GULF & PACIFIC EQUITIES CORP.

MANAGEMENT DISCUSSION AND ANALYSIS

For the year ended December 31, 2023

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, 2023. The following information should be read in conjunction with the accompanying audited financial statements and the related notes for the year ended December 31, 2023, and the audited financial statements and the related notes for the year ended December 31, 2022.

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, 2023, 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, 2023, and the December 31, 2022, 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 25, 2024.

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.sedarplus.ca 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 149,491 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, 2023 Highlights

In the quarter and year ended December 31, 2023:

- At **Tri-City Mall**, the Company completed the landlord's work on Building 2 in preparation for **Taco Bell**. Taco Bell has taken possession of the premises and open in January 2024.

  Telus opened for business in Building 5 in late August 2023.

  During the second quarter, **Fire & Flower** applied and obtained protection from their creditors under CCAA proceedings. The tenant has since exited CCAA proceedings and returned to normal operations.

  During the year, the Company worked to secure additional tenants for the new Building 5 and soon-to-be renovated Building 2 and securing lease renewals when due. In January 2024, the Company leased the remaining unit in Building 5 to **Western Financial Group**, as noted in subsequent event below.

The Company is currently working with a number of tenants for the remaining vacant premises and on upcoming lease renewals.

- 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**, Dollarama completed the tenant's work and the premises opened for business as scheduled.

- 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, 2023, the balance outstanding was $2,147,000.

Overall Performance

Statements of Financial Position

On the Statements of Financial Position, total assets were $51,695,631 at December 31, 2023, compared to $48,616,463 as of December 31, 2022. The increase of $3,079,168 in total assets during the year is primarily due to additional financing of $3.3 million loan to fund the renovation of the pad site at Tri-City Mall, the property in Three Hills, and increase in accounts receivable and interest receivable.

The Company's cash and cash equivalents balance increased by $544,199 during the year to $729,426 at December 31, 2023, from $185,227 as of December 31, 2022. The increase in cash and cash equivalents is mostly due to the increase in the loan during the year and revenue from the properties, offset by the use of funds for the renovation of the two properties in Tri-City Mall and Three Hills, regular property management expenses, mortgage payments, and administration.

Accounts receivable decreased to $460,948 at December 31, 2023, from $499,785 as of December 31, 2022, 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, 2023, and as of December 31, 2022.

As at December 31, 2023, the right-of-use asset for the office lease has a remaining balance of $28,482 compared to a balance of $1,645 as at December 31, 2022.

Investment properties increased to $50,360,000 as of December 31, 2023, from $47,830,000 as of December 31, 2022, due to expenditures invested in the properties during the year and the resulting increase in the fair value of the three properties.

The Company holds common shares of a related company. The value of the shares is $24,408 as of December 31, 2023, compared to $40,680 as of December 31, 2022.

Other assets totalling $56,121 represent the value of shares held in several credit unions.

With respect to liabilities, accounts payable and accrued liabilities decreased to $2,465,831 as of December 31, 2023, from $2,824,931 as of December 31, 2022, due to change in estimate of accrued liabilities during the year and normal operations such as common area expenses and accrued interest.

Mortgages payable increased to $23,316,105 as of December 31, 2023, from $21,122,881 as of December 31, 2022, due to an increase in the mortgages during the year to fund the construction at Tri-City Mall and Three Hills.

As at December 31, 2023, the lease liability for the office lease has a remaining balance of $29,384 compared to a balance of $1,865 as at December 31, 2022.

As of December 31, 2023, 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 was repaid in 2023.

The deferred income tax liability of $1,754,000 as of December 31, 2023, 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 $29,712,320 as of December 31, 2023, from $27,794,772 as of December 31, 2022. This increase is primarily due to the new loan in the year offset by normal payments of interest and principal.

Shareholders' equity was $21,983,311 as of December 31, 2023, compared to $20,821,691 as of December 31, 2022. The increase in shareholder's equity was due mostly to an increase in the fair value of the properties and from rental revenue, common area and property taxes recoveries, offset by repayment of mortgages.

Statements of Income and Comprehensive Income

For the year ended December 31, 2023, revenue increased to $4,442,745 from $4,215,751 for the year ended December 31, 2022. The increase was primarily due to increases in rent, step rent, and common area & realty tax recoveries.

Accordingly, rental income increased by $218,828 or 7.94% as a result of increases in rent, short-term rentals and percentage rent by some tenants. Step rent revenue changed from negative $5,175 in the year ended December 31, 2022, to $38,109 in the year ended December 31, 2023, a non-cash amount representing the straight-line recognition of the future rent increase for the new leases. Common area and realty tax recoveries decreased by $35,118 or 2.39% for the year compared to the same period last year, due mostly to the decrease common area and realty taxes recoverable from tenants.

Expenses for the year increased to $4,465,906 as of December 31, 2023, from $4,045,609 for the year ended December 31, 2022, an increase of $420,297 or 10.39%. The primary reason for the increase in expenses is higher interest payments from the refinancing, activities related to the preliminary construction work and related costs associated with securing the financing and new tenants, offset by decreases in operating costs in the same period in 2022.

Specifically, there was an increase in interest of $305,199 or 23.3% in the year compared to the same period in 2022, mainly due to new financing and refinancing at higher rates.

Decreases in operating costs and realty taxes of $12,316 or 0.65% is nominal and reflects management efforts in decreases in operating costs, offset by increase in expenses from higher interest payments from the refinancing, activities related to the construction work, related costs associated with securing the financing and new tenants, and higher realty taxes.

Administration expenses increased by $128,100 or 15.83% mostly due to bad debt expense during 2023, 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, 2023, was a loss of $23,161 compared to a gain of $170,142 for the year ended December 31, 2022. As a result, basic and diluted net income per share before unrealized gain, government grant, fair value adjustment, other income and income taxes was $nil per share for the year ended December 31, 2023, and $0.01 for the year ended December 31, 2022.

Net income and comprehensive income for the year ended December 31, 2023, was $1,161,620 compared to $1,573,065 for the year ended December 31, 2022. As a result, basic and diluted net income per share was $0.05 for the year ended December 31, 2023, compared to basic and diluted net income per share of $0.07 per share for the year ended December 31, 2022.

Statements of Cash Flow

On the statements of cash flows, cash provided by operations totalled $1,624,041 for the year ended December 31, 2023, compared to cash provided by operations of $1,740,974 for the year ended December 31, 2022. The decrease in cash provided by operating activities was primarily due to working capital adjustments for accounts receivable and accounts payable and accrued liabilities as of December 31, 2023.

Financing activities for the year ended December 31, 2023, recorded funds provided of $780,223 compared to funds used of $1,184,652 for the year ended December 31, 2022.

Investing activities for the year ended December 31, 2023, recorded funds used of $1,860,065 compared to funds used of $2,918,457 for the same period last year.

As at December 31, 2023, the Company had cash and cash equivalents of $729,426 compared to cash and cash equivalents of $185,227 as at December 31, 2022.

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, 2023, 2022 and 2021.

For the Years Ended December 31,	**2023**	**2022**	**2021**
	$	$	$
Revenue	4,442,745	4,215,751	3,965,397
Net Income (Loss) before fair value adjustment, other income items and income taxes	(23,161)	170,142	306,736
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)	1,161,620	1,573,065	4,390,010
Net Income (Loss) and Comprehensive Income (Loss), per share - basic	0.05	0.07	0.21
Net Income (Loss) and Comprehensive Income (Loss), per share - diluted	0.05	0.07	0.21
Total Assets	51,695,631	48,616,463	44,080,522
Total Liabilities	29,712,320	27,794,772	24,831,896
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, 2022 to December 31, 2023.

	2023				2022			
For the Quarters Ended	**Dec 31**	**Sep 30**	**Jun 30**	**Mar 31**	**Dec 31**	**Sep 30**	**Jun 30**	**Mar 31**
	$	$	$	$	$	$	$	$
Revenue (i)	1,260,190	1,134,919	1,072,388	975,248	1,275,116	992,940	1,007,691	940,004
Net Income (Loss) before fair value adjustment, other income items and income taxes (i)	59,730	68,249	(89,097)	(62,043)	218,842	66,577	(40,593)	(74,684)
Net Income (Loss) before fair value adjustment, other income items and income taxes, per share - basic and diluted	-	-	-	-	0.01	-	-	-
Net Income (Loss) and Comprehensive Income (Loss)	516,695	26,571	510,336	108,018	1,488,845	59,194	21,947	3,079
Net Income (Loss) and Comprehensive Income (Loss), per share - basic	0.02	-	0.02	0.01	0.07	-	-	-
Net Income (Loss) and Comprehensive Income (Loss), per share – diluted	0.02	-	0.02	0.01	0.07	-	-	-

(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 $729,426 as of December 31, 2023, 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, 2023, $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 2023

Major events and results relating to the quarter ending December 31, 2023, are covered in the section "Fourth Quarter and Year Ended December 31, 2023 Highlights".

Changes in Accounting Policies

IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements (Amendments)

In February 2021, the International Accounting Standards Board (IASB) issued amendments to IAS 1 Presentation of Financial Statements which were incorporated into Part I of the CPA Canada Handbook – Accounting and IFRS Practice Statement 2 Making Materiality Judgements in June 2021. The amendments help entities provide accounting policy disclosures that are more useful to primary users of financial statements by:

- Replacing the requirement to disclose “significant” accounting policies under IAS 1 with a requirement to disclose “material” accounting policies. Under this, an accounting policy would be material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that primary users of general purpose financial statements make on the basis of those financial statements.
- Providing guidance in IFRS Practice Statement 2 to explain and demonstrate the application of the four-step materiality process to accounting policy disclosures.

The amendments, which should be applied prospectively, are effective for annual periods beginning on or after January 1, 2023, with early adoption permitted. Once the entity applies the amendments to IAS 1, it is also permitted to apply the amendments to IFRS Practice Statement 2. The Company adopted the amendments and the IFRS Practice Statement 2 effective January 1, 2023 with no material impact to the financial statements.

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (Amendment)

In February 2021, the International Accounting Standards Board (IASB) issued amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors which were incorporated into Part I of the CPA Canada Handbook – Accounting in June 2021. The amendments introduce a new definition of ‘accounting estimates’ to replace the definition of ‘change in accounting estimates’ and also include clarifications intended to help entities distinguish changes in accounting policies from changes in accounting estimates.

The amendments are effective for annual periods beginning on or after January 1, 2023, with early option permitted. The Company adopted the amendments effective January 1, 2023, with no material impact to the financial statements.

IAS 12 Income Taxes (Amendment)

In May 2021, the International Accounting Standards Board (IASB) issued amendments to the recognition exemptions under IAS 12 Income Taxes which were incorporated into Part I of the CPA Canada Handbook – Accounting in September 2021. The amendments narrowed the scope of the recognition exemption to require an entity to recognize deferred tax on initial recognition of particular transactions, to the extent that transaction gives rise to equal taxable and deductible temporary differences. These amendments apply to transactions for which an entity recognizes both an asset and liability, for example leases and decommissioning liabilities.

The amendments are effective for annual periods beginning on or after January 1, 2023, with early option permitted. The Company adopted the amendments effective January 1, 2023, with no material impact to the financial statements.

IFRS 16 Leases (Amendment)

In September 2022, the International Accounting Standards Board (IASB) issued amendments to IFRS 16 Leases to add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 Revenue from Contracts with Customers to be accounted for as a sale. The amendments were incorporated into Part I of the CPA Canada Handbook in December 2022. The amendments require a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognize any amount of the gain or loss that relates to the right of use it retains. The IASB has not prescribed a particular method for measuring the lease liability. A seller-lessee must apply the amendments retrospectively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

The amendments are effective for annual reporting periods beginning on or after January 1, 2024, with early adoption permitted. The adoption of this amendment is not expected to have a significant 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
Interest receivable	Amortized cost
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, 2023, 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, 2023, or the year ended December 31, 2022.

Related Party Transactions

During the year ended December 31, 2023, the Company:

a) Charged rent at 1240 Bay Street to related parties, Plato Gold Corp., $2,400 (December 31, 2022 - $2,400) and Ceyx Properties Ltd., $3,600 (December 31, 2022 - $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, 2023, included in accounts receivable is an amount of $21,000 (December 31, 2022 - $18,600) due from these related parties.

b) Was charged consulting fees for financial and management services of $161,682 (December 31, 2022 - $148,856) by Greg K. W. Wong, an officer of the Company. As at December 31, 2023, accounts payable and accrued liabilities included $Nil (December 31, 2022 - $Nil) of consulting fees payable to this officer.

c) Incurred accounting fees of $106,000 (December 31, 2022 - $118,000) from a company in which Paul Andersen, one of the Company's officers, is an officer. As at December 31, 2023, accounts payable and accrued liabilities included $45,085 (December 31, 2022 - $51,085) 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, 2023 and in the notes to the audited financial statements ended December 31, 2022. In February 2018, the Company moved to new offices and has lease obligations for its new offices until 2023. The lease was renewed on April 5, 2023 with expiry on June 30, 2025.

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.

Subsequent Events

Subsequent to the year ended December 31, 2023, the Company signed a lease agreement with **Western Financial Group (Network) Inc.** for Tri-City Mall in Cold Lake, Alberta. The anticipated opening will be in the third quarter of 2024.

On April 24, 2024, 120,000 options were exercised at an exercise price of $0.37 for gross proceeds of $44,400.

OUTLOOK

As of this writing, Canadian consumers are dealing with affordability issues, and the media is reporting reduced discretionary spending in the retail sector. As well, economists are reporting a technical recession due to the central bank’s high-interest rate program to control inflation. Recent unrest in the Middle East and is creating volatility in oil prices which will impact the oil sector in

Alberta. The result that interest rates, affordability issues and global events affecting oil prices will ensure that economic uncertainty will be with us well into 2024.

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. Locally, the City of Cold Lake is anticipating economic growth in the coming decade.

The Canadian central bank has held the interest rates steady but has signaled that interest rates could be coming down. However, this will depend on reaching the target inflation rates in the coming quarters. The key remains the high interest rate, which impacts residential mortgages, the single largest expenditure for Canadian consumers. 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, 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.

<u>Tri-City Mall, Cold Lake, Alberta</u>

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 Company is pleased to welcome Taco Bell and Telus to the mall, and Western Financial Group as noted in the Subsequent Events above.

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, Western Financial Group, and Winners. When fully leased, the mall will add substantial value to the Company's investment portfolio.

<u>St. Paul Shopping Centre, St. Paul, Alberta</u>

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, we are pleased to welcome Dollarama to the premises in 2023.

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, 2023, the mortgages and loans outstanding for the Cold Lake and St. Paul properties stand at $22,084,480 for these two properties bearing interest at 4.48% ($2,314,679) maturing on April 1, 2025, and 6.98% ($19,769,801) maturing on April 1, 2025 and April 28, 2025.

The Three Hills property has a mortgage balance of $1,282,414 as of December 31, 2023, paying interest at 6.98% and maturing on May 4, 2025.

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, 2023 and with an accumulated interest of $1,832,202.

The Company had cash and cash equivalents of $729,426 as of December 31, 2023, with 21,290,685 shares outstanding. The closing price of the Company's common shares on the TSXV on December 31, 2023, was $0.43.

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, Western Financial Group, 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. 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. The addition of Dollarama to the Three Hills property is a welcome addition to our portfolio of national tenants.

On a personal note, I would like to thank all the 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 25, 2024