GULF & PACIFIC EQUITIES CORP.

MANAGEMENT DISCUSSION AND ANALYSIS

For the year ended December 31, 2022

This Management Discussion and Analysis ("**MD&A**") of Gulf & Pacific Equities Corp (the "**Company**") provides an analysis of the Company's financial results for the year ended December 31, 2022. The following information should be read in conjunction with the accompanying audited financial statements and the related notes for the year ended December 31, 2022, and the audited financial statements and the related notes for the year ended December 31, 2021.

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, 2022, 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, 2022, and the December 31, 2021, 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 20, 2023.

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 149,069 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 8,922 sq. ft. of gross lease area. The Company still holds a vacant lot in Merritt, B.C..

Fourth Quarter and Year Ended December 31, 2022 Highlights

In the quarter and year ended December 31, 2022:

- As initially reported in the second quarter of 2020, the quarter was the start of the national and global battle against the COVID-19 pandemic. During the past three years, many of our tenants faced economic uncertainty, closing and reopening their businesses. However, those deemed essential services, such as drug stores, grocery stores, dollar stores, banks, and government, remained operational.

- As part of the Canadian Emergency Business Account (CEBA) loan program, the Company received a total of $60,000 from the program, with $40,000 repayable by December 31, 2023.

- At **Tri-City Mall**, starting in the first quarter of 2022, the Company secured $3 million in financing for the construction of a new pad site at Tri-City Mall. The construction was completed in late October.

- The Company is pleased to announce that **Wendy's, Subway, Pizza Hut and Telus** are the new tenants for Building 5 at Tri-City Mall, with the fifth tenant to be announced soon. As well, see the section on Subsequent Events below.

- Ongoing leasing negotiations are in process with a number of other national tenants, and the Company hopes to announce more new tenants in the coming months. As well, local leasing and leasing renewals were ongoing. The Company continues to monitor the market and look for emerging opportunities with new national & local tenants.

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

- In **Three Hills**, the lease with Red Apple Stores Inc., operating as The Bargain Shop, ended on January 31, 2023. Please see the section on Subsequent Events below.

- 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**"). As of December 31, 2022, the balance outstanding was $2,147,000.

Overall Performance

Statements of Financial Position

On the Statements of Financial Position, total assets were $48,616,463 at December 31, 2022, compared to $44,080,522 as of December 31, 2021. The increase of $4,535,941 in total assets during the year is primarily due to a $3 million loan drawn to fund the construction of the new pad site at Tri-City Mall and increase in accounts receivable.

The Company's cash and cash equivalents balance increased by $7,169 during the year to $185,227 at December 31, 2022, from $178,058 as of December 31, 2021. The increase in cash and cash equivalents is mostly due to the increase in the loan during the year, offset by the use of funds for the construction of the new pad site, regular property management expenses, mortgage payments, and administration.

Accounts receivable increased to $499,785 at December 31, 2022, from $275,144 as of December 31, 2021, 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, 2022, and as of December 31, 2021.

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, 2022, the right-of-use asset has a remaining balance of $1,645.

Investment properties increased to $47,830,000 as of December 31, 2022, from $43,500,000 as of December 31, 2021, due to expenditures invested in the new pad site during the year and an increase in the fair value of two out of the three properties.

The Company holds common shares of a related company. The value of the shares is $40,680 as of December 31, 2022, compared to $48,816 as of December 31, 2021.

Other assets represent the value of shares held in several credit unions.

With respect to liabilities, accounts payable and accrued liabilities increased to $2,824,931 as of December 31, 2022, from $2,376,605 as of December 31, 2021, due to increased activities related to the pad site construction during the year and normal operations such as property taxes, common area expenses, and loan interest.

Mortgages payable increased to $21,122,881 as of December 31, 2022, from $19,272,565 as of December 31, 2021, due to an increase in the mortgages during the year to fund the construction of the new pad site.

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, 2022, the lease liability has a remaining balance of $1,865.

As of December 31, 2022, the Company had an outstanding loan obligation of $2,147,000 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 $38,095 as at December 31, 2022.

The deferred income tax liability of $1,660,000 as of December 31, 2022, 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 increased to $27,794,772 as of December 31, 2022, from $24,831,896 as of December 31, 2021. This increase is primarily due to the new loan in the year offset by normal payments of interest and principal.

Shareholders' equity was $20,821,691 as of December 31, 2022, compared to $19,248,626 as of December 31, 2021. The increase in shareholder's equity was due to the year's results from rental revenue, common area and property taxes recoveries, repayment of mortgages and increase in the fair value of the properties.

Statements of Income and Comprehensive Income

For the year ended December 31, 2022, revenue increased to $4,215,751 from $3,965,397 for the year ended December 31, 2021. The increase was primarily due to increases in rent and common area & realty tax recoveries and step rent in the year.

Accordingly, rental income increased by $34,149 or 1.26% as a result of increases in short-term rentals and percentage rent by some tenants. Step rent revenue changed from negative $38,419 in the year ended December 31, 2021, to negative $5,175 in the year ended December 31, 2022, 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 $182,961 or 14.3% for the year compared to the same period last year, due mostly to the increase common area and realty taxes recoverable from tenants.

Expenses for the year increased to $4,045,609 as of December 31, 2022, from $3,658,661 for the year ended December 31, 2021, an increase of $386,948 or 10.6%. The primary reason for the increase in expenses is higher activities related to the construction of the new pad site and related costs associated with securing the financing and new tenants, including increased interest and administration in the year compared to normal operating expenses in the same period in 2021.

Specifically, there was an increase in interest of $180,347 or 16% in the year. Increases in operating costs and realty taxes of $280,152 or 17.2% are due mainly to higher expenses in the year in the Tri-City Mall related to maintenance services on the roof and parking lot. Administration expenses increased by $60,956 or 8.1% mostly due to professional fees associated with the new pad site development otherwise, administration expenses remain stable.

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, government grant, fair value adjustment, other income and income taxes for the year ended December 31, 2022, was a gain of $170,142 compared to a gain of $306,736 for the year ended December 31, 2021. As a result, basic and diluted net income per share before unrealized gain, government grant, fair value adjustment, other income and income taxes was $0.01 per share for the year ended December 31, 2022, and $0.01 for the year ended December 31, 2021.

Net income and comprehensive income for the year ended December 31, 2022, was $1,573,065 compared to $4,390,010 for the year ended December 31, 2021. As a result, basic and diluted net income per share was $0.07 for the year ended December 31, 2022, compared to basic and diluted net income per share of $0.21 per share for the year ended December 31, 2021.

Statements of Cash Flow

On the statements of cash flows, cash provided by operations totalled $1,740,974 for the year ended December 31, 2022, compared to cash provided by operations of $1,917,370 for the year ended December 31, 2021. The decrease in cash provided by operating activities was primarily due to working capital adjustments for the increase in accounts payable and accrued liabilities as of December 31, 2022.

Financing activities for the year ended December 31, 2022, recorded funds provided of $1,184,652 compared to funds used of $1,735,740 for the year ended December 31, 2021.

Investing activities for the year ended December 31, 2022, recorded funds used of $2,918,457 compared to funds used of $151,447 for the same period last year.

As at December 31, 2022, the Company had cash and cash equivalents of $185,227 compared to cash and cash equivalents of $178,058 as at December 31, 2021.

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, 2022, 2021 and 2020.

For the Years Ended December 31,	**2022**	**2021**	**2020**
	$	$	$
Revenue	4,215,751	3,965,397	3,749,518
Net Income (Loss) before fair value adjustment, other income items and income taxes	170,142	306,736	174,443
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)	1,573,065	4,390,010	431,610
Net Income (Loss) and Comprehensive Income (Loss), per share - basic	0.07	0.21	0.02
Net Income (Loss) and Comprehensive Income (Loss), per share - diluted	0.07	0.21	0.02
Total Assets	48,616,463	44,080,522	40,125,307
Total Liabilities	27,794,772	24,831,896	25,401,199
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, 2021 to December 31, 2022.

	2022				2021			
For the Quarters Ended	**Dec 31**	**Sep 30**	**Jun 30**	**Mar 31**	**Dec 31**	**Sep 30**	**Jun 30**	**Mar 31**
	$	$	$	$	$	$	$	$
Revenue (i)	1,275,116	992,940	1,007,691	940,004	1,064,014	1,029,139	999,206	873,038
Net Income (Loss) before fair value adjustment, other income items and income taxes (i)	218,842	66,577	(40,593)	(74,684)	84,040	194,534	27,742	420
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)	1,488,845	59,194	21,947	3,079	4,099,344	146,025	26,975	117,666
Net Income (Loss) and Comprehensive Income (Loss), per share - basic	0.07	-	-	-	0.19	0.01	-	0.01
Net Income (Loss) and Comprehensive Income (Loss), per share – diluted	0.07	-	-	-	0.19	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 and cash equivalents of $185,227 as of December 31, 2022, 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, 2022, $2,147,000 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 2022

Major events and results relating to the quarter ending December 31, 2022, are covered in the section "Fourth Quarter and Year Ended December 31, 2022 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 did 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 and cash equivalents	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, 2022, 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, 2022, or the year ended December 31, 2021.

Related Party Transactions

During the year ended December 31, 2022, the Company:

a) Charged rent at 1240 Bay Street to related parties, Plato Gold Corp., $2,400 (December 31, 2021 - $2,400) and Ceyx Properties Ltd., $3,600 (December 31, 2021 - $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, 2022, included in accounts receivable is an amount of $18,600 (December 31, 2021 - $16,200) due from these related parties.

b) Was charged consulting fees for financial and management services of $148,856 (December 31, 2021 - $120,156) by Greg K. W. Wong, an officer of the Company. As at December 31, 2022, accounts payable and accrued liabilities included $Nil (December 31, 2021 - $Nil) of consulting fees payable to this officer.

c) Incurred accounting fees of $118,000 (December 31, 2021 - $117,000) from a company in which Paul Andersen, one of the Company's officers, is an officer. As at December 31, 2022, accounts payable and accrued liabilities included $51,085 (December 31, 2021 - $51,865) owing to this company.

d) Other related party transactions are disclosed in note 7, 8 and 12 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, 2022 and in the notes to the audited financial statements ended December 31, 2021. 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 three 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 three 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 2022 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 Events

Subsequent to the year ended December 31, 2022, the Company signed lease agreements with **Taco Bell**, in addition to **Wendy's**, **Subway**, **Pizza Hut** and **Telus** signed in 2022, for Tri-City Mall. As well the Company signed a lease with **Dollarama** for the Three Hills Property.

In addition, the Company is pleased to announce that it has refinanced mortgages due April 1, 2023, $18,080,724 for a term of two years at a fixed rate of 6.98%. Furthermore, the Company secured additional mortgages totalling $3.3 million, with closing anticipated in the second quarter.

OUTLOOK

The after-effects of COVID-19, namely government spending, continue to linger on the global economy as supply chain issues and labour shortages are slowing the economic recovery around the world. Government spending during COVID-19 is now resulting in rising inflation, forcing governments to increase interest rates and possible economic recessions as a result. In addition, the war in Ukraine is affecting oil and grain prices around the world with a major impact on the Alberta economy.

As of this writing, Canadian retail markets are bracing for a possible recession as a result of government spending during COVID and the current high-interest rates. The result is that local and global economic uncertainty will be with us well into 2023.

In the recent federal budget, government spending increased in response to a possible recession on the horizon. As a result, inflation remains higher than the national target, but with the recession on the horizon, the government might be required to reverse the increase in interest rates.

In Alberta, oil and gas prices have rebounded along with a robust capital market in equities. The increased global demand for oil due to reduced gas and oil supply from Russia will also have long-term benefits for Alberta. However, these positive indications have not fully transferred to the retail sector in Alberta, as higher interest rates limit consumer spending.

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 central banks will continue to increase interest rates to fight inflation. This will have a negative effect on the Company's ability for future financing when due. However, the anticipated recession will force governments to reduce interest rates in the coming years. As a result, the Company is monitoring the interest rate regularly.

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 evidenced by the closing of US retail outlets in Canada, 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 and for the new pad site.

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.

The construction of the new 7,780 sq. ft. pad site at Tri-City Mall was completed in 2022. As noted above, Wendy's, Subway, Pizza Hut and Telus have signed leases, and the Company anticipates the pad site to be fully leased by Q2 2023. As well, the Company is pleased to welcome Taco Bell to the mall, as noted in the Subsequent Events above.

In the year ended December 31, 2022, the Company continued to work with the tenants on dealing with the challenging economy ahead. The Company is committed to leasing the remaining space in Tri-City Mall and fully leasing the mall.

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, Subway, Taco Bell, Telus, V-Nails & Spa, Value Drug Mart, Warehouse One, Wendy's, 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

For the Three Hills property, the lease with The Bargain! Shop expired on January 31, 2023 and as noted in the Subsequent Events above, we are pleased to welcome Dollarama to the premises.

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, 2022, the mortgages and loans outstanding for the Cold Lake and St. Paul properties stand at $20,929,798 for these two properties bearing interest at 5.26% ($15,404,693) maturing on April 1, 2023, at 4.48% ($2,525,105) maturing on April 1, 2025 and at prime plus 1% ($3,000,000) maturing on March 4, 2027. The Three Hills property has a mortgage balance of $235,008 as of December 31, 2022, 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 $2,147,000 is outstanding as of December 31, 2022 and with an accumulated interest of $1,703,382.

The Company had cash and cash equivalents of $185,227 as of December 31, 2022, with

21,290,685 shares outstanding. The closing price of the Company's common shares on the TSXV on December 31, 2022, was $0.40.

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

We are focused on maintaining a strong relationship with our many quality tenants, such as Ardene, ATB Financial, Government of Alberta Infrastructure, Bootlegger, Dollarama, Dollar Tree, Easy Financial, Fire & Flower, Giant Tiger Stores, Mark's Work Warehouse, Peavey Mart, Pet Valu, Petro Canada, Pizza Hut, Sobeys, Sportchek, Subway, Taco Bell, Telus, Tim Hortons, V-Nails & Spa, Value Drug Mart, Warehouse One, Wendy's, 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 of national and local tenants. However, COVID-19 has dramatically changed the retail landscape and new leasing will be a challenge. Management is committed to fully leasing Tri-City Mall, which will substantially increase the 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 continue to make our lives better.

Yours truly,

(signed) "Anthony J. Cohen"
Anthony J. Cohen
President & CEO
April 20, 2023