GULF & PACIFIC EQUITIES CORP.

MANAGEMENT DISCUSSION AND ANALYSIS

For the year ended December 31, 2021

This Management Discussion and Analysis (“**MD&A**”) of Gulf & Pacific Equities Corp (the "**Company**") provides analysis of the Company's financial results for the year ended December 31, 2021. The following information should be read in conjunction with the accompanying audited financial statements and the related notes for the year ended December 31, 2021 and the audited financial statements and the related notes for the year ended December 31, 2020.

The audited financial statements and related notes of the Company have been prepared in accordance with International Financial Reporting Standards (“**IFRS**”). Refer to the Notes of the December 31, 2021 audited financial statements for disclosure of the Company’s significant accounting policies. The Company’s functional and reporting currency is the Canadian dollar.

The Company is publicly traded on the TSX Venture Exchange (TSX-V: **GUF**).

International Financial Reporting Standards

The Company’s audited financial statements for the year ended December 31, 2021 and the December 31, 2020 audited financial statements have been prepared in accordance with IFRS as published by the International Accounting Standards Board.

Date of Report

This report is prepared as of April 21, 2022.

Forward Looking Statements

This MD&A includes certain statements that may be deemed "forward-looking statements". All statements in this discussion, other than statements of historical facts, that address the Company’s ability to lease vacant property units, collect minimum rents, diversify its tenant base, undertake land intensification projects, refinance loans and mortgages at their maturity, complete accretive acquisitions and other events that impact the growth of the Company are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include interest rates, continued availability of capital and financing, and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and that actual results or developments may differ materially from those projected in the forward-looking statements.

Additional information including press releases have been filed electronically through the System for Electronic Document Analysis and Retrieval ("**SEDAR**") and are available online under our profile at www.sedar.com or the Company's website at www.gpequities.com.

Company Overview

The Company was incorporated under the *Business Corporations Act* (Alberta) on April 8, 1998 and on June 17, 1998 filed Articles of Amendment to remove certain private corporation restrictions. The Company is listed on the TSX Venture Exchange (TSX-V: GUF). The Company commenced active operations during the 1999 fiscal year and is focused on the acquisition, management, and development of anchored shopping centres in Western Canada.

The Company's current portfolio consists of three properties located in Alberta. The three properties consist of Tri-City Mall located in Cold Lake, Alberta with a gross lease area of 141,289 sq. ft., St. Paul Shopping Centre, in St. Paul, Alberta with a gross lease area of 79,042 sq. ft. and a stand-alone property in Three Hills, Alberta with 9,003 sq. ft. of gross lease area. The Company still holds a vacant lot in Merritt, B.C..

Fourth Quarter and Year Ended December 31, 2021 Highlights

In the quarter and year ended December 31, 2021:

- As reported in the second quarter of 2020, the quarter was the start of the national and global battle against the COVID-19 pandemic, resulting in the closing of retail activities across Canada except for those who are deemed essential services. Our properties located in northern Alberta are in regions with low confirmed COVID-19 cases. However, many of our tenants closed due to social distancing requirements for individuals. As a result, some of our tenants closed their premises other than those who were deemed essential services such as the drug store, grocery store, dollar stores, banks, government services and fast food. At the writing of this report, Canada is in the sixth wave of COVID-19, and although COVID restrictions have mostly been eliminated, consumer confidence remains fragile for the retail sector.

- In the second quarter of 2021, the Company obtained an additional $20,000 from the Canadian Emergency Business Account (CEBA) loan program. As a result, the Company received a total of $60,000 from the program, with $40,000 repayable by December 31, 2023.

- At **Tri-City Mall**, during the quarter, local leasing and leasing renewals were ongoing. The Company continues to monitor the market and look for emerging opportunities with new national & local tenants. As of October 1, 2021, Fire & Flower opened its premises in the mall. Gulf & Pacific is committed to leasing out the remaining vacancies and working on leasing the mall fully.

- At **St. Paul Shopping Centre**, management is pleased to report that the St. Paul Shopping Centre is fully leased in its current configuration.

- In **Three Hills**, Red Apple Stores Inc. continued to operate the premises as The Bargain Shop and was deemed an essential service and continued to operate.

- In **Merritt**, the Company still holds a vacant lot with nominal value.

- The Company has a revolving unsecured loan agreement with Ceyx Properties Ltd. ("**Ceyx**") for up to $6 million at an annual interest rate of 6% with no fixed terms for repayment (the "**Loan**"). During the quarter, the Company repaid $150,000 of the principal to Ceyx Properties Ltd. As of December 31, 2021, the balance outstanding was $1,697,000.

Overall Performance

Statements of Financial Position

On the Statements of Financial Position, total assets were $44,080,522 at December 31, 2021, compared to $40,125,307 as of December 31, 2020. The increase of $3,955,215 in total assets during the year is primarily due to increase in investment properties as a result of appraisals completed for the two major properties.

The Company's cash balance increased by $30,183 during the twelve months to $178,058 at December 31, 2021, from $147,875 as of December 31, 2020. The increase in cash is mostly due to increase in loan during the year offset by the use of funds for regular property management expenses, mortgage payments, and administration.

Accounts receivable increased to $275,144 at December 31, 2021, from $257,165 as of December 31, 2020, mostly due to the Company's outstanding receivables in common area and property taxes.

Total prepaid expenses for the Company are $5,674 as of December 31, 2021 and December 31, 2020.

Effective January 1, 2019, in accordance with IFRS 16, the Company recorded a right-of-use asset of $80,590 for its corporate office lease. As at December 31, 2021, the right-of-use asset has a remaining balance of $21,382.

Investment properties increased to $43,500,000 as of December 31, 2021 from $39,600,000 as of December 31, 2020 due to updated appraisals for the two major properties.

The Company holds common shares of a related company. The value of the shares is $48,816 as of December 31, 2021, compared to $40,680 as of December 31, 2020.

With respect to liabilities, accounts payable and accrued liabilities decreased to $2,376,605 as of December 31, 2021, from $2,583,438 as of December 31, 2020, due to a reduction of accrued liabilities during the year and normal operations such as property taxes, common area expenses, and loan interest.

Mortgages payable decreased to $19,272,565 as of December 31, 2021, from $20,366,484 as of December 31, 2020, due to payment of principal during the year.

Effective January 1, 2019, in accordance with IFRS 16, the Company recorded a lease liability of $82,470 for its corporate office lease. As at December 31, 2021, the lease liability has a remaining balance of $23,627.

As of December 31, 2021, the Company had an outstanding loan obligation of $1,697,000 from a related corporation, Ceyx Properties Ltd. The loan is unsecured, with access to a maximum value of up to $6,000,000 and interest payable of 6% per annum. Interest is accrued but not compounded. The companies are related by virtue of the fact that they have the same President. The related corporation is not a subsidiary.

Government loan payable represents a COVID-19 government loan due December 31, 2023. The difference between the amount received in cash and the related fair value was recognized as a government grant on the statements of income and comprehensive income. The value of the loan is $38,099 as at December 31, 2021.

The deferred income tax liability of $1,424,000 as of December 31, 2021, represents the Company's future obligations due to temporary differences between the accounting basis and the tax basis of the assets and liabilities, and tax loss carry forwards.

Total liabilities decreased to $24,831,896 as of December 31, 2021 from $25,401,199 as of December 31, 2020. This decrease is primarily due to normal payments of interest and principal.

Shareholders' equity was $19,248,626 as of December 31, 2021 compared to $14,724,108 as of December 31, 2020. The increase in shareholder's equity was mainly due to an increase in retained earnings due to updated appraisals for the two major properties, rental revenue, common area and property taxes recoveries, and repayment of mortgages.

Statements of Income and Comprehensive Income

For the year ended December 31, 2021 revenue increased to $3,965,397 from $3,749,518 for the year ended December 31, 2020. The increase was mostly due to increases in rent and common area & realty tax recoveries in the year compared to lower amounts in the previous year due to COVID-19.

Accordingly, rental income increased by $103,977 or 4.0% as a result of increases in base rent and percentage rent by some tenants. Step rent revenue changed from negative $62,728 in the year ended December 31, 2020, to $38,419 in the year ended December 31, 2021, a non-cash amount representing the straight-line recognition of the future rent increase for the new leases. Common area and realty tax recoveries increased by $87,593 or 7.3% for the year compared to the same period last year, due mostly to the recovery of common area and realty taxes from tenants.

Expenses for the year increased to $3,658,661 as of December 31, 2021, from $3,575,075 for the year ended December 31, 2020, an increase of $83,586 or 2.3%. The primary reason for the increase in expenses is due to higher operating costs in the year in 2021 compared to lower expenses in 2020 due to COVID-19.

In detail, a decrease in interest of $31,426 or 2.7% is due mostly to a normal decrease in interest payable during the year from the reduced mortgage principal. Decreases in operating costs and realty taxes of $21,686 or 1.3% are due mainly to higher expenses in the year in 2020 in the St. Paul Shopping Centre, offset by nominal increased in 2021 due to return to normal activities post COVID-19. Administration expenses increased nominally by $2,190 or 0.3% as administration expenses remain stable.

Share-based compensation of $134,508 represents options granted during the year.

Operating costs and realty taxes are returning to pre-COVID-19 levels for the coming year. Overall, within the normal operations of the Company, expenses are holding steady, and management remains focused on controlling costs and operating efficiently.

Net income before unrealized gain (loss), change in estimate of accrued liabilities, government grant, fair value adjustment, other income and income taxes for the year ended December 31, 2021 was $306,736, compared to $174,443 for the year ended December 31, 2020. As a result, basic and diluted net income per share before unrealized gain (loss), change in estimate of accrued liabilities, government grant, fair value adjustment, other income and income taxes was $0.01 per share for the year ended December 31, 2021 and $0.01 for the year ended December 31, 2020.

Net income and comprehensive income for the year ended December 31, 2021 was an income of $4,390,010 compared to $431,610 for the year ended December 31, 2020. As a result, basic income per share was a net income of $0.21 per share for the year ended December 31, 2021, and $0.02 per share for the year ended December 31, 2020. Diluted income per share was $0.21 per share for the year ended December 31, 2021 and $0.02 per share for the year ended December 31, 2020.

Statements of Cash Flow

On the statements of cash flows, cash provided by operations totalled $1,917,370 for the twelve months ended December 31, 2021, compared to cash provided by operations of $1,385,867 for the twelve months ended December 31, 2020.

Financing activities for the twelve months ended December 31, 2021 recorded funds used of $1,735,740 compared to funds used of $1,521,617 for the twelve months ended December 31, 2020.

As at December 31, 2021, the Company had cash of $178,058 compared to cash of $147,875 as at December 31, 2020.

Selected Annual Information

The following selected financial data for each of the three most recently completed financial years are derived from the audited annual financial statements of the Company, which were prepared in accordance with International Financial Reporting Standards ("IFRS") and presented for the years ended December 31, 2021, 2020 and 2019.

For the Years Ended December 31,	**2021**	**2020**	**2019**
	$	$	$
Revenue	3,965,397	3,749,518	3,838,060
Net Income (Loss) before fair value adjustment, other income items and income taxes	306,736	174,443	215,716
Net Income (Loss) before fair value adjustment, other income items and income taxes, per share - basic and diluted	0.01	0.01	0.01
Net Income (Loss) and Comprehensive Income (Loss)	4,390,010	431,610	(197,218)
Net Income (Loss) and Comprehensive Income (Loss), per share - basic	0.21	0.02	(0.01)
Net Income (Loss) and Comprehensive Income (Loss), per share - diluted	0.21	0.02	(0.01)
Total Assets	44,080,522	40,125,307	40,228,443
Total Liabilities	24,831,896	25,401,199	25,935,945
Cash Dividends	-	-	-

Summary of Quarterly Results

The following selected financial data are derived from the unaudited quarterly financial statements of the Company, which were prepared in accordance with IFRS for the results from January 1, 2019 to December 31, 2021.

	2021				2020			
For the Quarters Ended	**Dec 31**	**Sep 30**	**Jun 30**	**Mar 31**	**Dec 31**	**Sep 30**	**Jun 30**	**Mar 31**
	$	$	$	$	$	$	$	$
Revenue (i)	1,064,014	1,029,139	999,206	873,038	1,005,546	899,642	937,139	907,191
Net Income (Loss) before fair value adjustment, other income items and income taxes (i)	60,568	194,534	38,545	13,089	81,022	75,416	(145,549)	163,554
Net Income (Loss) before fair value adjustment, other income items and income taxes, per share - basic and diluted	-	0.01	-	-	-	-	-	0.01
Net Income (Loss) and Comprehensive Income (Loss)	4,099,344	146,025	26,975	117,666	200,650	108,028	(65,320)	188,252
Net Income (Loss) and Comprehensive Income (Loss), per share - basic	0.20	0.01	-	-	0.01	-	-	0.01
Net Income (Loss) and Comprehensive Income (Loss), per share – diluted	0.20	0.01	-	-	0.01	-	-	0.01

(i) Certain amounts from the unaudited quarterly financial statements of the Company have been reclassified in this table to conform with current period presentation. These reclassifications did not have any impact on the total net income (loss) and comprehensive income (loss). Amounts may not agree with the previously filed financial statements.

Liquidity and Capital Resources

The Company had cash of $178,058 as of December 31, 2021, which is sufficient to cover the Company's near-term cash requirements. If additional capital resources are required, management believes that it has the ability to raise sufficient funds for the continuation of operations. While management has been historically successful in raising the necessary capital, it cannot provide assurance that it will be able to obtain the required financing.

The Company has commitments for capital expenditures related to the landlord's work in securing the new tenants. The Company currently has access of up to $6,000,000 in loan proceeds from a related party. As at December 31, 2021, $1,697,000 is outstanding on this loan.

The Company is committed under a lease contract for the rental of its office premises in Toronto.

To date, the Company has not paid any dividends on its shares and as of the date of this MD&A does not plan to pay dividends in the immediate future.

The Company's objectives when managing capital are:

a) to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits to other stakeholders, and

b) to provide adequate return to shareholders by obtaining an appropriate amount of debt commensurate with the level of risk, to reduce after-tax cost of capital.

Fourth Quarter 2021

Major events and results relating to the quarter ending December 31, 2021 are covered in the section "Fourth Quarter and Year Ended December 31, 2021 Highlights".

Changes in Accounting Policies

The IASB issued an amendment to IAS 16, Property, Plant and Equipment, to prohibit the deducting from property, plant and equipment amounts received from selling items produced while preparing an asset for its intended use. Instead, sales proceeds and its related costs must be recognized in profit or loss. The amendment will require companies to distinguish between costs associated with producing and selling items before the item of property, plant and equipment is available for use and costs associated with making the item of property, plant and equipment available for its intended use. The amendment is effective for annual periods beginning on or after January 1, 2022, with earlier application permitted. The adoption of this amendment will not have any impact on the Company's financial statements.

Financial Instruments

All of the Company's financial instruments are initially measured at fair value, with subsequent measurements dependent on the classification of each financial instrument as follows:

Asset/Liability	**Classification under IFRS 9**
Cash	Amortized cost
Accounts receivable	Amortized cost
Investments	FVTPL
Other assets	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Mortgages	Amortized cost
Loan Payable	Amortized cost
Government loan payable	Amortized cost

Outstanding Share Data

The Company is authorized to issue an unlimited number of common shares without par value. As of December 31, 2021, the Company had issued and outstanding 21,290,685 common shares with a recorded value of $7,453,322.

The Company is also authorized to issue an unlimited number of preference shares without par value, of which none have been issued.

Off-Balance Sheet Arrangements

The Company had no off-balance sheet transactions for the year ended December 31, 2021 or the year ended December 31, 2020.

Related Party Transactions

During the year ended December 31, 2021, the Company:

a) Charged rent at 1240 Bay Street to related parties, Plato Gold Corp., $2,400 (December 31, 2020 - $2,500) and Ceyx Properties Ltd., $3,600 (December 31, 2020 - $3,600). The companies are related parties of the Company by virtue of the fact that they both have the same President of the Company. As at December 31, 2021, included in accounts receivable is an amount of $16,200 (December 31, 2020 - $13,800) due from these related parties.

b) Was charged consulting fees for financial and management services of $120,156 (December 31, 2020 - $114,376) by Greg K. W. Wong, an officer of the Company. As at December 31, 2021, accounts payable and accrued liabilities included $Nil (December 31, 2020 $Nil) of consulting fees payable to this officer.

c) Incurred accounting fees of $117,000 (December 31, 2020 - $142,000) from a company in which Paul Andersen, one of the Company's officers, is an officer. As at December 31, 2021, accounts payable and accrued liabilities included $51,865 (December 31, 2020 - $35,000) owing to this company.

d) Other related party transactions are disclosed in note 6, 7 and 11 to the accompanying financial statements.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the particular related parties and the Company.

Contractual Obligations and Commitments

The Company's contractual obligations and commitments consists of loans and mortgages which are disclosed in the notes to the audited financial statements ended December 31, 2021 and in the notes to the audited financial statements ended December 31, 2020. In February 2018, the Company moved to new offices and has lease obligations for its new offices until 2023.

Internal Control over Financial Reporting

Management has established processes, which are in place to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the audited annual financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the audited annual financial statements and (ii) the audited annual financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the audited annual financial statements.

In contrast to the certificate required under Multilateral Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* ("**MI 52-109**"), the Company utilizes the Venture Issuer Basic Certificate which does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("**DC&P**") and internal control over financial reporting ("**ICFR**"), as defined in MI 52-109. In particular, the certifying officers filing the Certificate are not making any representations relating to the establishment and maintenance of:

i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the Company's GAAP.

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer (such as the Company) to design and implement on a cost effective basis DC&P and ICFR as defined in MI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Risk and Uncertainties

The Company depends on several national retail chains for a significant part of its income. If any of these chains were adversely affected by economic or business conditions, it would have a negative impact on the Company. The Company would also be adversely affected by a long-standing large increase in interest rates or a severe economic slowdown.

COVID-19

The outbreak of the novel strain of coronavirus in 2020, specifically identified as “COVID-19”, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus for the past two years. These measures which include the implementation of travel bans, self-imposed quarantine periods, and social distancing have caused material disruption to businesses resulting in a global economic disruption. At the same time, global equity markets have experienced historic volatility. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize domestic economic conditions. The long term economic impact of the COVID-19 outbreak is unknown, as is the efficacy of the government and central bank interventions. As we emerge from the past two years of battling COVID-19, it is not possible to reliably estimate the resulting severity of these developments and the impact on the financial results and condition of the Corporation in future periods.

For the Company, COVID-19 has no physical impact on the three properties located in northern Alberta. However, COVID-19 does significantly impact the daily operations of the company, the operations of the tenants, the rental payments by tenants, the cost of operations at each property and the Company’s ability to access funds in the capital markets for financing. The current impact of COVID-19 on the Company is reported in the section “Fourth Quarter and Year Ended December 31, 2021 Highlights”. Going forward, until the population is fully vaccinated against COVID-19, the uncertainty and its impact on the Company remains difficult to measure for the coming year.

Subsequent Event

Subsequent to the year ended December 31, 2021, the Company completed a $3,000,000 loan financing from Canadian Western Bank (the "Bank") for the construction of a pad site at a Tri-City Mall in Cold Lake. Monthly interest only payments are payable on the loan for the first twelve (12) months after drawdown, at a variable rate of the Bank's prime lending rate plus 1%. Following, the interest only period, the loan is repayable in monthly payments of principal and interest based on an amortization period of twenty (20) years. The construction of the pad site has started as of the date of this report.

OUTLOOK

COVID-19 continues to impact the global economy as vaccination and the reopening of normal economic activities are the key factors driving the major economies around the world. While western nations with higher vaccination rates are reopening cautiously, developing nations are still dealing with the pandemic due to low vaccination rates. This global variation in vaccination rates has caused a slow restart of economic activities in the developing nations, thus impacting the global supply chains worldwide for a wide range of products.

As of this writing, COVID-19 is well into the sixth wave in North America, with most COVID cases associated with those who are not fully vaccinated. In addition, the war in Ukraine are affecting oil prices around the world with major impact on the Alberta economy, resulting increase economic activities in the oil sector. The result is that local and global economic uncertainty will be with us well into 2022.

In the recent federal budget announcement, government spending will continue to keep domestic economies afloat with a focus on specific sectors of the economy and to encourage the return of the labour force. As well, inflation is increasing faster than expected, and interest rates are anticipated to increase in the second quarter of 2022.

Federal and provincial governments are taking a cautious approach to reopening local businesses to ensure that current health care capacity is not overwhelmed but with a focus on ensuring a successful reopening, particularly in the retail sector.

In Alberta, the oil and gas prices have rebounded along with a robust capital market in equities. The increase global demand for oil, due to reduce oil supply from Russia will have long term benefits for Alberta. However, these positive indications have not fully transferred to the retail sector in Alberta, but indicators are positive on the horizon. Our mix of "everyday basic needs" has served us well during the pandemic.

Overall, the economic future remains uncertain for many sectors of the economy, including commercial real estate holdings.

For the Company, our properties are in regions with diverse economies and do not solely depend on the oil & gas sector. While it's anticipated that oil prices will impact local economies, it will be softened somewhat in these two regions due to their diversification, with agriculture, tourism, and the Canada Forces Base in Cold Lake, in addition to the oil and gas industry.

The low-interest-rate environment is anticipated to change, but the rate of increase is not anticipated to dramatic at this time. The Company will continue to monitor the interest cost for future financing.

Operationally, our business model has enabled the Company to weather past economic downturns better than most sectors, as our anchor tenants and national retailers are key retailers in their region. In addition, groceries, pharmacies, and some of our other tenants are deemed essential services.

While the Canadian retail market will be facing a major reorganization after COVID-19, the Company has historically been able to renew leases when due and secure new tenants when opportunities arise. Accordingly, management is continuing its efforts to lease the remaining vacancies at Tri-City Mall.

Tri-City Mall, Cold Lake, Alberta

The Tri-City Mall remains the flagship mall in the Company's portfolio and represents a major portion of the revenue generated for the Company.

In the year ended December 31, 2021, the Company continued to work with the tenants to weather the economic challenges due to COVID-19. As of October 1, 2021, Fire & Flower opened its premises in the mall. The Company is committed to leasing the remaining space in Tri-City Mall and fully leasing the mall.

As of the writing of this report, the Company has started construction on a new pad site at Tri-City Mall, with further announcement anticipated in the second quarter of 2022.

With the changes noted above, the current tenant profile remains stable with Ardene, ATB Financial, Fire & Flower, Government of Alberta Infrastructure, Bootlegger, Bross Hair, Dollar Tree, Easy Financial, Pet Valu, Pizza Hut, Sobeys, Sportchek, V-Nails & Spa, Value Drug Mart, Warehouse One, and Winners. When fully leased, the mall will add substantial value to the Company's investment portfolio.

St. Paul Shopping Centre, St. Paul, Alberta

St. Paul Shopping Centre continues to be fully leased in its current configuration. The current tenant profile consists of Peavey Mart, Ardene, Dollar Tree, Marks, and Giant Tiger Stores occupying the mall. The two pad sites are leased by Tim Hortons and Petro Canada.

Three Hills, Alberta

Our Three Hills property is operating as a Bargain! Shop.

In Merritt, British Columbia, the Company still holds a vacant lot.

Our long-term financing consists of mortgages and an unsecured loan with a related party. As of December 31, 2021, the mortgages outstanding for the Cold Lake and St. Paul properties stand at $19,038,454 for these two properties bearing interest at 5.26% ($16,302,924) maturing on September 1, 2023, and at 4.48% ($2,735,530) maturing on April 1, 2025. The Three Hills property has a mortgage balance of $266,278 as of December 31, 2021, paying interest at 5.85% and maturing on December 1, 2023.

The Company has access to the loan with Ceyx of up to $6 million to finance the redevelopment of the two malls and general operation of the Company of which $1,697,000 is outstanding as of December 31, 2021 and with accumulated interest of $1,588,050.

The Company had cash of $178,058 as of December 31, 2021, with 21,290,685 shares outstanding. The closing price of the Company's common shares on the TSXV on December 31, 2021, was $0.265.

Management continues to reduce costs at the corporate level and, when appropriate, to maintain or reduce Common Area Maintenance expenses on all properties.

As noted above, particularly due to COVID-19, the current economic situation remains challenging for new financing. Financing will be difficult to obtain in the small markets where our properties are located.

We are focused on maintaining a strong relationship with our many quality tenants such as Ardene, ATB Financial, Government of Alberta Infrastructure, Bootlegger, Dollar Tree, Easy Financial, Fire & Flower, Giant Tiger Stores, Mark's Work Warehouse, Peavey Mart, Pet Valu, Petro Canada, Pizza Hut, Sobeys, Sportchek, The Bargain Shop, Tim Hortons, V-Nails & Spa, Value Drug Mart, Warehouse One, and Winners. To view a complete list of our tenants, please visit our website at www.gpequities.com.

Our business model of investing in anchored shopping centres, with a focus on everyday needs, remains our competitive advantage during good and difficult economic conditions.

The Company continued to focus on securing new leases based on the current interest by national and local tenants. However, COVID-19 has dramatically changed the retail landscape and new leasing will be a challenge. Looking forward to 2022, management is committed to fully lease Tri-City Mall, which will provide a substantial increase in valuation of the investment portfolio based on external appraisals. The Company is pleased to report that St. Paul Shopping Centre continues to be fully leased based on the current configuration.

On a personal note, I would like to thank all the healthcare workers and retail workers and staff in Canadian retail, who made our lives better during the pandemic, which will hopefully run its course in the coming months.

Yours truly,

(signed) "Anthony J. Cohen"
Anthony J. Cohen
President & CEO
April 21, 2022