grant.

Going Concern

The Interim Financial Statements have been prepared on a going concern basis, which contemplates the realization of assets and settlement of liabilities in the normal course of operations. There are material uncertainties that may cast significant doubt on the validity of this assumption.

As at September 30, 2025, the Company reported current liabilities in excess of current assets of $17,832,817 (December 31, 2024 - $17,168,081), of which $16,975,984 is due to the Company's mortgages payable and loans payable with Servus Credit Union ("Servus"). Unlike traditional bank mortgages, Servus' loan agreements include a specific provision stating that the borrower shall repay all loans on demand, if requested. Prior to demand by Servus, the loans are payable in accordance with their stated repayment schedules. Pursuant to International Financial Reporting Standards ("IFRS"), this provision requires the Company to present the full amount of its mortgages and loans payable with Servus as current liabilities on its interim condensed consolidated statement of financial position. Absent this provision, these liabilities could be presented based on their repayment schedules, allowing a portion to be presented as non-current liabilities. To date, Servus has never issued a demand for repayment nor indicated any intent to do so. Since the inception of the relationship with Servus in 2012, the Company has consistently met all repayment obligations under its loan agreements with Servus and expects to continue to repay these liabilities according to their stated repayment schedules and renew them, as needed, at the end of their respective terms. However, there can be no assurance that Servus will not issue a demand in the future and that the mortgages and loans payable will be renewed with similar terms.

The Company expects to manage this through the collection of rental income from its committed and non-cancellable leases with tenants.

The Company's ability to continue as a going concern is dependent on generating a profit from operations, and obtaining additional financing as required.

The Interim Financial Statements do not reflect adjustments in the carrying value of the assets and liabilities, the reported revenues and expenses and the balance sheet classifications that

would be necessary if the going concern assumption were not appropriate. These adjustments could be material.

Selected Annual Information (in accordance with IFRS)

Years ended December 31,		**2024**		2023		2022
Total Assets	**$**	**23,822,385**	$	23,117,340	$	22,881,278
Total Current Liabilities	**$**	**17,189,185** [(1)]	$	17,062,200 [(2)]	$	17,336,797 [(3)]
Total Long-term Liabilities	**$**	**2,133,632**	$	1,969,532	$	1,825,539
Total Liabilities	**$**	**19,322,817**	$	19,031,732	$	19,162,336
Revenue	**$**	**2,463,459**	$	2,258,037	$	2,460,852
Expenses	**$**	**(1,363,831)**	$	(1,180,808)	$	(1,225,303)
Deferred Income Tax Expense	**$**	**(136,687)**	$	(122,043)	$	(89,277)
Fair Value Adjustment on Investment Properties	**$**	**56,441**	$	(29,684)	$	(678,832)
Other Expenses	**$**	**(617,040)**	$	(574,571)	$	(587,966)
Net Income (Loss)	**$**	**402,342**	$	350,931	$	(120,526)
Number of Shares Outstanding		**40,039,000**		40,039,000		40,039,000
Income (Loss) per Share	**$**	**0.010**	$	0.009	$	(0.003)
Diluted Income (Loss) per Share	**$**	**0.010**	$	0.009	$	(0.003)

Notes:

(1) 2024 Total Current Liabilities include a $15,062,244 mortgage payable with a term ending on December 1, 2025; due on demand, if requested and $641,326 from four (4) mortgages payable with terms ending in 2028 and 2029; due on demand, if requested.

(2) 2023 Total Current Liabilities include a $15,759,526 mortgage payable with a term ending on August 1, 2025; due on demand; if requested and a $180,658 mortgage payable with a term ending on November 24, 2028; due on demand, if requested.

(3) 2022 Total Current Liabilities include a $16,275,951 mortgage payable with a term ending on August 1, 2025; due on demand, if requested.

Selected Quarterly Information (in accordance with IFRS)

Three and Nine Months Ended September 30,	Three months		Nine months	
	2025	2024	**2025**	2024
	$	$	**$**	$
Net rental income	**399,206**	316,397	**1,178,802**	996,597
Net and comprehensive income	**10,483**	103,657	**329,845**	212,067
Net income per share (basic and diluted)	**0.000**	0.003	**0.008**	0.005
Cash from operating activities	**266,695**	412,120	**782,054**	1,010,377
Cash (used in) from financing activities	**926,630**	(313,709)	**384,276**	(396,120)
Cash used in investing activities	**(1,178,100)**	(65,175)	**(1,178,100)**	(331,607)
Total assets	**25,028,455**	23,278,310	**25,028,455**	23,297,055
Total non-current liabilities	**2,147,207**	2,378,488	**2,147,207**	2,378,488
Weighted average number of common shares outstanding:				
Basic	**40,039,000**	40,039,000	**40,039,000**	40,039,000
Diluted	**40,140,125**	40,039,000	**40,039,000**	40,039,000

Discussion of Operations and Financial Condition:

Revenue

Q3 2025 revenue was comprised of $393,309 of commercial rental income from Cassel Centre and $56,225 of residential rental income from the residential condominium units (2024 - $364,266 and $10,875, respectively). Q3 2025 operating cost recovery was $265,202 from the tenants of Cassel Centre (2024 - $233,648).

During the nine months ended September 30, 2025, revenue was comprised of $1,140,085 of commercial rental income from Cassel Centre and $99,425 of residential rental income from the residential condominium units (2024 - $1,096,316 and $27,900, respectively). Operating cost recovery during the nine months ended September 30, 2025, was $832,325 from the tenants of Cassel Centre (2024 - $701,044).

Total revenue and operating cost recoveries increased to $714,736 in Q3 2025 as compared to $608,789 in Q3 2024, an increase of $105,947 or 17.4%, and increased to $2,071,835 during the nine months ended September 30, 2025 as compared to $1,825,260 in the same period in 2024, an increase of $246,575 or 13.5%, due primarily to:

- an increase of $29,043 and $43,769, respectively, in commercial rental income and $31,554 and $131,281, respectively, in operating cost recovery from Cassel Centre, as a result of a lease with a new tenant starting in Q4 2024, together with an increase in common area maintenance costs; and

- an increase of $45,350 and $71,525, respectively, in residential rental income from the residential condominium units, as a result of the acquisition of additional units during 2024 and 2025.

Expenses

Overall expenses for Q3 2025 were $443,461, an increase of $86,292 or 24.2%, as compared to $357,169 in Q3 2024 and were $1,122,787 during the nine months ended September 30, 2025, an increase of $132,793 or 13.4%, as compared to $989,994 during the same period in 2024. Expenses include direct operating expenses, general and administrative expenses, share-based compensation and depreciation.

During Q3 2025 direct operating costs were $315,530, an increase of $23,138 or 7.9%, as compared to $292,392 in Q3 2024. During the nine months ended September 30, 2025, direct operating costs were $893,033, an increase of $64,370 or 7.8%, as compared to $828,663 in the same period in 2024. The increase is primarily due to increases in utilities and property tax costs.

General and administrative expenses during Q3 2025 were $51,159 and not significantly different from $51,394 in Q3 2024. During the nine months ended September 30, 2025, general and administrative expenses were $143,304 as compared to $146,667, a decrease of $3,363 or 2.3%, primarily from reduced consulting fees.

Share-based compensation was $76,772 in the three and nine months ended September 30, 2025 (2024 - $11,618) and arises from the grant, on September 25, 2025, of 1,000,000 stock options (2024 – 600,000) to directors of the Company (see "Overall Performance" section above for additional details).

Amortization expense was not significant during the three and nine months ended September 30, 2025 and 2024.

Other Income (Expenses)

Other income (expenses) is composed of interest income and finance costs.

Interest income was not significant during the three and nine months ended September 30, 2025 and 2024.

Finance costs increased in Q3 2025 to $212,296 as compared to $144,937 in Q3 2024, an increase of $67,359 or 46.5%, and increased during the nine months ended September 30, 2025 to $591,691 as compared to $461,961 in the same period in 2024, an increase of $129,730 or 28.1%. These increases were largely due to the renewal of the commercial mortgage payable, on December 18, 2024. The renewed commercial mortgage payable carries a fixed annual interest

rate of 4.44%, with blended monthly instalments of $83,000, amortized over twenty-five (25) years and has a term expiring on December 1, 2025. The increases were partially offset by a loan guarantee fee of $25,000 (see "Transactions with Related Parties" below) incurred during the nine months ended September 30, 2024, and which did not recur in 2025.

Fair Value Adjustment on Investment Properties

The Company's investment properties are measured using the fair value model. The investment properties are recorded at fair value, determined based on available market evidence at each reporting date. Changes in fair value are recognized in profit or loss in the period in which it arises.

The fair value of the commercial investment property is determined annually, at December 31st, by a third-party accredited valuation professional using a combination of the income approach via overall income capitalization, income approach via discounted cash flow and direct comparison approach.

The fair value of the residential investment properties are determined annually, as of December 31st, by management, based on appraisals of comparable units within the same building conducted by a third-party accredited valuation professional using the direct comparison approach. During the nine months ended September 30, 2025, the most recent annual appraisal was used by management to support the fair value of the residential investment properties acquired on July 2, 2025.

Management estimates that there has been no material change to the valuation of the investment properties since December 31, 2024, and, for those acquired during the nine months ended September 30, 2025, since the acquisition date.

During the three and nine months ended September 30, 2025, the Company recorded a fair value decrease on its commercial investment property of $49,231 and $28,251, respectively (2024 – $3,776 and $162,741, respectively), and no change in fair value of its residential investment properties (2024 - $Nil).

Summary of Quarterly Results (in accordance with IFRS)

	Sep 30, 2025	Jun 30, 2025	Mar 31, 2025	Dec 31, 2024	Sep 30, 2024	Jun 30, 2024	Mar 31, 2024	Dec 31, 2023
	$	$	$	$	$	$	$	$
Revenues	**714,736**	654,914	702,185	638,199	608,789	610,159	606,312	570,729
Expenses	**(443,461)**	(366,612)	(312,714)	(373,837)	(357,169)	(345,129)	(287,696)	(314,768)
Deferred Income Tax Expense	**-**	-	-	(136,687)	-	-	-	(122,043)
Fair Value Adjustment on Investment Properties	**(49,231)**	5,645	15,334	219,182	(3,776)	(17,603)	(141,362)	(36,909)
Other Expenses	**(211,561)**	(190,238)	(189,153)	(156,582)	(144,187)	(174,863)	(141,408)	(144,193)
Net Income (Loss)	**10,483**	103,709	215,653	190,275	103,657	72,564	35,846	(47,184)
Income (Loss) per Share	**0.000**	0.003	0.005	0.005	0.003	0.002	0.001	(0.001)
Fully Diluted Income (Loss) per Share	**0.000**	0.003	0.005	0.005	0.003	0.002	0.001	(0.001)

Liquidity and Capital Resources

As at September 30, 2025, the Company had bank indebtedness of $45,822 (December 31, 2024 - $34,052) through its overdraft facility and a working capital deficiency of $17,832,817 (December 31, 2024 - $17,168,081). Working capital is calculated as current assets less current liabilities (see “Going Concern” above for additional details on working capital).

The Company wishes to highlight the distinct terms of the mortgages and loans payable with Servus. Unlike traditional bank mortgage agreements, Servus’ loan agreements include a specific provision stating that the borrower shall repay all loans on demand, if requested. Prior to demand by Servus, the loans are payable in accordance with their stated repayment schedules. Pursuant to IFRS, this provision requires the Company to present the full amount of its mortgages and loans payable with Servus as current liabilities on its consolidated statements of financial position. Absent this provision, these liabilities could be presented based on their repayment schedules, allowing a portion to be presented as non-current liabilities. To date, Servus has never issued a demand for repayment nor indicated any intent to do so. Since the inception of the relationship with Servus in 2012, the Company has consistently met all repayment obligations under its loan agreements with Servus and expects to continue to repay these liabilities according to their stated repayment schedules and renew them, as needed, at the end of their respective

terms. However, there can be no assurance that Servus will not issue a demand in the future and that the mortgages and loans payable will be renewed with similar terms.

As at September 30, 2025, the following liabilities are subject to financial covenants:

- the $14,808,919 commercial mortgage payable (December 31, 2024 - $15,062,244);
- the $45,822 bank overdraft facility (December 31, 2024 - $34,052);
- a loan payable of $28,974 (December 31, 2024 - $34,470); and
- a loan payable of $404,818 (December 31, 2024 - $430,103).

The financial covenants include a debt service coverage ratio covenant (the "DSCR Covenant") of no less than 1:20:1 based on the operations of the commercial investment property and a debt to equity ratio (the "DE Covenant") not to exceed 3:00:1 based on the long-term liabilities and shareholder's equity of Cassel Centre Ltd. During the year ended December 31, 2024, the lender reviewed the financial covenants and the Company was not in compliance with the DSCR Covenant (actual 1.19:1) or the DE Covenant (actual 3.31:1). However, the Company is current on all of its scheduled loan payments and the lender has indicated it has no intention of demanding repayment on these loans as a consequence of the covenant breach. The breach of the financial covenants was primarily due to the shorter amortization period of the commercial mortgage payable, with approximately 17 years remaining, together with recent vacancies in the commercial investment property. The Company has renewed the commercial mortgage payable and extended the amortization period to twenty-five (25) years and expects an improvement in the financial covenants at the next annual evaluation by the lender.

In addition, as at September 30, 2025, a residential mortgage payable of $1,098,158 (2024 – $Nil) is outstanding with Servus through the Company's wholly owned subsidiary, 1572587 Alberta Ltd. The mortgage is subject to covenants requiring the subsidiary to apply the net proceeds from any sales of six (6) condominium units toward reducing the outstanding balance in order to maintain a loan-to-value ("LTV") ratio of 55%. The mortgage terms also restrict certain payments to management and shareholders, as well as other withdrawals, without the prior written consent of Servus.

Net cash from operations during the three and nine months ended September 30, 2025 was $266,695 and $782,054, respectively (2024 - $412,120 and $1,010,377, respectively).

Cash from financing activities during the three and nine months ended September 30, 2025 was $926,630 and $384,276, respectively (2024 – cash used in financing activities of $313,709 and $396,120, respectively) and consisted of:

- proceeds from new residential mortgages payable of $1,100,000 (2024 - $Nil and $143,500, respectively);
- scheduled repayments of principal on mortgages payable of $89,055 and $270,418, respectively (2024 - $177,286 and $527,911, respectively);

- interest payments of $272,020 and $628,793, respectively (2024 - $176,055 and $445,842, respectively);
- proceeds from new loans payable of $Nil (2024 - $48,487 and $490,000, respectively);
- repayment of the CEBA Loan of $Nil (2024 - $Nil and $40,000, respectively);
- repayment of the loans payable of $10,295 and $30,513, respectively (2024 - $10,335 and $18,367, respectively);
- advances from a related parties of $205,000 and $221,000, respectively (2024 - $1,500 and $2,500, respectively); and
- repayments to a related party of $7,000 (2024 - $Nil).

Cash used in investing activities during the three and nine months ended September 30, 2025 was $1,178,100. During the same periods in 2024, cash used in investing activities was $65,175 and $331,607, respectively, and consisted of:

- $1,100,000 for the acquisition of residential investment properties (2024 - $Nil and $143,492, respectively);
- $78,100 for tenant improvement in the commercial investment property (2024 - $21,000 and $143,940, respectively, for direct leasing costs); and
- $Nil of additions to furniture and fixtures (2024 - $44,175).

The Company expects to manage its working capital deficiency through a combination of cash flow generated from its operating activities, including the collection of rent from its committed and non-cancellable leases with tenants, or additional financing, as necessary. There is no guarantee that additional financing will be available to the Company, and if available, may not be on terms that are favourable or acceptable to the Company.

During 2024, the Company obtained a term loan facility of $40,000 to facilitate the payout of the previous CEBA Loan. The new term loan facility bears interest at a rate of 7.10% per annum, is due on demand if requested, is repayable in monthly blended instalments of $795 over a five (5) year period, and is secured by a personal guarantee of $4,000,000 provided by Eddie Yu, which includes the loans payable, commercial mortgage payable and overdraft facility. The Company may prepay the balance at any time without penalty.

As at September 30, 2025, the minimum contractual principal payments on the above loan payable if not demanded earlier are as follows:

Year ended September 30,	Amount
2026	$ 7,743
2027	8,312
2028	8,921
2029	3,830
	28,806
Accrued interest	168
	$ 28,974

As at September 30, 2025, the Company had loans payable to related parties of $691,608 (December 31, 2024 - $531,088). The loans are composed of $591,608 payable to Cassel Properties Ltd., which is unsecured, bears interest at a rate of 8% per annum and matures on November 10, 2025 (subsequently extended to November 10, 2026), and $100,000 payable to Bryce Hong, a director of the Company, which is unsecured, bears interest at a rate of 8% per annum and has no set terms of repayment. The Company will seek to extend the loan from Cassel Properties Ltd. before the maturity date and expects to repay the loans over time using cash generated from operations or additional financing, as necessary. There is no guarantee that additional financing will be available to the Company, and if available, may not be on terms that are favourable or acceptable to the Company.

As at September 30, 2025, the Company had mortgages payable of $16,542,192 (December 31, 2024 - $15,703,570). The mortgages payable are composed of:

- A commercial mortgage payable, due on demand if requested, with monthly blended instalments of $83,000, bearing interest at 4.44% per annum, amortized over twenty-five (25) years and with a term expiring on December 1, 2025. The mortgage payable is secured by the commercial investment property which has a carrying value of $21,750,000 as at September 30, 2025, general assignment of rent, a general security agreement and a personal guarantee of $4,000,000 provided by Eddie Yu, which includes the commercial mortgage payable, overdraft facility and loans payable. The mortgage payable is subject to the DSCR Covenant and DE Covenant and the Company is not in compliance with the financial covenants (see discussion above). The Company expects to repay the mortgage instalments over the term with cash generated from its operations and will seek to renew the mortgage at the end of its term.
- Ten (10) residential mortgages payable, due on demand if requested, with aggregate total monthly blended instalments of $10,650, a weighted average interest rate of 5.09%, amortized over twenty-five (25) years, with terms expiring between 2027 and 2029, and secured by the residential investment properties with an aggregate total carrying amount of $3,097,500 as at September 30, 2025, general assignment of rent, a general security agreement and an unlimited personal guarantee provided by Eddie Yu. A residential

mortgage payable of $1,098,158 is subject to certain LTV and payment restrictions (as discussed above). The Company expects to repay the mortgage instalments over the term with cash generated from its operations and will seek to renew the mortgages at the end of their respective terms.

As at September 30, 2025, the minimum contractual principal payments on the mortgages payable if not demanded earlier are as follows:

Year ended September 30,	Amount
2026	$ 14,795,997
2027	1,092,347
2028	18,994
2029	286,540
2030	287,223
	16,481,101
Accrued interest	61,091
	$ 16,542,192

As at September 30, 2025, the Company has a term loan facility of $450,000, due on demand if requested and payable in monthly instalments of $5,250, which bears interest at a fixed rate of 7.10% per annum, is amortized over 10 years, has a term of 60 months and is secured by a personal guarantee of $4,000,000 provided by Eddie Yu, which includes the loans payable, commercial mortgage payable and overdraft facility. The Company expects to repay the loan instalments over the term with cash generated from its operations and will seek to renew the loan at the end of its term.

As at September 30, 2025, the minimum contractual principal payments on the above loan payable if not demanded earlier are as follows:

Year ended September 30,	Amount
2026	$ 35,554
2027	38,175
2028	40,975
2029	287,765
	402,469
Accrued interest	2,349
	$ 404,818

Capital expenditures are generally funded by cash on hand, and/or cash provided by operating activities, or by obtaining new financing. It is the Company's objective to maintain its properties at a high level, consequently, capital expenditures may be regularly required, however the timing of such expenditures is often discretionary and may be deferred, for example with a repair rather

than replacement. During the three and nine months ended September 30, 2025, the Company did not have any capital expenditures (2024 - $44,175).

From time to time the Company anticipates incurring direct leasing costs and/or tenant improvement allowances related to acquiring new tenants or maintaining existing tenants. For example, there may be direct leasing costs and/or tenant improvement allowances incurred as a result of securing a new lease or acquiring a new tenant. During the three and nine months ended September 30, 2025, the Company incurred $78,100, in tenant improvement allowance costs (2024 - $Nil and $69,000, respectively) and $Nil in direct leasing costs (2024 - $21,000 and $74,940, respectively).

Another significant use of cash could be the acquisition of or investment in new properties. During the three and nine months ended September 30, 2025, the Company acquired six (6) residential condominium units for a total purchase price of $1,987,000. During the same periods in 2024, the Company acquired Nil and one (1) residential condominium unit, respectively, located in Edmonton, Alberta for a purchase price of $Nil and $205,000, respectively. The properties were acquired from 1784338 Alberta Ltd. (see "Related Party Transactions" below). During the three and nine months ended September 30, 2025, the purchases were funded with the use of $887,000 (2024 - $Nil and $61,508) of the Company's deposit (see "Related Party Transactions" below) together with a mortgage of $1,100,000 (2024 - $Nil and $143,500). The Company is actively and continuously seeking new investment opportunities.

Risk and Uncertainty

The Company is exposed to a variety of business and other risks and uncertainties including the following:

Economic Risk

The performance of real estate investments is impacted by local market conditions, which in turn can be affected by national or global economic conditions. Economic trends can also be exacerbated in smaller markets, resulting in greater risk. The Company mitigates economic risk by focusing on larger markets, maintaining tenants from various industries, and maintaining high quality properties.

Fair Value Risk

Real estate markets are in a constant state of flux and prices and values can vary in a short timeframe due to such factors as economic conditions, the general desirability of real estate investments, the number and nature of potential purchasers in the market, the availability of comparable investment opportunities, the motivation of vendors, the availability and cost of

financing, etc. Changes in fair value will result in gains or losses in earnings being recorded in the financial statements, although these would be non-cash gains or losses until such time as a property is sold. Upon sale, there is a risk that the Company may realize sale proceeds of less, or even significantly less, than the fair value recorded in its real estate investments. In addition, transaction costs are not included in the fair value of investment properties which will reduce fair value gain (or increase the loss) on disposal of investment properties. Lower property value may also make refinancing of maturing mortgages more difficult, although with low leverage, this is less likely to occur.

Tenant Terminations and Financial Stability

The Company's revenues would be adversely affected if a significant number of tenants were to become unable to meet their obligations under their leases or if a significant amount of available space in the Company's properties were not able to be leased on economically favourable lease terms. Upon the expiry of any lease, there can be no assurance that the lease will be renewed or the tenant replaced. The terms of any subsequent lease may be less favourable to the Company than the existing lease.

In the event of default by a tenant, delays or limitations in enforcing rights as lessor may be experienced and substantial costs in protecting the Company's investment may be incurred. Furthermore, at any time, a tenant of any of the Company's properties may seek the protection of bankruptcy, insolvency or similar laws that could result in the rejection and termination of such tenant's lease and thereby cause a reduction in the cash flow available to the Company. The ability to rent unleased space in the properties in which the Company will have an interest will be affected by many factors. Costs may be incurred in making improvements or repairs to property required by a new tenant. The failure to rent unleased space on a timely basis or at all would likely have an adverse effect on the Company's financial condition.

Credit Risk

The Company is exposed to credit risk on its accounts receivable due to unexpected losses that could occur if a tenant fails to satisfy its lease obligations. The Company's maximum exposure to credit risk is equal to the carrying value of the accounts receivable. Tenant default can occur because of economic conditions or tenant specific circumstances. The Company mitigates its credit risk by attracting tenants with good credit, taking rental deposits from tenants, and by limiting exposure to any one tenant.

The aging of accounts receivable is as follows:

	September 30, 2025	December 31, 2024
Current	**$ 7,320**	$ 14,770
31-90 days	**111,814**	1,403
91 + days	**23,112**	4,931
	$ 142,246	$ 21,104

The Company is subject to concentration risk through the volume of revenues derived from certain key tenants. For the three and nine months ended September 30, 2025, revenue earned from three (3) (2024 - three (3)) key tenants represents approximately 74% and 80%, respectively (2024 – 81%) of total revenues. As at September 30, 2025, receivables from these key tenants total approximately 67% of total accounts receivable (December 31, 2024 – 19%).

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is susceptible to interest rate fair value risk on its commercial mortgage payable, certain residential mortgages payable with a carrying value of $1,554,748 at September 30, 2025 (December 31, 2024 - $464,271), loans payable to related parties and loans payable that bear fixed interest rates. There is also the risk of interest rates increasing when renewing fixed rate liabilities at the end of their terms. The Company mitigates this risk by monitoring interest rates, negotiating renewals, and obtaining quotes from multiple lenders. In addition, as at September 30, 2025, the Company's overdraft facility of $45,822 (December 31, 2024 - $34,052) and a residential mortgage payable with a carrying value of $171,280 (December 31, 2024 - $177,055), bear interest at variable rates and for the three and nine months ended September 30, 2025, all else being equal, the increase or decrease in net earnings for each 1% change in market interest rates is not expected to be significant (2024 – not significant).

Financing Risk

There is the risk that the Company will be unable to obtain satisfactory financing when required, particularly to refinance maturing debt. This risk is mitigated by actively managing the Company's capacity to service debt, and by maintaining good borrowing relations with sound lenders.

Environmental Risk

Environmental liability is a risk for any owner in the real-estate industry, and primarily stems from the possibility of inheriting an existing unknown liability through the acquisition of a property or from environmental liability caused by a tenant. The Company manages the former risk by obtaining professional environmental assessments of potential acquisition properties as a condition of acquisition, which assessments, among other things, investigate the historical use and current condition of the property. The risk of potential environmental liability caused by a tenant is mitigated by screening tenants, by obliging tenants to be responsible for any environmental contamination or other issues caused by them, and by monitoring properties for any apparent environmental threats.

Property Loss Risk

The Company contracts with an insurance agency that specializes in commercial insurance. Insurance coverage is reviewed annually for each property.

Liquidity Risk

The Company's exposure to liquidity risk is dependent on generating rental revenue to sustain operations. The Company controls liquidity risk by the management of working capital and cash flows. Operating cashflow remains positive and is largely dependent on occupancy and collection. The Company closely monitors the collection of receivables from tenants.

As at September 30, 2025, the Company's contractual obligations consists of accounts payable and accrued liabilities of $256,323 (December 31, 2024 - $411,327) that have a current contractual maturity. The commercial mortgage payable, including accrued interest, of $14,808,819 (December 31, 2024 - $15,062,244) is demandable and has terms which expire in 2025 and the residential mortgages payable, including accrued interest, of $1,733,273 (December 31, 2024 - $641,326) are demandable and have terms which expire between 2027 and 2029. The loans payable, including accrued interest, of $433,792 (December 31, 2024 - $464,573) are demandable and have terms which expire in 2029. The loans payable to related parties includes $591,608 (December 31, 2024 - $531,088) which has terms which expire in November 2025 (subsequently extended to November 2026) and $100,000 (December 31, 2024 - $Nil) which have no set terms of repayment. The overdraft facility of $45,822 (December 31, 2024 - $34,052) is due on demand, if requested, with revolving terms.

Government Regulation

The Company currently has an interest in a property located in the province of Alberta. The nature of real estate construction and operation is such that refurbishment and structural repairs are required periodically, in addition to regular ongoing maintenance. In addition, legislation relating

to, among other things, environmental and fire safety standards is continually evolving, and changes thereto may give rise to ongoing financial and other obligations of the Company, the costs of which may not be fully recoverable from tenants.

Dependence on Key Personnel

The Company will depend on the good faith, experience and judgment of the directors and officers of the Company to manage the business and affairs of the Company. The management of the Company depends on the services of certain key personnel, including in particular Eddie Yu, as Chief Executive Officer. There can be no assurance that the Company will be able to retain its existing key personnel, attract qualified executives or adequately fill new or replace existing senior management positions or vacancies created by expansion, turnover or otherwise. The loss of the services of any one or more of the Company's key personnel or the inability to retain, attract or fill any such personnel or positions or vacancies could have an adverse effect on the Company.

Failure or Unavailability of Computer and Data Processing Systems and Software

The Company is dependent upon the successful and uninterrupted functioning of its computer and data processing systems and software. The failure or unavailability of these systems could interrupt operations or materially impact the Company's ability to collect revenues and make payments. If sustained or repeated, a system failure or loss of data could negatively and materially adversely affect the ability of the Company to discharge its duties and the impact on the Company may be material.

Cyber Security Risk

Cyber security is an increasingly important aspect of business operations. A cyber-attack is an intentional attack which can include gaining unauthored access to information systems to disrupt business operations, corrupt data or steal confidential information. Such an attack could compromise the Company, its employees and tenants' confidential information and may result in negative consequences, including remediation costs, loss of revenue, data corruption, additional regulatory scrutiny, litigations and reputational damages. As a result, the Company has implemented controls to help mitigate cyber security risks but these measures do not guarantee that a cyber attack will not occur or may not be successful due to the ever changing and increased sophistication of these types of attacks.

Litigation Risks

The Company may, from time to time, become involved in legal proceedings in the course of its business. The costs of litigation and settlement can be substantial and there is no assurance that such costs will be recovered in whole or at all. The unfavorable resolution of any legal proceedings

could have an adverse effect on the Company and its financial position and results of operations that could be material.

Financial Instruments

Financial instruments recognized in the interim condensed consolidated statement of financial position include accounts receivable, mortgages payable, loans payable, loans payable to related parties, accounts payable and accrued liabilities and overdraft facility.

The following provides an analysis of financial instruments that are measured at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets and liabilities;

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the assets or liabilities that are not based on observable market data.

There were no transfers between levels of the fair value hierarchy during the year.

The fair value of the Company's financial instruments were determined as follows:

- The carrying amounts of accounts receivable, accounts payable and accrued liabilities and overdraft facility approximate their fair value due to the relatively short periods to maturity of these financial instruments.

- The fair value of mortgages payable are determined using the current market interest rates as discount rates, the net present value of principal balances and future cash flows over the terms of the mortgages.

- The fair value of the loans payable, and loans payable to related parties are determined by discounting the future contractual cash flow under the current financing arrangements at a discount rate that represents an approximation to the borrowing rates presently available to the Company for debts with similar terms to maturity.

The fair values of the Company's financial instruments are presented in the table below:

	Fair Value Hierarchy	**September 30, 2025**	December 31, 2024
Financial Liabilities:			
Mortgages payable	Level 2	**$ 16,542,192**	$ 15,703,570
Loans payable	Level 3	**$ 453,442**	$ 484,093
Loans payable to related parties	Level 3	**$ 691,608**	$ 531,088

Off – Balance Sheet Arrangements

As at September 30, 2025, the Company did not enter into any off-balance sheet arrangements.

Contingencies

Management of the Company is aware of no contingent liabilities as at September 30, 2025.

Share Structure

The Company has 40,039,000 common shares outstanding at September 30, 2025. There are 2,585,966 stock options exercisable and outstanding as at September 30, 2025 with a weighted average exercise price of $0.09 per common share.

The following table summarizes information on the stock options outstanding and exercisable as at September 30, 2025:

	Exercise Price	Number Outstanding	Number Exercisable	Expiry Date
January 16, 2023	$ 0.07	985,966	985,966	Jan 15, 2028
July 22, 2024	$ 0.08	300,000	300,000	Jun 27, 2029
July 22, 2024	$ 0.15	300,000	300,000	Jun 27, 2029
September 25, 2025	$ 0.10	1,000,000	1,000,000	Sep 25, 2027
	$ 0.09	2,585,966	2,585,966	

As at the date of this MD&A, the Company has common shares issued and outstanding of 40,039,000 and fully diluted common share capital of 42,624,966.

Transactions with Related Parties

Key management of the Company includes the Chief Executive Officer ("CEO") (Eddie Yu) and Interim Chief Financial Officer ("CFO") (William Harper) and the directors of the Company: Eddie Yu, Ted Power, David Tam, Chelsea Yu-Dien and Bryce Hong.

During the three and nine months ended September 30, 2025, the Company incurred $4,200 and $11,755, respectively, in consulting fees due to William Harper (2024 – 4,200 and $14,555, respectively). As at September 30, 2025, $3,000 was included in accounts payable and accrued liabilities as owing to William Harper (December 31, 2024 - $5,000).

During the three and nine months ended September 30, 2025, the Company charged a total of $54,083 and $172,034, respectively, to Cassel Properties Ltd., an entity owned and controlled by Eddie Yu for recovery of operating expenses (2024 - $51,929 and $155,786, respectively).

During the three and nine months ended September 30, 2025, the Company received rental income, before straight-line adjustments, of $80,865 and $235,995, respectively, from Cassel Properties Ltd. (2024 - $77,040 and $230,820, respectively) and as at September 30, 2025, $19,928 was included in prepaid rent for rent paid in advance and rental deposits (December 31, 2024 - $24,994).

During the three and nine months ended September 30, 2025, $Nil was paid to Cassel Properties Ltd. for direct leasing costs (2024 - $Nil and $83,880, respectively).

During the three and nine months ended September 30, 2025, the Company incurred interest expense of $10,692 and $27,364, respectively, in connection with the outstanding balance on the loan payable to Cassel Properties Ltd. (2024 - $6,262 and $18,600, respectively).

During the three and nine months ended September 30, 2025 and 2024, $Nil has been included in general and administrative expenses related to fees with Parlee McLaws LLP, a law firm where David Tam is a partner (2024 - $327). As at September 30, 2025, $123 was included in accounts payable and accrued liabilities as owing to Parlee McLaws LLP (December 31, 2024 - $123).

During the three and nine months ended September 30, 2025, $18,626 and $55,877, respectively, has been included in general and administrative expenses related to administration fees with Cassel Properties Ltd. (2024 - $18,626 and $55,877, respectively).

During the three and nine months ended September 30, 2025, $8,019 and $24,057, respectively, has been included in general and administrative expenses related to rent with Cassel Properties Ltd. (2024 - $8,019 and $24,057, respectively).

During the three and nine months ended September 30, 2025, $27,554 and $89,534, respectively, have been included in direct operating costs related to property management fees and maintenance costs with Cassel Properties Ltd. (2024 - $18,387 and $51,779, respectively).

During the three and nine months ended September 30, 2025, the Company incurred $76,772 (2024 - $11,618) in share-based compensation expense for directors.

During the nine months ended September 30, 2024, the Company incurred $25,000 in finance costs related to a loan guarantee fee payable to Eddie Yu.

The Company has entered into a purchase contract, as amended, (the "Purchase Contract") to acquire ten (10) condominium units in Edmonton, Alberta from 1784338 Alberta Ltd., a company indirectly majority owned by Eddie Yu, for a total purchase price of $3,229,762 subject to certain conditions to be satisfied by December 31, 2025, or as mutually extended by the parties, including:

- securing satisfactory financing on suitable terms and conditions;
- obtaining TSXV conditional acceptance as a Reviewable Transaction in accordance with TSXV policies;
- receiving all other necessary regulatory and securities commissions approvals, if any; and
- receiving all necessary shareholder approvals, as required.

Pursuant to the Purchase Contract, the Company acquired six (6) condominium units during the three and nine months ended September 30, 2025 for a total purchase price of $1,987,000. During the three and nine months ended September 30, 2024, the Company acquired Nil and one (1) condominium unit, respectively, for a purchase price of $Nil and $205,000, respectively. As at September 30, 2025, the Company has acquired all ten (10) condominium units pursuant to the Purchase Contract for an aggregate total purchase price of $3,042,000.

Related to the transactions above, as at September 30, 2025:

- $89,894 (December 31, 2024 - $691) is receivable from Cassel Properties Ltd.;
- $126,903 (December 31, 2024 - $216,664) is payable to Cassel Properties Ltd.;
- $692 (December 31, 2024 - $970) is payable to Cassel Developments Ltd., an entity owned and controlled by Eddie Yu;
- $357 (December 31, 2024 - $357) is payable to Eddie Yu; and
- $Nil (December 31, 2024 - $4,667) is payable to 1784338 Alberta Ltd.

IFRS Accounting Policies

A summary of the Company's material accounting policies under IFRS are disclosed in the Annual Financial Statements. There were no changes to the material accounting policies in the Interim Financial Statements.

Accounting Standards and Amendments Issued but Not Yet Adopted

The following standard is effective for year-ends starting on or after January 1, 2027 and has not been adopted by the Company:

IFRS 18 Presentation and disclosure in the financial statements (replacement of IAS 1)

This new standard maintains many of the current requirements for the presentation of financial statements and adds new requirements concerning the statement of profit or loss, management-defined performance measures, and the principles of aggregation and disaggregation of information. The new requirements concerning the statement of income and comprehensive income include requiring entities to classify income and expenses included in the statement of income and comprehensive income in one of five categories (operating, investing, financing, income taxes, discontinued operations), and prescribing that subtotals for operating profit or loss and profit or loss before financing and income taxes are presented. Management is assessing the impact of the standard.

Forward Looking Information

This management discussion and analysis may contain forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance, or achievements expressly stated or implied by such forward-looking statements. These statements are not historical acts and are subject to risks and uncertainties which could cause actual results and the timing of certain events to differ materially from those set forth in or implied herein including, without limitation, risks associated with the Company's proposed activities.

Additional Information

Additional information on the Company can be found on SEDAR+ at www.sedarplus.ca.

Shareholder communications information may be obtained here:

Regent Pacific Properties Inc.: 1-780-424-9898
Email: info@cassel.ca

The Company's shares are listed for trading on the TSX Venture Exchange ("TSXV") under the symbol "RPP".

The Company's registered head office is located at 301 - 2627 Ellwood Drive SW, Edmonton, Alberta, T6X 0P7.