Financial Statements

Gulf & Pacific Equities Corp.

For the Years Ended December 31, 2025 and 2024
(Stated in Canadian Dollars)

INDEX

GULF & PACIFIC EQUITIES CORP.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements were prepared by the management of Gulf & Pacific Equities Corp. (the "Company"), reviewed by the Audit Committee of the Board of Directors, and approved by the Board of Directors.

Management is responsible for the preparation of the financial statements and believes that they fairly represent the Company's financial position and the results of operations in accordance with International IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"). Management has included amounts in the Company's financial statements based on estimates, judgments, and policies that it believes reasonable in the circumstances.

To discharge its responsibilities for financial reporting and for the safeguarding of assets, management believes that it has established appropriate systems of internal accounting control which provide reasonable assurance that the assets are maintained and accounted for in accordance with its policies and that transactions are recorded accurately in the Company's books and records.

"Anthony J. Cohen"
President and CEO

"Greg K. W. Wong"
CFO

Toronto, Ontario
April 23, 2026

Jones & O'Connell LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

43 Church Street, Suite 500 + P.O. Box 1237 + St. Catharines, ON + L2R 7A7
phone 905.688.4842 fax 905.688.1746
www.jonesoconnell.ca

Independent Auditor's Report

To the Shareholders of Gulf & Pacific Equities Corp.

Opinion

We have audited the financial statements of **Gulf & Pacific Equities Corp.** (“the Company”), which comprise the statements of financial position as at December 31, 2025 and December 31, 2024 and the statements of income (loss) and comprehensive income (loss), statements of changes in shareholders’ equity, and statements of cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Gulf & Pacific Equities Corp. as at December 31, 2025 and December 31, 2024, and its financial performance and its financialcash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the Company for the year ended December 31, 2025 and December 31, 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Investment Properties - Valuation

Description of the matter

We draw attention to Note 2 Basis of Presentation, Note 3 Summary of Significant Accounting Policies and Note 4 Investment Properties for disclosures regarding the Company's policy for accounting for investment properties and further information on the composition of investment properties and related valuation, which is a significant management judgment.

Why the matter is a key audit matter

Investment properties are measured at fair value and totalled $49,925,000 at December 31, 2025 (2024 - $50,375,000), which represented approximately 99% (2024 - 98%) of total assets.

Fair value is determined using valuation techniques and assumptions which considers in most cases estimates of projected future cash flows from the properties and estimates of suitable discount rates for these cash flows. Valuation techniques for real estate can be subjective in nature and involve various assumptions regarding pricing factors. These assumptions include, among others, capitalization rate, market rental income, market-derived discount rate, inflation rate, projected net operating income, vacancy levels, and an estimate of the terminal capitalization rate. Because the valuation of investment properties is complex and highly dependent on estimates and assumptions, we consider the valuation of investment properties as a key audit matter in our audit.

To the Shareholders of Gulf & Pacific Equities Corp. (Continued)

Key Audit Matters (Continued)

How the matter was addressed in the audit

The primary procedures we performed to address this key audit matter included the following:

We agreed the significant data applied for valuation purposes to supporting documentation; and

- We obtained an understanding of management's valuation process;
- We examined management's estimate of the fair value of investment properties, which included examining appraisal reports provided by management to support the values as well as management's internal assessments of the fair value of properties where external appraisals were not obtained or updated at the statement of financial position date;
- We verified the appropriateness of the key inputs and assumptions used in the valuation model including the appropriateness of the discount rates and the projected net operating incomes;
- We evaluated the appropriateness of the Company's key inputs to the valuation process to ensure that the rates being used for revenue growth and operationg cost growth were reasonable given the company's operational history;
- We assessed the appropriateness of the disclosures relating to the assumptions used in the valuations in the notes of the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for other information. Other information comprises the information included in Management's Discussion and Analysis for the year ended December 31, 2025 and December 31, 2024 to be filed with the relevant Canadian Securities Commissions. Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the IASB and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

To the Shareholders of Gulf & Pacific Equities Corp. (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As a part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as a fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude of the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financialfinancial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

To the Shareholders of Gulf & Pacific Equities Corp. (Continued)

Auditor’s Responsibilities for the Audit of the Financial Statements (Continued)

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter, or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Edwin Leung.

Jones & O'Connell LLP

Jones & O'Connell LLP
Chartered Professional Accountants
Licensed Public Accountants
St. Catharines, Ontario
April 23, 2026

Gulf & Pacific Equities Corp.

Statements of Financial Position
(Stated in Canadian Dollars)

	December 31, 2025	December 31, 2024
Assets		
Cash	$ 44,168	$ 356,810
Accounts receivable	303,187	300,555
Prepaid expenses	18,850	19,282
Right-of-use asset (note 6)	-	9,494
Investment properties (note 4)	49,925,000	50,375,000
Investments (note 7)	48,816	32,544
Other assets	61,185	58,691
	$ 50,401,206	$ 51,152,376
Liabilities		
Bank indebtedness (note 5)	$ 307,946	$ -
Accounts payable and accrued liabilities	2,512,425	2,385,867
Mortgages (notes 5, 9)	21,764,216	22,592,689
Lease liability (note 6)	-	10,137
Loan payable (notes 8, 9)	2,147,000	2,147,000
Deferred income taxes (note 12)	1,811,000	1,794,000
	28,542,587	28,929,693
Shareholders' Equity		
Share Capital (note 10a)	7,537,022	7,537,022
Contributed Surplus	2,907,617	2,907,617
Retained Earnings	11,413,980	11,778,044
	21,858,619	22,222,683
	$ 50,401,206	$ 51,152,376

The accompanying notes form an integral part of these financial statements.

Approved on behalf of the Board

"Anthony J. Cohen", Director   "Greg K. W. Wong", Director

Gulf & Pacific Equities Corp.

Statements of Income (Loss) and Comprehensive Income (Loss)
For the Year Ended December 31
(Stated in Canadian dollars)

	2025	2024
Revenue		
Rental	$ 3,189,226	$ 3,228,849
Step rent	68,298	(30,239)
Common area and realty tax recoveries	1,369,657	1,475,340
	4,627,181	4,673,950
Expenses		
Interest (note 5)	1,379,202	1,687,824
Operating costs and realty taxes	1,922,329	1,852,692
Administration (note 15 and 18)	1,036,697	867,536
Amortization (note 6)	9,494	18,988
	4,347,722	4,427,040
Net Income before income taxes and the undernoted	279,459	246,910
Unrealized gain from investments	16,272	8,136
Other income	4,025	18,545
Fair value adjustment (note 4)	(646,820)	(38,619)
Net Income (Loss) before income taxes	(347,064)	234,972
Deferred income tax expense (note 12)	(17,000)	(40,000)
Net Income (Loss) and Comprehensive Income (Loss)	$ (364,064)	$ 194,972
Income (Loss) per Share - Basic (note 10b)	$ (0.02)	$ 0.01
Income (Loss) per Share - Diluted (note 10b)	$ (0.02)	$ 0.01
Weighted Average Number of Common Shares Outstanding - Basic (note 10b)	21,410,685	21,373,206
Weighted Average Number of Common Shares Outstanding - Diluted (note 10b)	21,410,685	21,990,954

The accompanying notes form an integral part of these financial statements.

Gulf & Pacific Equities Corp.

Statements of Changes in Shareholders' Equity
For the Year Ended December 31
(Stated in Canadian dollars)

	Share Capital								
	Shares		Amount		Contributed Surplus		Retained Earnings		Total
Balance - January 1, 2024	21,290,685	$	7,453,322	$	2,946,917	$	11,583,072	$	21,983,311
Exercise of stock options (note 10)	120,000		83,700		(39,300)		-		44,400
Net income and comprehensive income	-		-		-		194,972		194,972
Balance - December 31, 2024	21,410,685	$	7,537,022	$	2,907,617	$	11,778,044	$	22,222,683

	Share Capital								
	Shares		Amount		Contributed Surplus		Retained Earnings		Total
Balance - January 1, 2025	21,410,685	$	7,357,022	$	2,907,617	$	11,778,044	$	22,222,683
Net loss and comprehensive loss	-		-		-		(364,064)		(364,064)
Balance - December 31, 2025	21,410,685	$	7,357,022	$	2,907,617	$	11,413,980	$	21,858,619

The accompanying notes form an integral part of these financial statements.

Gulf & Pacific Equities Corp.

Statements of Cash Flow
For the Years Ended December 31
(Stated in Canadian Dollars)

	2025	2024
Cash Provided By:		
Operating Activities		
Comprehensive income (loss)	$ (364,064)	$ 194,972
Add (deduct) items not affecting cash:		
Amortization of deferred financing costs	4,491	4,045
Amortization	9,494	18,988
Deferred income tax expense	17,000	40,000
Amortization of deferred leasing costs	107,581	118,628
Step rent	(68,298)	30,239
Interest expense	1,367,763	1,683,778
Fair value adjustments	630,548	30,483
	1,704,515	2,121,133
Changes in non-cash balances related to operations:		
Accounts receivable	(2,632)	160,393
Interest receivable	-	30,572
Prepaid expenses	432	(13,608)
Other assets	(2,494)	(2,570)
Accounts payable and accrued liabilities	(88,002)	(326,886)
	1,611,819	1,969,034
Financing Activities		
Proceeds from bank indebtedness	307,946	-
Repayment of mortgages payable	(827,964)	(722,460)
Interest paid	(1,153,055)	(1,435,534)
Payment of lease liability	(10,285)	(20,570)
Financing costs paid	(5,000)	(5,000)
Proceeds from stock option exercise	-	44,400
	(1,688,358)	(2,139,164)
Investing Activities		
Investment property leasing costs	(236,103)	(170,674)
Investment property additions	-	(31,812)
	(236,103)	(202,486)
Decrease in cash	(312,642)	(372,616)
Cash - beginning of year	356,810	729,426
Cash - end of year	$ 44,168	$ 356,810

The accompanying notes form an integral part of these financial statements.

1. Nature of Operations

Gulf & Pacific Equities Corp. (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 registered address and records office of the Company is located at 18104 102 Avenue N.W., Edmonton, AB. The Company is listed on the TSX Venture Exchange as “TSX-V: GUF”. The Company commenced active operations during the 1999 fiscal year. The Company owns and operates commercial rental properties in Western Canada. The Company does not have any affiliates nor is it the subsidiary of any entity.

2. Basis of Presentation

a) Statement of Compliance

The polices applied in the Company's financial statements are in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") effective as of December 31, 2025.

These financial statements were authorized for issuance by the Board of Directors on April 23, 2026.

b) Basis of Measurement

The Company's financial statements have been prepared on a going concern basis using the historical cost basis except for investment properties and investments which have been measured at fair value.

c) Functional and Presentation Currency

The Company's functional currency is Canadian Dollars and the financial statements are presented in Canadian Dollars.

d) Critical judgments, accounting estimates and assumptions

The Company makes estimates and assumptions that affect the carrying amounts of assets and liabilities, disclosure of contingent assets and liabilities and the reported amount of earnings (loss) for the year. Actual results could differ. The estimates and assumptions that the Company considered critical are described below:

2. Basis of Presentation (continued)

d) Critical judgments, accounting estimates and assumptions (continued)

i) Investment properties

The fair value of the investment properties is determined based on either internal valuation models incorporating market evidence or valuations performed by independent third party appraisers. The determination of the fair value of investment properties requires the use of estimates such as future cash flows from assets (such as tenant profiles, future revenue streams and overall repair and condition of the property) and discount rates applicable to those cash flows. These estimates are based on market conditions existing at the reporting date. The following approaches, either individually or in combination, are used in the determination of the fair value of the investment properties:

The Direct Capitalization Income Approach derives market value by estimating the future cash flows that will be generated by the property and then applying an appropriate capitalization rate or discount rate to those cash flows. This approach can utilize the direct capitalization method and/or the discounted cash flow analysis.

The Direct Comparison Approach involves comparing or contrasting the recent sale, listing or optioned prices of properties comparable to the subject and adjusting for any significant differences between them.

Management reviews each appraisal (when obtained) and ensures the assumptions used by the appraisers are reasonable and the final fair value amount reflects those assumptions used in the various approaches above. Where an external appraisal is not obtained at the reporting date, management prepares internal valuations, for each investment property, to estimate the fair value.

Judgment is also applied in determining the extent and frequency of independent appraisals in order to determine fair values. The significant assumptions used by management in estimating the fair value of investment properties are set out in note 4.

In addition, the Company makes judgments with respect to whether tenant improvement expenditures represent an asset with a future economic benefit to the Company which impacts whether or not such amounts are treated as additions to the investment properties.

ii) Leases

The Company makes judgments in determining whether certain leases, in particular those tenant leases with long contractual terms where the lessee is the sole tenant in a property, are operating or finance leases. The Company has determined that all of its leases are operating leases.

Additional critical accounting estimates and assumptions include those used for estimating current and deferred taxes, certain accrued liabilities, assessing the allowance for doubtful accounts on trade receivables and determining the values of financial instruments for disclosure purposes.

3. Material Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements unless otherwise indicated.

a) Fair value of investment property

Significant portions of the Company's operating assets are considered investment properties under IAS 40, Investment Property ("IAS 40"). Investment property includes land and buildings held primarily to earn rental income or for capital appreciation or both, rather than for use in the production or supply of goods or for sale in the ordinary course of business. The Company's revenue producing properties are classified as investment properties. Investment properties are initially measured at cost including transaction costs under IAS 40. However, subsequent to initial recognition, investment properties are recorded at fair value, which reflects an orderly transaction between market participants and current market conditions, at each financial position statement date. Gains and losses from changes in fair values are recorded in the statement of income (loss) and comprehensive income (loss) in the period in which they arise.

Leasing costs and lease incentives, which include costs incurred to make leasehold improvements to tenants' space, are added to the carrying amount of investment properties and are amortized on a straight-line basis over the term of the lease as a reduction of investment properties revenue.

b) Deferred financing fees

Financing fees incurred in connection with long-term debt financing are included with the related debt and are amortized using the effective interest rate basis.

c) Financial instruments

Classification and measurement of financial assets and financial liabilities

IFRS 9 requires financial assets to be classified into three measurement categories on initial recognition: fair value through profit and loss ("FVTPL"), fair value through other comprehensive income ("FVOCI"), and amortized cost. Investments in equity instruments are required to be measured by default at FVTPL. IFRS 9 permits entities to elect into an irrevocable option for equity instruments to report changes in fair value in other comprehensive income.

Classification and measurement of financial assets is dependent on the Company's business model for managing the financial assets and related contractual cash flows. The following table summarizes the classification of the Company's financial assets and liabilities:

3. Material Accounting Policies (continued)

c) Financial instruments (continued)

Asset/Liability	Classification under IFRS 9
Cash	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

Financial instruments with substantive characteristics of both a financial liability and equity instrument are accounted for through separate classification of the liability and equity elements. The debt component is recognized at fair value and the residual value is allocated to the conversion feature, classified as equity. The initial liability balance recognized is less than the face value of the debt. Therefore, the liability balance is accreted over the term of the debt. The accretion represents the amortization of the debt discount net of actual interest paid. The accretion of the original debt discount is charged to interest expense over the term of the debt using the effective interest rate method. Transaction costs are allocated to the liability and equity elements in proportion to the allocation of the proceeds.

Long-term debt, consisting of mortgages payable, loan payable and government loan payable, is initially recognized at fair value less directly attributable transactions costs. After initial recognition, long-term debt is subsequently measured at amortized cost using the effective interest rate method.

IFRS 9 has a three-stage expected credit loss (“ECL”) model for determining impairment of financial assets. The expected credit loss model does not require the occurrence of a triggering event before an entity recognizes credit losses. IFRS 9 requires the Company to recognize expected credit losses upon initial recognition of a financial asset and to update the quantum of expected credit losses at the end of each reporting period to reflect changes to credit risk of the financial asset.

d) Share-based payments

Share-based compensation granted to directors, officers and employees is measured at the fair value of the grants on the grant date. Each tranche in an award is considered a separate award with its own vesting period and grant date fair value. The fair value of each tranche is measured at the date of grant using an accepted option pricing model. IFRS requires an initial estimate of the number of equity settled instruments that are expected to vest based on expected forfeitures, and subsequently adjustments are made to the estimate to reflect the actual number of equity settled instruments that vest, unless forfeitures are due to market based vesting conditions. Compensation expense is recognized over the tranche’s vesting period, based on the number of awards expected to vest, by increasing contributed surplus. Upon exercise of the stock options, consideration paid together with the amount previously recognized in contributed surplus is recorded as an increase to share capital.

3. Material Accounting Policies (continued)

d) Share-based payments (continued)

The fair value of options granted to consultants is determined using fair value of the goods or services received. In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the Company cannot be reliably measured, they are measured at fair value of the equity instruments issued. The resulting value is charged to operations over the service period. A corresponding increase in contributed surplus is recorded when stock options are expensed. When stock options are exercised, share capital is credited by the sum of the consideration paid and the related portion previously recorded in contributed surplus.

e) Issuance costs

The Company accounts for costs related to issuing equity as a charge against share capital in the period incurred.

f) Revenue recognition

Rental income from tenants under leases include components within the scope of IFRS 16, Leases. The Company uses the straight-line method of recognizing rental revenue whereby the total amount of rental revenue to be received from all leases is accounted for on a straight-line basis over the term of the related leases. Step rent recorded on the statement of income (loss) and comprehensive income (loss) represents the difference between rental revenue recognized on a straight-line basis and the amount of rent contractually due under the lease agreements. Realty tax recoveries are recognized as revenue in the period in which they are earned.

Common area recoveries are considered non-lease components and within the scope of IFRS 15, Revenue from Contracts with Customers. The performance obligation for the recovery of common area recoveries is satisfied over time. The Company receives variable consideration for the common area recoveries under the lease to the extent costs have been incurred, and revenue is recognized on this basis as the best estimate of amounts earned over the period these services are performed. At the end of the period, revenue is constrained by actual costs incurred and any restrictions in the lease agreement with each tenant.

Interest income is recognized in earnings on an accrual basis and to the extent not received at year end, recorded as a receivable.

A property is regarded as sold and the gain or loss on sale is recognized when the significant risks and returns have been transferred to the buyer, which is normally upon closing on unconditional contracts. For conditional exchanges, sales are recognized only when all the significant conditions are satisfied.

3. Material Accounting Policies (continued)

g) Lease liabilities

The Company measures the lease liability and right-of-use asset at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) and variable lease payments that depend on an index or a rate. The variable lease payments that do no depend on an index or a rate, such as property tax and common area maintenance recoveries, are recognized as an expense in the period in which they are incurred. In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate is the rate of interest that a lessee would have to pay to borrow funds over a similar term to obtain an asset of similar value to the right-of-use asset. After the lease commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term or a change in the lease payments.

The right-of-use asset is depreciated on straight-line basis over the lease term and is subject to impairment testing.

h) Income taxes

The Company accounts for income taxes using the asset and liability method of accounting for income taxes. Under the asset and liability method, deferred income tax assets and liabilities are determined based on temporary differences (differences between the accounting basis and the tax basis of the assets and liabilities) and tax loss carryforwards, and are measured using the enacted or substantively enacted tax rates and laws expected to apply when these differences reverse.

Income tax assets are recognized to the extent that management believes that it is probable that future taxable profit will be available against which the temporary differences can be utilized. Income tax expense or benefit is the sum of the Company's provision for current income taxes and the difference between the beginning and ending balances of the deferred income tax assets and liabilities. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of income (loss) and comprehensive income (loss).

3. Material Accounting Policies (continued)

i) Net income (loss) per share

Net income (loss) per share is computed by dividing the income (loss) for the year by the weighted average number of common shares outstanding during the year, including contingently issuable shares which are included when the conditions necessary for issuance have been met. Diluted net income (loss) per share is calculated in a similar manner, except that the weighted average number of common shares outstanding is increased to include potentially issuable common shares from the assumed exercise of common share purchase options and warrants, if dilutive.

The number of additional shares included in the calculation is based on the weighted average number of shares that would be issued on the conversion of all potentially dilutive options and warrants into common shares.

If the number of shares increases or decreases as a result of capitalization, bonus issue, share splits or share consolidation, net income per share is accounted for retrospectively. If these transactions occur after the reporting period but prior to the issuance of the financial statements, net income (loss) per share is calculated based on the new number of shares.

j) Related party transactions

All transactions with related parties are in the normal course of business and are measured at the amount agreed to by the parties involved in the transactions.

k) Provisions

A provision is recognized in the statement of financial position when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

l) Contributed surplus

Contributed surplus consists of the recorded value of options granted to directors, officers, employees and consultants as well as transfers from the equity component of convertible debentures that have matured and whose equity option was not converted.

(Stated in Canadian Dollars)

3. Material Accounting Policies (continued)

m) New accounting standards issued but not yet effective

IFRS 18 Presentation and disclosure in financial statements ("IFRS 18")

In April 2024, the IASB issued IFRS 18 which replaces IAS 1. IFRS 18 introduces new requirements to improve the reporting of the financial performance and gives investors a better basis for analyzing and comparing companies.

Specifically it introduces:

- Three defined categories for income and expenses (operating, investing, and financing) and requiring companies to provide new defined subtotals, including operating profit;
- Enhancing transparency of management-defined performance measure requiring companies to disclose explanations of those company-specific measures related to the statement of income (loss) and comprehensive income (loss); and
- Enhancing guidance on how companies group information in the financial statements, including guidance on whether information is included in the financial statement or is included in the notes

IFRS 18 is effective for annual reporting period beginning on or after January 1, 2027, with early adoption permitted. The Company is assessing the potential impact of this new standard.

4. Investment Properties

	December 31, 2025	December 31, 2024
Balance - Opening	$ 50,375,000	$ 50,360,000
Additions	-	31,812
Leasing costs	236,103	170,674
Leasing costs amortization	(107,581)	(118,628)
Accrued rent receivable	68,298	(30,239)
Fair value adjustment	(646,820)	(38,619)
Balance - Ending	$ 49,925,000	$ 50,375,000

The Company holds three investment properties and determines the fair value of each investment property based on external appraisals and internal review.

As at March 31, 2025, an external appraisals for two (2) of the properties, totaling $47,900,000 was obtained. As at December 31, 2025, management performed an assessment of the underlying inputs and principals and determined fair value to be $47,900,000 based on the discounted capitalization approach. As at December 31, 2025, an internal rate of return of 8.50% and terminal capitalization rates of 7.50% were used to determine the fair value of the properties. As at December 31, 2025, the weighted average internal rate of return was 8.50% and weighted average terminal capitalization rate was 7.50%.

4. Investment Properties (continued)

External appraisals for these two (2) properties, totaling $48,350,000 were obtained as at December 31, 2024. As at December 31, 2024, an internal rate of return of 8.50% and terminal capitalization rates of 7.50% were used to determine the fair value of the properties. As at December 31, 2024, the weighted average internal rate of return was 8.50% and weighted average terminal capitalization rate was 7.50%.

An external appraisal for the third property of $2,025,000 was obtained as of March 31, 2025 and December 31, 2024 based on a combination of the direct capitalization income approach and discounted cash flow approach. As at December 31, 2025, management performed an assessment of the underlying inputs and principals and determined fair value to be $2,025,000 based on a combination of capitalized income approach and discounted cash flow method. An internal rate of return of 7.50% and terminal capitalization rates of 6.75% were used to determine the fair value of the property.

Capitalized income approach: The fair value is determined by applying a capitalization rate to stabilized net operating income which incorporates allowances for vacancy, management fees and structural reserves for capital expenditures for the investment property. The resulting capitalized value is further adjusted, where appropriate, for costs to stabilize the income and non-recoverable capital expenditures. Management obtains new external appraisals if the conditions disclosed change materially.

Discounted cash flow method: Discount rates are applied to the forecasted cash flows reflecting the initial terms of the leases for the specific property and assumptions as to renewal and new leasing activity. The key assumptions are the normalized first year cash flows, the growth rate applied to the first year cash flows over the analysis period of the investment property, the terminal capitalization rate and the discount rate applied over the useful life of the investment property. As at December 31, 2025 and December 31, 2024, the Company valued two (2) investment properties using this method which is classified as level 3 based on the fair value hierarchy.

As at December 31, 2025 and December 31, 2024, the Company valued one (1) investment property using a combination of capitalized income approach and discounted cash flow method.

The discounted cash flow method amd capitalized income approach includes a variety of inputs, variables, and assumptions as part of the valuation models. The most significant inputs included are the discount rate and terminal capitalization rate. As at December 31, 2025, a 25-basis point increase in the rates for the three (3) investment properties valued would result in a $1,697,000 (December 31, 2024 - $1,620,000) decrease in the estimated fair value of investment properties and a 25-basis point decrease in these rates would result in a $1,879,000 (December 31, 2024 - $1,809,000) increase in the estimated fair value of the investment properties.

(Stated in Canadian Dollars)

5. Mortgages and Bank Indebtedness

a) Mortgages

As of December 31, 2025, the mortgages payable consists of the following:

Mortgage payable, bearing interest at 5.17%, repayable monthly in blended principal and interest payments of $81,111, due April 1, 2026	$	11,125,148
Mortgage payable, bearing interest at 5.17%, repayable monthly in blended principal and interest payments of $20,923, due April 1, 2026		2,869,848
Mortgage payable, bearing interest at 5.18%, repayable monthly in blended principal and interest payments of $20,304, due April 4, 2026		2,774,546
Mortgage payable, bearing interest at 5.17%, repayable monthly in blended principal and interest payments of $22,322, due April 1, 2026		1,924,154
Mortgage payable, bearing interest at 5.16%, repayable monthly in blended principal and interest payments of $13,456, due April 28, 2026		1,911,396
Mortgage payable, bearing interest at 5.13%, repayable monthly in blended principal and interest payments of $8,780, due May 4, 2026		1,211,378
		21,816,470
Unamortized mortgage financing costs		(52,254)
	$	21,764,216

(Stated in Canadian Dollars)

5. Mortgages and Bank Indebtedness (continued)

a) Mortgages (continued)

As of December 31, 2024, the mortgages payable consists of the following:

Mortgage payable, bearing interest at 6.98%, repayable monthly in blended principal and interest payments of $92,745, due April 1, 2025	$	11,490,634
Mortgage payable, bearing interest at 6.98%, repayable monthly in blended principal and interest payments of $23,924, due April 1, 2025		2,964,129
Mortgage payable, bearing interest at 6.98%, repayable monthly in blended principal and interest payments of $23,187, due April 4, 2025		2,866,303
Mortgage payable, bearing interest at 4.48%, repayable monthly in fixed principal payments of $17,535 plus interest, due April 1, 2025		2,104,254
Mortgage payable, bearing interest at 6.98%, requires interest only payments until April 28, 2024 and then repayable monthly in blended principal and interest payments of $15,488, due April 28, 2025		1,968,788
Mortgage payable, bearing interest at 6.98%, repayable monthly in blended principal and interest payments of $10,069, due May 4, 2025		1,250,326
		22,644,434
Unamortized mortgage financing costs		(51,745)
	$	22,592,689

The mortgages are secured by a general security agreement, the underlying revenue-producing properties, an assignment of rents and an assignment of fire insurance.

The unamortized mortgage financing costs consist of fees and costs incurred to obtain the mortgage financing less accumulated amortization. For the year ended December 31, 2025, interest expense on the statement of income (loss) and comprehensive income (loss) includes amortized mortgage financing costs of $4,491 (2024 - $4,045).

(Stated in Canadian Dollars)

5. Mortgages and Bank Indebtedness (continued)

a) Mortgages (continued)

Principal repayments required under the terms of the mortgages are $21,816,470 due in 2026.

During the year ended December 31, 2025, the Company renewed all six (6) mortgages with an aggregate carrying value of $22,383,382 at a term of one (1) year at fixed rates. The renewed mortgages bear interest between 5.13% and 5.18% and mature in April 2026 and May 2026.

Subsequent to the year ended December 31, 2025, the Company renewed its existing mortgages with a carrying value of $18,693,696, bearing interest at 5.17% and 5.18% and maturing on April 1, 2026 and April 4, 2026. The renewed mortgages bear interest at 5.00% and mature in April 2028.

b) Bank Indebtedness

The Company maintains a $500,000 revolving line of credit with National Bank of Canada. The line of credit bears interest at a variable rate of Prime Lending Rate plus 1% per annum. The outstanding balance is due on demand. Unless demanded, interest is payable monthly in arrears. As at December 31, 2025, $307,946 (2024 – $Nil) was drawn under the line of credit.

The revolving line of credit is secured by a general security agreement, the underlying revenue-producing properties, an assignment of rents and an assignment of fire insurance.

6. Right-of-Use Asset and Lease Liability

a) Right-of-use asset

The following is the continuity of the cost and accumulated amortization of the right-of-use asset for office space as at and for the year ended:

	December 31, 2025	December 31, 2024
Cost		
Balance, beginning of the year	$ 126,478	$ 126,478
Lease additions	-	-
Lease disposals	(126,478)	-
Balance, end of the year	$ -	$ 126,478
Accumulated amortization		
Balance, beginning of the year	$ 116,984	$ 97,996
Amortization	9,494	18,988
Disposals	(126,478)	-
Balance, end of the year	$ -	$ 116,984
Carrying amount	$ -	$ 9,494

(Stated in Canadian Dollars)

6. Right-of-Use Asset and Lease Liability (continued)

b) Lease liability

The following is the continuity of the lease liability as at and for the year ended:

	December 31, 2025	December 31, 2024
Balance, beginning of the year	$ 10,137	$ 29,384
Lease additions	-	-
Lease payments	(10,285)	(20,570)
Interest expense on lease liability	148	1,323
Balance, end of the year	$ -	$ 10,137

The Company used its incremental borrowing rate of 6.98% to measure the lease liability.

7. Financial instruments hierarchy and investments at fair value

Fair value measurements are based on a three-level fair value hierarchy based on inputs used in determining fair value of financial assets and liabilities. The hierarchy of inputs is summarized as follows:

Level 1 - inputs used to value financial assets and liabilities are unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 - inputs used to value financial assets and liabilities are other than quoted prices included in Level 1 that are observable either directly or indirectly for the asset or liability.

Level 3 - inputs used to value financial assets and liabilities are not based on observable market data.

As at December 31, 2025, the Company holds 1,627,200 (2024 - 1,627,200) common shares of a related company at a fair value of $48,816 (2024 - $32,544). The companies are related by virtue of the fact that they have the same President and CFO. Original cost of the investment was $81,360. The aforementioned investment is classified as level 1 in the fair value hierarchy.

The Company did not record any transfers between fair value levels during the year.

8. Loan Payable

The loan payable is due to a related corporation, Ceyx Properties Ltd. The balance outstanding as at December 31, 2025 is $2,147,000 (2024 - $2,147,000).

The loan is unsecured, has no fixed terms of repayment, with access to a maximum value of up to $6,000,000, with interest payable at 6% per annum. The loan is payable on demand. Interest is accrued but not compounded. The loan is to be used for financing of the leasing and development of the investment properties, along with general working capital purposes. The companies are related by virtue of the fact that they have the same President.

(Stated in Canadian Dollars)

9. Reconciliation of movements of liabilities to cash flows arising from financing activities

	Mortgages Payable	Loan Payable	Interest payable
Balance - January 1, 2025	$ 22,592,689	$ 2,147,000	$ 1,961,022
Payment of principal	(827,964)	-	-
Addition of deferred financing costs	(5,000)	-	-
Amortized deferred financing costs	4,491	-	-
Interest expense	1,238,795	-	128,820
Interest paid	(1,153,055)	-	-
Accrued interest	(85,740)	-	-
Balance - December 31, 2025	$ 21,764,216	$ 2,147,000	$ 2,089,842

As at December 31, 2025, interest payable of $2,089,842 (2024 - $1,961,022) is included in accounts payable and accrued liabilities.

As at December 31, 2025, accrued interest of $85,740 (2024 - $118,102) on the mortgages payable is included in accounts payable and accrued liabilities.

10. Share capital and earnings (loss) per share

a) Share Capital

The Company is authorized to issue unlimited preferred shares and unlimited common shares with no par value. The number of issued and outstanding common shares at December 31, 2025 is as follows:

Common shares	**Number**	**Amount**
Shares outstanding - January 1, 2024	21,290,685	$ 7,453,322
Issued on exercise of stock options	120,000	83,700
Shares outstanding - December 31, 2024 and December 31, 2025	21,410,685	$ 7,537,022

b) Earnings (loss) per share

For the year ending December 31, 2025, basic earnings (loss) per share has been calculated using the weighted average number of shares outstanding of 21,410,685 (2024 - 21,373,206) and diluted earnings (loss) per share has been calculated using weighted average number of shares outstanding of 21,410,685 (2024 - 21,990,954) and includes Nil (2024 - 617,748) unexercised weighted average dilutive options.

(Stated in Canadian Dollars)

10. Share capital and earnings (loss) per share (continued)

b) Earnings (loss) per share (continued)

	December 31, 2025	December 31, 2024
Net income (loss) and comprehensive income (loss)	$ (364,064)	$ 194,972
Basic weighted average common shares outstanding	21,410,685	21,373,206
Basic earnings (loss) per share	$ (0.02)	$ 0.01
Basic weighted average common shares outstanding	21,410,685	21,373,206
Effect of unexercised dilutive options	-	617,748
Diluted weighted average common shares outstanding	21,410,685	21,990,954
Diluted earnings (loss) per share	$ (0.02)	$ 0.01

11. Share-based compensation

a) The Stock Option Plan reserves a maximum of 10% of the issued and outstanding shares of the Company (determined at the time of the stock option grant) for issuance upon the exercise of stock options granted pursuant to the Stock Option Plan. Stock options granted have a term that does not exceed 10 years and the exercise prices and vesting provisions are determined by the Board of Directors.

A summary of the status of the Company's Plan as at December 31, 2025 and December 31, 2024 and the changes during the year is presented below:

	December 31, 2025		December 31, 2024	
	Options	Weighted Average exercise price per option	Options	Weighted Average exercise price per option
Outstanding and exercisable, beginning of year	1,050,000	$ 0.184	1,250,000	$ 0.213
Exercised	-	-	(120,000)	0.370
Expired	-	-	(80,000)	0.370
Outstanding and exercisable, end of year	1,050,000	$ 0.184	1,050,000	$ 0.184

(Stated in Canadian Dollars)

11. Share-based compensation (continued)

During the year ended December 31, 2024, 120,000 options were exercised and 80,000 options expired unexercised.

b) As at December 31, 2025, options which had been granted to certain directors, officers, employees and consultants to purchase common shares of the Company subject to various requirements were outstanding as follows:

Outstanding	Exercisable	Year of grant	Exercise price per option	Expiry date
150,000	150,000	2017	$ 0.205	April 26, 2027
900,000	900,000	2021	$ 0.180	April 23, 2031
1,050,000	1,050,000			

12. Income Taxes

a) Income tax expense attributable to the income differs from the amounts computed by applying the combined federal and provincial income tax rates of 23% (2024 - 23%) to the pretax income as a result of the following:

	2025	2024
Net income (loss) before income taxes	$ (347,064)	$ 234,972
Income taxes computed at statutory rates	(80,000)	54,000
Difference in tax rates for capital gains	112,000	(22,000)
Other	(15,000)	8,000
Deferred income tax expense	$ 17,000	$ 40,000

(Stated in Canadian Dollars)

12. Income Taxes (continued)

b) The continuity of deferred tax assets and liabilities recorded in the financial statements is as follows:

	January 1, 2025	Recognized in income	December 31, 2025
Deferred tax assets			
Restricted interest expense	$ 233,000	$ 75,000	$ 308,000
Unused tax losses	5,000	(5,000)	-
Investments	6,000	(2,000)	4,000
	244,000	68,000	312,000
Deferred tax liabilities			
Investment properties	(2,033,000)	(84,000)	(2,117,000)
Financing costs	(5,000)	(1,000)	(6,000)
	(2,038,000)	(85,000)	(2,123,000)
Net	$ (1,794,000)	$ (17,000)	$ (1,811,000)

	January 1, 2024	Recognized in income	December 31, 2024
Deferred tax assets			
Restricted interest expense	$ -	$ 233,000	$ 233,000
Unused tax losses	3,000	2,000	5,000
Investments	7,000	(1,000)	6,000
	10,000	234,000	244,000
Deferred tax liabilities			
Investment properties	(1,761,000)	(272,000)	(2,033,000)
Financing costs	(3,000)	(2,000)	(5,000)
	(1,764,000)	(274,000)	(2,038,000)
Net	$ (1,754,000)	$ (40,000)	$ (1,794,000)

13. Financial Instruments and Risk Management

Fair Value

The Company's cash and cash equivalents, accounts receivable, other assets and loan payable, government loan payable, and accounts payable and accrued liabilities, are carried at amortized cost, which approximates fair value due to their short-term nature. Such fair value estimates may not necessarily be indicative of the amounts that the Company might pay or receive in actual market transactions.

Management has determined that the fair value of mortgages payable does not differ from its carrying value due to their short terms to maturity. The valuation method is classified as level 2 on the fair value hierarchy. The Company has no financial instruments at level 3.

The Company is exposed to the following risks as a result of holding financial instruments: market risk (i.e. interest rate risk, currency risk and other price risks that impact the fair values of financial instruments); credit risk; and liquidity risk.

The following is a description of these risks and how they are managed:

Market Risk

Market risk is defined for these purposes as the risk that the fair value or future cash flows of a financial instrument held by the Company will fluctuate because of changes in market prices. Market risk includes the risk of changes in interest rates, currency exchange rates and changes in market prices due to factors other than interest rates or currency exchange rates such as changes in equity prices, commodity prices or credit spreads.

The Company has fixed rate mortgages and as a result, fluctuations in interest rates does not have a significant impact on the Company as at December 31, 2025 and December 31, 2024. The Company is subject to fair value risk on its fixed rate mortgages.

Credit Risk

Credit risk arises from the possibility that tenants may experience financial difficulty and be unable to fulfil their lease commitments. The Company mitigates this risk of credit loss by diversifying its tenant mix and by limiting its exposure to any one tenant. The Company believes that the credit risk of trade accounts receivable is minimal as the balance receivable is limited to the amount receivable as at December 31, 2025 of $303,187 (2024 - $300,555).

Rent and common area and realty tax recoveries are past due when a tenant has failed to make a payment when contractually due. As at December 31, 2025, rent and common area and realty tax recoveries past due amounts to $221,091 (2024 - $207,260).

13. Financial Instruments and Risk Management (continued)

Equity Price Risk

The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company's investment in the common shares of a related company, Plato Gold Corp., is subject to fair value fluctuations arising from changes in the equity market. At December 31, 2025, should the equity prices of the Company's holdings increase or decrease by 5%, the impact on net income would be approximately $2,441 (2024 - $1,627).

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages liquidity risk through the management of its capital structure and financial leverage, as outlined in note 14. It also manages liquidity risk by continuously monitoring actual and projected cash flows. The Board of Directors reviews and approves the Company's operating and capital budgets, as well as any material transactions out of the ordinary course of business. The Company is subject to the risk associated with debt financing, including the ability to refinance indebtedness at maturity. The Company believes these risks are mitigated through the use of long-term debt with maturities over an extended period of time.

As at December 31, 2025, the Company's financial liabilities include accounts payable and accrued liabilities, loan payable and mortgages.

14. Capital Management

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.

The Company sets the amount of capital in proportion to risk. The Company includes equity in its definition of capital. Equity is comprised of share capital, contributed surplus and retained earnings. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristic of underlying assets. In order to maintain or adjust capital structure, the Company may repurchase shares, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company's objective is met by retaining adequate liquidity to provide for the possibility that cash flows from assets will not be sufficient to meet future cash flow requirements.

(Stated in Canadian Dollars)

14. Capital Management (continued)

Debt Covenants

The Company has certain financial covenants associated with their debt. Covenants are tested regularly, and the Company is in compliance with covenant requirements as at December 31, 2025. The Company's significant covenant is listed below:

	Financial Covenant	Requirement	As at December 31, 2025	As at December 31, 2024
Mortgages	Debt service coverage ratio	Not less than 1.20x (2024 - 1.20x)	1.25	1.32

15. Related Party Transactions

During the year ended December 31, 2025, the Company:

a) Charged rent to related parties, Plato Gold Corp., $2,400 (2024 - $2,400) and Ceyx Properties Ltd., $3,600 (2024 - $3,600). The companies are related by virtue of the fact that they have the same President. As at December 31, 2025, included in accounts receivable is an amount of $25,800 (2024 - $23,400) due from these related parties.

b) Was charged consulting fees of $190,788 (2024 - $175,033) by Greg K. W. Wong, an officer of the Company. Consulting fees are included in administration expenses on the Statement of Income (Loss) and Comprehensive Income (loss) (see note 18). As at December 31, 2025, accounts payable and accrued liabilities included $Nil (2024 - $Nil) of consulting fees payable to this officer.

c) Incurred accounting fees of $131,500 (2024 - $124,000) from a company in which Paul Andersen, one of the Company's officers, is an officer. Accounting fees are included in administration expenses on the Statement of Income (Loss) and Comprehensive Income (loss) (see note 18). As at December 31, 2025, accounts payable and accrued liabilities included $40,000 (2024 - $40,000) owing to this company.

d) Other related party transactions and balances are disclosed in notes 7, 8 and 11.

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 related parties.

(Stated in Canadian Dollars)

16. Management Compensation

Key management includes all directors (management and non-management directors) and the Chief Financial Officer. The Chief Executive Officer is a management director. The compensation paid or payable to key management for services is shown below:

	December 31, 2025	December 31, 2024
Salaries	$ 220,289	$ 201,120
Consulting	190,788	175,033
Directors fees	123,500	113,300
	$ 534,577	$ 489,453

17. Minimum Lease Payments Receivable

The Company enters into leases with tenants for space in its properties. Initial lease terms are generally between 5 and 10 years. Leases generally provide for the tenant to pay the Company base rent, with provisions for contractual increases in base rent over the term of the lease, plus operating cost and realty tax recoveries. Minimum rent payments under non-cancelable operating leases are as follows:

Not later than 1 year	$ 2,946,200
Later than 1 year and not later than 5 years	7,359,462
Later than 5 years	4,209,165
	$ 14,514,827

18. Administration

The breakdown of administration expenses is as follows:

	2025	2024
Bank and service charges	$ 2,561	$ 3,574
Bad debts	22,079	9,549
Office & general	156,953	142,058
Professional fees	448,067	353,611
Occupancy costs	37,329	27,044
Transfer and filing fees	24,748	22,670
Wages and benefits	344,960	309,030
	$ 1,036,697	$ 867,536

19. Subsequent Event

Subsequent to the year ended December 31, 2025, the Company renewed mortgages with a carrying value of $18,693,696, bearing interest at 5.17% and 5.18% and maturing on April 1, 2026 and April 4, 2026 (note 5). The renewed mortgages bear interest at 5.00% and mature on April 1, 2028.