



YORKTON
E Q U I T Y G R O U P I N C .

Management Discussion & Analysis

Three and Nine Months Period ended September 30, 2021

November 29, 2021

The following MD&A is prepared as of November 29, 2021 and is intended to assist the understanding of the results of operations and financial condition of Yorkton Equity Group Inc. (the “Company” or “Yorkton”).

This MD&A should be read in conjunction with Yorkton’s audited consolidated financial statements and related notes and the MD&A for the year ended December 31, 2020 and the unaudited interim condensed consolidated financial statements for the three and nine months period ended September 30, 2021. The statements and additional information about Yorkton, can be found on SEDAR at www.sedar.com. Such additional information is not incorporated by reference herein, unless otherwise specified, and should not be deemed to be part of this MD&A.

The Company’s interim condensed consolidated financial statements are prepared in accordance with International Accounting Standard (“IAS”) 34 –Interim Financial Reporting as issued by the International Accounting Standards Board (“IASB”).

Year to Date Overview

Yorkton Equity Group Inc. (“Yorkton”) has made significant gains in Q3 increasing revenue by 291% and growing the total assets value by \$25,569,697 from the previous year. All key metrics are improving including but not limited to rent collection, property renovation and upgrade programs across our portfolio are moving in the right direction despite the challenges presented by the COVID-19 pandemic, a testament to our well experienced property management team with over 30 years of experience.

Pursuant to Government guidelines, Yorkton has implemented comprehensive COVID-19 protocols across all of our company’s departments to ensure the health and safety of our valued staff and tenants.

Yorkton’s secure, aggressive growth business model consisting of the accretive acquisition of multifamily rental assets in strategic markets is uniquely structured to prosper, even in times of economic uncertainty which is expected to continue into fiscal year 2022, as accommodation is a basic life necessity, and investment in real estate is an excellent hedge against inflation.

We have demonstrated our confidence in our business model by the rapid, and yet secure pace of our building acquisitions and portfolio integration over the past year by expanding our portfolio from Edmonton, Alberta, to multiple cities across British Columbia including Langford Victoria, Surrey, Kelowna, Penticton, and in Northern BC in the Fort St. John area.

This expansion will over time allow us to expand our net operating income and grow our net asset values for our shareholders as we stabilize our new property acquisitions. Although inflation may result in some upward pressure on interest rates, with new Covid-19 variants on the horizon, we do not expect any significant increase in the near future. Low interest rates together with increased immigration levels as recently announced by the federal government represents an unprecedented window of opportunity to expand our multifamily portfolio with a significantly reduced cost base.

It is our firm intention to not only continue with our current pace of acquisitions, but also to accelerate our pace of acquisitions in the coming quarters into new markets with significant upside potential. We believe our unique mid-market multifamily rental model will remain a safe and resilient asset class, supported by favourable long-term market fundamentals that has remained favourable despite the ongoing impact of the Covid-19 pandemic.

We are honoured to be entrusted by our investors and shareholders, and as such we will work diligently to consistently deliver over the long-term, an outstanding value proposition to our valued shareholders.

Business Overview

Yorkton Equity Group Inc. is a fully integrated, growth-oriented real estate investment company committed to providing shareholders with growing assets, and stable income through the accretive acquisitions, organic growth, and the active management of mid-market multi-family rental properties with significant upside potential. Our geographical focus is in primary and secondary markets across Canada with diversified, growing economies, and strong population in-migration, with a current focus in British Columbia.

The Company's common shares are publicly traded and listed on the TSX Venture ("TSX.V") under the symbol "YEG". The Company presents its results on a going concern basis, which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of operations as they become due.

Business Strategy

Yorkton's business objectives are to achieve stable Net Operating Income (NOI) and growing Net Asset Value (NAV) in our mid-market multi-family rental property portfolio by deploying a secure aggressive business model to create the ultimate value proposition for our shareholders. Yorkton Equity Group Inc. is built on the solid foundations of the Yorkton Group of companies with strong financial capacity, and well over 30 years of real estate experience.

Despite the challenges of the Covid-19 pandemic, the Yorkton risk averse business model consisting of the accretive acquisition of mid-market multifamily rental assets in strategic markets is uniquely structured to prosper even in times of economic uncertainty, as accommodation is a basic life necessity, and a hedge against inflation. We have demonstrated our confidence in our business model by the rapid yet secure pace of our building acquisitions and portfolio integration over the past year expanding our portfolio from Edmonton, Alberta, to multiple cities across BC including Langford Victoria, Surrey, Kelowna, Penticton, and the northern BC areas around the City of Fort St. John.

This expansion will over time allow us to expand our net operating income as we stabilize our new property acquisitions, as well as grow our net asset value. With new Covid-19 strains threatening our economic landscape, we do not expect any significant increase in interest rates in the near future, which in addition to mass immigration as recently announced by the Federal Government, and the consequent positive impact on the demand side to our mid-market multifamily rental portfolio, represents an unprecedented window of opportunity to expand our mid-market multifamily rental portfolio with a significantly reduced cost base.

Company Formation

Yorkton Equity Group Inc. was formed in April 2016 as a CPC (Capital Pool Company) under the name TRUSTED BRAND 2016 INC (TSXV "HAH.P"). The aim of the CPC is to identify and evaluate businesses or assets with a view to completing a Qualifying Transaction ("QT"). On November 17, 2020, the Company executed the QT with 1421526 Alberta Ltd. ("1421526"). Stock commenced trading on the TSX Venture Exchange on November 20, 2020. The stock price ranged from \$0.15 to \$0.45 over the last 52 weeks. 1421526 was owned by Lui Holdings Corporation and 991799 Alberta Ltd prior to the reverse acquisition. 1421526 is part of the Yorkton Group of Companies ("Yorkton Group"), whose focus is real estate development and investment. Yorkton Group owns and develops properties in Alberta and British Columbia. 1421526 is an Alberta corporation incorporated under the Business Corporations Act (Alberta) on August 25, 2008, with its principal offices located at 3165 Manulife Place, 10180 – 101 Street, Edmonton, T5J 3S4 and its registered office located at 1700, 10175-101 Street NW, Edmonton, Alberta, T5J 0H3. 1421526 has no corporate subsidiaries.

Company Acquisitions

“Pacific Mall”, Edmonton, AB

1421526 is the owner of a two-storey retail and commercial building referred to as Pacific Mall (previously called Pacific Rim Mall) located at 9700 – 105th Avenue NW, Edmonton, Alberta which is situated on a 26,400 square foot land base, and a 34,845 square foot gravel parking lot along 98th Street and 105th Avenue in Edmonton, Alberta which is zoned for future development (the “Property”). 1421526 operates a commercial rental business with a steady cash flow.

On April 30, 2021, the Company finalized two transactions whereby the Company purchased the following through the issuance of common shares of the Company as outlined below:

- a) Yorkton 108 Development Project - On April 30, 2021, the Company purchased 2,498,963 non-voting Class P Limited Partnership Units of Yorkton 108 LP from Lui Holdings (a related Company) in exchange for 14,593,943 common shares of the Company at a deemed price of \$0.25 per share.
- b) Riviera Gardens - On April 30, 2021, the Company purchased all of the issued and outstanding common share of 1205946 Alberta Ltd. (“Riviera Gardens”) for a purchase price of \$4,235,000 from Lui Holdings (a related Company) by the issuance of 16,940,000 common shares at a deemed price of \$0.25 per share.

The transactions received final TSX approval on May18, 2021.

“Yorkton 108 Development Project”, Surrey City Centre, BC

The Yorkton 108 development project is located in the City Centre of Surrey, BC (municipally described as 13832 to 13866 – 108 Avenue) and the total size of the subject land parcel is approximately 60,000 square feet. The rezoning application 3rd reading was approved by the City of Surrey in December 2020 for a 193-unit residential condominium development comprising of two 6 storied buildings with 2 levels of underground parking, elevator service, and in-suite laundry. A total of 119 1-bedroom units, 51 2- bedroom units, 18 studio units and 5 3-bedroom units are planned. The subject development project was recently sold.

“Riviera Gardens”, Edmonton, AB

Riviera Gardens is a 62-strata titled residential condominium complex name “Riviera Gardens” located at 13704 / 13806 – 24 Street, Edmonton, Alberta. The complex is comprised of two 4-storey buildings constructed in 1978 on a two-acre parcel of land situated in a mature residential neighborhood at the northwest corner of 137 Avenue and 24 Street with all city amenities in the surrounding areas. Each building is equipped with secured intercom systems, key fob entries, and surveillance cameras, as well as elevator and laundry facilities on all levels. Riviera Gardens has a total of 16 1-bedroom suites, 38 2-bedroom suites and 8 three-bedroom suites.

“Larson Place” Kelowna, BC

On July 8, 2021, the Company finalized a transaction to acquire at 19-unit two storey townhouse complex. The property is located at 200-220 Nickel Road in the City of Kelowna and is situated on a 36,155 square foot land parcel for a purchase price of \$8,888,000.

“Pacific Central” Langford, Victoria, BC

On September 15, 2021, the Company finalized a transaction to acquire a four-storey residential apartment building featuring 3-one bedroom plus den units, 12-two-bedroom units and 1 commercial unit at grade. The property is located at 2835 Peatt Road in the City of Langford, BC is situated on a 8,036 square foot land parcel for a purchase price of \$5,725,000.

Significant Events

COVID – 19 Pandemic

During the December 31, 2020 fiscal year, there was a global pandemic outbreak of COVID-19. The actual and threatened spread of the virus globally has had a material adverse effect on the global economy and; specifically, the regional economies in which the Company operates. The pandemic could continue to have a impact on the stock market, including trading prices of the Company's shares. These factors, among others, could have a significant impact on the Company's operations. Management have given consideration as to the impact of COVID-19 on the Company and concluded that the consolidated financial statements appropriately reflect and disclose management's best estimate and uncertainty regarding the impact of COVID-19 on the Company's future operations and financial results.

Since March 2020, the outbreak of the novel strain of coronavirus ("COVID-19") resulted in governments enacting emergency measures to contain the spread of the virus. These measures, which include the implementation of travel bans, closure of non-essential businesses, self-imposed quarantine period and social distancing, have caused an economic slowdown and material disruption to business. The Government has reacted with interventions intended to stabilize economic conditions. The duration and impact of the COVID-19 pandemic is unknown at this time. Although the pandemic appears to be under control through the implementation of vaccination, the Company cannot reliably estimate the length and severity of the developments under the pandemic or the impact on the financial position and performance of the Company in future periods.

The Company is actively monitoring the ongoing developments with regards to COVID-19 and continues to implement measures to help reduce the spread of COVID-19 and its impact on the Company operations.

Financial and Operational Highlights (Annual) ⁽¹⁾

As at December 31	2020	2019	2018
Net rental income	\$ 437,905	\$ 538,336	\$ 512,587
Income (loss) before other income and expenses	(671,456)	1,291	2,437
Income (loss) per share, before other income and expenses (basic and diluted)	(\$0.02)	\$0.00	\$243.70
Fair value adjustment on investment property	(880,906)	(29,243)	246,128
Net and comprehensive income (loss)	(1,122,367)	208,181	176,282
Net income (loss) per share (basic and diluted)	(\$0.03)	\$208.18	\$176.28
Cash provided by (used in) operating activities	(222,451)	121,651	45,436
Cash provided by financing activities	1,168,407	(122,206)	186,387
Cash used in investing activities	72,573	(94,649)	(48,081)
Total assets	14,944,188	14,205,697	14,186,884
Working capital (deficit)	(1,436,125)	(6,645,345)	(6,501,350)
Total non-current liabilities	\$1,474,808	\$ 2,258,969	\$ 2,495,150
Weighted average number of common shares outstanding	40,665,761	36,862,905	100

Financial and Operational Highlights (quarterly) ⁽¹⁾

Quarter ended	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020
Net rental income	\$ 223,085	\$ 89,214	\$ 92,701	\$ 71,937
Income (loss) before other income and expenses	(212,807)	(158,167)	(116,643)	50,999
Income (loss) per share, before other income and expenses (basic and diluted)	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)
Fair value adjustment on investment property	--	--	--	(856,709)
Net and comprehensive income (loss)	(220,850)	(150,313)	(116,643)	(424,426)
Net income (loss) per share (basic and diluted)	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.01)
Total assets	40,513,885	29,898,341	14,831,104	14,944,188
Weighted average number of common shares outstanding (basic and diluted)	133,244,958	95,632,096	68,409,343	40,665,763
Quarter ended	September 30, 2020	June 30, 2020	March 31, 2020	December 31, 2019
Net rental income	\$ 76,690	\$ 168,492	\$ 126,478	\$ 123,654
Income (loss) before other income and expenses	(93,483)	70,158	25,396	(277,594)
Income (loss) per share, before other income and expenses (basic and diluted)	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)
Fair value adjustment on investment property	--	--	--	(29,243)
Net and comprehensive income (loss)	(93,483)	70,158	25,396	(70,655)
Net income (loss) per share (basic and diluted)	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)
Total assets	14,598,076	14,586,658	14,289,222	14,205,697
Weighted average number of common shares outstanding (basic and diluted)	36,862,905	36,862,905	36,862,905	36,862,905

(1) Comparative information prior to December 31, 2020 is presented from financial statements of 142156.

Net Rental Income

Total net rental income was \$223,085, which has grown by 291% (September 30, 2020 - \$76,690) for the three months, and \$405,000 (2020 - \$371,660) for the nine months ending September 30, 2021. Revenue includes the commercial property for the nine months and the residential property from the acquisition date of Riviera Gardens (April 30, 2021), Larson Nickel Property (July 8, 2021) and Pacific Central Holdings Ltd. (September 15, 2021). Net rental revenue has increased compared to the prior period principally as a result of the addition of the three investment properties in the three quarters ending September 30, 2021. Rental revenue has been negatively affected due to rental concessions provided to certain commercial tenant's pursuant to the rent assistance relief guidelines by the Governments, primarily restaurants, to accommodate the restrictions that many faced during this period.

Net and comprehensive Income (loss)

Net and comprehensive loss increased by \$127,367 for the three months and \$489,877 for the nine months ending September 30, 2021 compared to the comparative periods in 2020. General and administrative expenses increased by \$147,191 for the three months and \$328,192 for the nine months ending September 30, 2021 over the comparative periods in 2020. The increase in general and administrative expenses is principally due to the increase in advisor fees associated with maintaining a public company. Interest and Financing Fees increased by \$109,761 for the three months and \$180,981 for the nine months ending September 30, 2021 compared to the comparative period in 2020.

Total Assets

Total assets grew by \$25,569,697 for the nine months ended September 30, 2021 representing a 271.1% increase over the total assets at December 31, 2020. The growth in total assets relates primarily to the acquisition of investment properties of \$23,599,426 and an investment in associate of \$2,653,265. The increase is offset by changes in other working capital items of \$682,994.

Capital Resources

As at September 30, 2021, the Company had cash of \$173,660 (December 31, 2020 — \$1,059,018) and a working capital deficiency of \$4,953,102 (December 31, 2020 - \$1,596,655). The working capital deficiency relates primarily to the current portion of mortgages of \$7,919,967 which are due within twelve months and are included in current liabilities affecting the working capital deficit position for the Company. Financing activities include the receipt of proceeds related to the private placement which was finalized during the quarter, net repayment of advances from related party, scheduled repayments on the mortgages, and interest payments. Capital expenditures are generally funded by cash on hand, and/or cash provided by operating activities, or by obtaining new financing. Another significant use for cash could be the acquisition of or investment in new properties. The Company is actively and continuously seeking new investment opportunities. Presently, the Company has completed the property acquisitions in Kelowna and Langford, British Columbia and has removed conditions on an additional purchase in Penticton, British Columbia.

Capital Management

In managing capital, the Company estimates its future cash requirements by preparing a budget. The budget establishes the activities for the upcoming year and estimates the costs associated with these activities. Historically, funding for the Company's plan is primarily managed through its commercial rental activities and through obtaining financing. There have been no changes to the Company's capital management policies during the period ended September 30, 2021.

The Company plans on growth and expansion through acquisition over the near term. The anticipated growth will be managed through debt and equity financing. There are no assurances that funds will be made available to the Company when required.

The Company is subject to bank covenants which must be maintained for their mortgage payable. As at September 30, 2021, the Company is in compliance with its bank covenants except for the covenant on the mortgage payable due November 6, 2021. The bank has provided confirmation of forbearance of the breach and has agreed that no further action will be taken. The covenant breach occurred as a result of a significant renovation and upgrade undertaken as planned on the 1205946 Alberta Ltd. property ('Riviera Gardens') resulting in vacancies during suite renovation and upgrade. Although there is no guarantee that the Company will continue to receive forbearance going forward, the bank confirmed to the Company that the forbearance would be extended.

Financial Instruments and Related Risk

Financial instruments include cash, accounts receivable, security deposits, short-term investments, mortgages payable, amount due to related party and accounts payable and accrued liabilities.

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 not 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.

As at September 30, 2021, the Company has no financial instruments classified as “fair value through profit and loss”.

The Company has exposure to credit, interest rate, and liquidity value risk as follows:

Credit Risk

Tenant default can occur because of economic conditions or tenant specific circumstances. The Company manages this risk by having multiple tenants, retaining security deposits on leases, staggering lease expiry dates, and screening tenants for longevity and credit worthiness.

Interest Rate Risk

Future interest rates can significantly positively or negatively affect net returns. To alleviate this risk, the Company has locked in with CMHC insured 5 year closed mortgage term at below 2% per annum on its aforementioned recent acquisitions in BC.

Liquidity

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.

Risk and Uncertainties

Readers are cautioned that the following is a summary only of certain risk factors and is not exhaustive and is qualified in its entirety by reference to and must be read in conjunction with the additional information on these and other factors that could affect the Company's operations and financial results that may be accessed through the Company's profile on SEDAR (www.sedar.com).

COVID - 19

The ongoing COVID-19 pandemic remains a risk factor for the Company through the three and nine months ending September 30, 2021. The measures implemented to control the spread of the virus has led to a general shut down of economic activity and disruptions to the workforce and business operations. The measures implemented could have a material adverse effect on the demand for real estate, the ability of tenants to pay rent and the debt and equity capital markets. The duration and impact of the ongoing COVID-19 pandemic is unknown at this time. The pace of recovery following such occurrences cannot be accurately predicted, nor can the impact on the Company's business and operations.

Leases

IFRS requires the Company to determine all leases are operating or finance leases. In particular tenant leases with long contractual terms where the Company is the lessor, The Company has determined that it retains all significant risks and rewards of ownership of the investment property and account for all of its leases as operating leases.

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. The Company's ability to generate sufficient cash flows to maintain normal operations, if unsuccessful, will result in it not being able to continue as a going concern.

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.

Property Loss Risk

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

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.

Outstanding Share Data

As at the date of this MD&A, the Company has:

Common shares issued and outstanding: 112,575,822

Fully diluted common share capital: 133,685,893

Stock Options

732,405 stock options of the Company are issued and outstanding with a weighted average exercise price of \$0.21. Each stock option entitles its holder to purchase one common share of the Company with varying expiry dates up to November 16, 2025.

Warrants

20,377,666 warrants are issued and outstanding with a weighted average exercise price of \$0.36. Each warrant entitles its holder to purchase one common share of the Company with varying expiry dates up to November 16, 2023. Warrants have escalation clauses whereby the Company can accelerate and shorten the Term of the Warrant to thirty (30) calendar days following the date a press release is issued by the Company announcing the reduced Term, and the issuance of the press release shall be deemed sufficient notice to all Warrant holders of the shortened Term as a result of the acceleration.

IFRS Accounting Policies

The Company's significant accounting policies under IFRS are disclosed in the December 31, 2020 annual consolidated financial statements and September 30, 2021 interim condensed consolidated financial statements.

Off- Balance Sheet Arrangements

As at November 29, 2021, the Company did not enter into any off-balance sheet arrangements.

Contingencies

As at the date of the MD&A, the Company is not aware of any contingent liabilities.

Transactions with Related Parties

The Company's related parties are its Board of Directors, key management personnel (Chief Executive Officer – Ben Lui (CEO) and Acting Chief Financial Officer – DeEtte Mack (Acting CFO), as well as any companies controlled by key management personnel or directors). Transactions conducted with related parties took place in the normal course of operations and are measured at the amount of consideration established and agreed to by the related parties.

Details of the related party transactions follow:

The remuneration of key management personnel and directors follows:

	Three months ended September 30		Nine months ended September 30	
	2021	2020	2021	2020
Share-based compensation from stock options granted	\$ 12,812	\$ --	\$ 36,238	\$ --

The directors and key management personnel did not receive any direct compensation from the Company. The directors and key management were issued an aggregate of 50,000 stock options during the nine-months ended September 30, 2021.

Due to (from) Related Party

The balance due from related party is receivable from a company controlled by a director of the Company, is unsecured, bears no interest and has no specific terms of repayment.

The balance due to related party is payable to a director of the Company, is unsecured, bears interest at 7% and has no specific terms of repayment.

During the period, the Company paid property management fees of \$20,446 (2020 - \$18,441) for the three months and \$55,194 (2020 - \$55,797) for the nine months ending September 30, 2021 which are included in common area costs, under a property management contract to a company controlled by a director of the Company.

Critical Accounting Policies and Estimates

The preparation of the Company's interim condensed consolidated financial statements in accordance with IFRS requires management to make estimates and assumptions that affect amounts reported in the consolidated financial statements and accompanying notes.

There is a full discussion and description of the Company's critical accounting policies and estimates and judgments used in the December 31, 2020 annual financial statements.

The spread COVID-19 has severely impacted local economies around the globe. The World Health Organization ("WHO") has declared the outbreak of the COVID-19 as a pandemic. The global impact of the outbreak is rapidly evolving, and many countries have reacted by instituting quarantines, prohibitions on travel and closures of offices, businesses, schools, retail stores and other public venues, resulting in an economic slowdown. Global stock markets have also experienced great volatility. Governments and central banks have been responding with monetary and fiscal interventions in an effort to stabilize the economic conditions.

Management has determined that there are no adjusting subsequent events for financial reporting purposes related to COVID-19. Accordingly, the financial position and results of the operations as of the nine months ended September 30, 2021 have not been adjusted to reflect their impact. The extent and duration of the impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, are currently uncertain and it is not possible to reliably assess and predict the impact on the future financial position and operating result of the Company.

Forward Looking Information

Subsequent Events

Acquisitions

The Company entered into a real estate purchase contract to acquire a residential apartment located in the City of Penticton, British Columbia with an appraised value of \$4,900,000. The acquisition is expected to be completed on December 9, 2021. The property will be financed through a combination of equity and bank loan.

The Company has entered into a number of purchase contracts with buyer due diligence conditions for additional properties across British Columbia.

Share Options

Subsequent to September 30, 2021, 101,200 options were exercised at a share price of \$0.20 for total proceeds of \$20,240. 295,090 options expired without being exercised on November 18, 2021.

Outlook

Despite the challenges of the Covid-19 pandemic, the Yorkton risk averse business model consisting of the accretive acquisition of mid-market multifamily rental assets in strategic markets is uniquely structured to prosper even in times of economic uncertainty, as accommodation is a basic life necessity, and a hedge against inflation. We have demonstrated our confidence in our business model by the rapid yet secure pace of our building acquisitions and portfolio integration over the past year expanding our portfolio from Edmonton, Alberta, to multiple cities across BC including Langford Victoria, Surrey, Kelowna, Penticton, and in Northern BC in the Fort St. John area. This expansion will over time allow us to expand our net operating income as we stabilize our new property acquisitions, as well as grow our net asset value. With new Covid-19 strains threatening our economic landscape, we do not expect any significant increase in interest rates in the near future, which represents an unprecedented window of opportunity to expand our multifamily portfolio with a reduced cost base.

The Government of Canada forecast 5.8% economic growth for fiscal year 2021-22, is supported by \$143 billion in new spending measures. In addition, the federal government is boosting its immigration targets, totalling 1.2 million new immigrants over the next three years and Ottawa's recent announcement that it intends to extend work permits for international students also bodes well on the demand side for our multifamily rental property business. The U.S. government's US\$1.9 trillion infrastructure package is also expected to spur significant economic growth that is expected to spill over into the Canadian economy creating jobs and opportunities to support increased immigration levels in the coming years.

Yorkton believes our unique mid-market multifamily rental model will remain a safe resilient asset class, supported by favourable long-term market fundamentals that has remained remarkably favourable despite the ongoing impact of the Covid-19 pandemic.

Forward-Looking Statements Disclaimer

This MD&A offers our assessment of Yorkton’s future plans and operations as of November 29, 2021 and contains “forward-looking statements” and “forward-looking information” within the meaning of applicable securities law (collectively referred to in this MD&A as “forward looking statements”). All such statements and disclosures, other than those of historical fact, which address activities, events, outcomes, results, or developments that Yorkton anticipates or expects may, or will occur in the future (in whole or in part) should be considered forward-looking statements.

In some cases, forward-looking statements can be identified using the words “will”, “can”, “possible”, “may”, “believe”, “expect”, “anticipate”, “future”, “typical”, “opportunity”, “continue”, “should”, “intend”, “budget”, “plan”, “potential” and similar expressions. In particular, but without limiting the foregoing, this MD&A contains forward-looking statements pertaining to the following: Yorkton’s corporate structure; the Company’s investment strategy; market interest rates; availability of suitable investment opportunities; Yorkton’s corporate focus: business model and strategy; market opportunities; the impact of novel coronavirus (“COVID-19”) on the Company’s operations; the addition of infrastructure and properties; timing and cost thereof; recurrence of certain expenditures; and liquidity and capital resources, including the Company’s ability to generate sufficient amounts of cash through operations and financing activities.

By their nature, forward-looking statements are subject to numerous risks and uncertainties, including those discussed below. You are cautioned that the assumptions used in the preparation of forward-looking statements, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. Actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements. No assurance can be given that any of the events anticipated will transpire or occur, or if any of them do so, what benefits Yorkton will derive from them. The Company does not assume the obligation to update or revise any forward-looking statements, whether because of new information, future events or otherwise unless required by law.

The impact of the changing circumstances surrounding the COVID-19 pandemic and the related response from the Company, governments (federal, provincial and municipal), regulatory authorities, businesses and customers, there is inherently more uncertainty associated with the Company’s assumptions as compared to prior periods. These assumptions and related risks, include but are not limited to management expectations with respect to the factors above as well as general economic conditions, such as the impact on the economy and financial markets of the COVID-19 pandemic and other health risks.

Non-IFRS Measures

In this MD&A, certain terms that are not specifically defined in International Financial Reporting Standards (“IFRS”) are used to analyze Yorkton’s operations. In addition to the primary measures of net (loss) income and net (loss) income per share in accordance with IFRS, Yorkton believes that certain measures not recognized under IFRS assist both Yorkton and the reader in assessing performance and understanding the Company’s results. As a result, the method of calculation may not be comparable with other companies. These measures should not be considered alternatives to net (loss) income and net (loss) income per share as calculated in accordance with IFRS.

Working capital – working capital is calculated as current assets less current liabilities.