**PATHFINDER VENTURES INC.**

**Consolidated Financial Statements**

**For the years ended December 31, 2023 and 2022**

(Expressed in Canadian dollars)

|  |  |  |  |
| --- | --- | --- | --- |
|  | Note | **December 31,**  **2023** | December 31,  2022 |
|  |  | **$** | $ |
| **ASSETS** |  |  |  |
| **Current** |  |  |  |
| Cash |  | **456,100** | 982,482 |
| Prepaid expenses | 5 | **95,416** | 18,673 |
| Inventory |  | **21,130** | 21,677 |
| Receivables | 6,17 | **311,409** | 116,417 |
| Current portion of deposits | 7 | **36,520** | 10,235 |
|  |  | **920,575** | 1,149,484 |
|  |  |  |  |
| Property and equipment | 8 | **13,132,313** | 13,821,556 |
| Deposits | 7 | **-** | 10,000 |
| **Total assets** |  | **14,052,888** | 14,981,040 |
|  |  |  |  |
| **LIABILITIES** |  |  |  |
| **Current** |  |  |  |
| Accounts payable and accrued liabilities | 9,17 | **892,507** | 625,162 |
| Income tax payable |  | **-** | 1,000 |
| Current portion of lease liabilities | 10 | **95,457** | 125,693 |
| Promissory notes | 11,17 | **778,582** | 793,389 |
| Current portion of mortgages | 12 | **796,775** | 4,302,057 |
| Convertible debentures | 14,17 | **2,548,771** | 2,659,157 |
| Deferred revenue |  | **738,892** | 745,351 |
|  |  | **5,850,984** | 9,251,809 |
|  |  |  |  |
| Lease liabilities | 10 | **5,219** | 100,678 |
| Mortgages | 12 | **6,421,557** | 2,552,348 |
| **Total liabilities** |  | **12,277,760** | 11,904,835 |
|  |  |  |  |
| **SHAREHOLDERS’ EQUITY** |  |  |  |
| Share capital | 15(b) | **8,687,137** | 8,175,293 |
| Subscription deposits | 15(b) | **200,000** | - |
| Reserves | 16 | **1,028,856** | 969,201 |
| Deficit |  | **(8,140,865)** | (6,068,289) |
| **Total shareholders’ equity** |  | **1,775,128** | 3,076,205 |
| **Total liabilities and shareholders’ equity** |  | **14,052,888** | 14,981,040 |

Nature of operations and going concern (Note 1)

Subsequent events (Note 23)

Approved and authorized for issue on behalf of the Board of Directors:

|  |  |  |
| --- | --- | --- |
| */s/ “Joseph Bleackley”* |  | */s/ “Michael Iverson”* |
| Director |  | Director |

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | Years ended December 31, | |
|  | Note | **2023** | 2022 |
|  |  | **$** | $ |
|  |  |  |  |
| Revenues |  | **3,357,512** | 3,370,878 |
| Management services revenue |  | **9,000** | - |
| Costs of sales |  | **(224,047)** | (195,778) |
| **Gross profit** |  | **3,142,465** | 3,175,100 |
|  |  |  |  |
| **Operating expenses** |  |  |  |
| Accretion expense | 11,14 | **245,575** | 430,345 |
| Consulting expense |  | **65,723** | 56,330 |
| Depreciation expense | 8 | **746,943** | 786,532 |
| Financing costs |  | **15,140** | 6,085 |
| General and administrative |  | **179,375** | 170,896 |
| Insurance |  | **80,658** | 66,141 |
| Interest expense | 10,11,12,14,17 | **918,517** | 684,389 |
| Investor relations |  | **100,200** | 74,627 |
| Lease expense |  | **40,801** | 44,778 |
| Legal and professional fees | 17 | **381,329** | 394,723 |
| Marketing |  | **83,358** | 135,375 |
| Property costs |  | **572,335** | 572,072 |
| Property taxes |  | **54,362** | 46,948 |
| Salaries and benefits | 17 | **1,784,624** | 1,698,705 |
| Share-based compensation | 16,17 | **49,594** | 230,579 |
| Supplies |  | **44,363** | 68,692 |
|  |  | **5,362,897** | 5,467,217 |
|  |  |  |  |
| **Net loss from operations** |  | **(2,220,432)** | (2,292,117) |
|  |  |  |  |
| **Other income (expenses)** |  |  |  |
| Foreign exchange loss |  | **(1,851)** | (2,815) |
| Gain on debt extinguishment | 13 | **-** | 16,325 |
| Gain on debt modification | 14 | **108,435** | - |
| Loss on disposition of assets | 8 | **(16,994)** | - |
| Other expense |  | **(3,142)** | - |
| Other income | 18 | **61,408** | 23,333 |
| **Net loss and comprehensive loss** |  | **(2,072,576)** | (2,255,274) |
|  |  |  |  |
| **Net loss per share:** |  |  |  |
| Basic and diluted |  | **(0.03)** | (0.04) |
|  |  |  |  |
| **Weighted average number of common**  **shares outstanding** |  |  |  |
| Basic and diluted |  | **60,544,111** | 55,926,803 |

# 1. NATURE OF OPERATIONS AND GOING CONCERN

Pathfinder Ventures Inc. (the “Company”) was incorporated on February 14, 2018 under the laws of British Columbia. The Company’s head office and principal address is PO Box 610, 9451 Glover Road, Langley, BC V1M 2R9. The Company is listed on the TSX Venture Exchange under the symbol “RV”. The Company is in the business of providing short and long-term accommodation year-round via its wholly owned land and on-site facilities and management services for third-party recreation parks.

These audited consolidated financial statements for the years ended December 31, 2023 and 2022 (the “financial statements”) have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for at least the next twelve months. As at December 31, 2023, the Company has a working capital deficiency of $4,930,409 (December 31, 2022 - $8,102,325) and for the year ended December 31, 2023 reported a net loss and comprehensive loss of $2,072,576 (2022 - $2,255,274). As a result, the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. The Company’s ability to continue as a going concern is dependent upon its ability to generate positive cash flows from operations, and/or raise adequate funding through equity or debt financing to discharge its liabilities as they come due. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. Subsequent to December 31, 2023, the Company completed a non-brokered private placement of 25,000,000 common shares for gross proceeds of $500,000 (Note 23).

Should the Company be unable to continue as a going concern, asset and liability realization values may be materially different from their carrying values. These financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material.

# 2. BASIS OF PREPARATION

**a) Statement of compliance**

These financial statements were approved by the Board of Directors and authorized for issue on April XX, 2024.

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee.

**b) Basis of presentation**

These financial statements have been prepared using the historical cost basis, except for certain financial assets and liabilities which are measured at fair value, as specified by IFRS for each type of asset, liability, income, and expense as set out in the accounting policies below. In addition, these financial statements have been prepared using the accrual basis of accounting except for certain cash flow information.

**c) Functional and presentation currency**

These financial statements are presented in Canadian dollars (“CAD”), unless otherwise noted, which is the functional currency of the Company and its subsidiaries.

**d) Basis of consolidation**

These financial statements include the accounts of the Company and its subsidiaries. All intercompany transactions and balances are eliminated on consolidation. Control exists where the parent entity has power over the investee and is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are included in the financial statements from the date control commences until the date control ceases.

# 2. BASIS OF PRESENTATION (continued)

A summary of the Company’s subsidiaries included in these financial statements as at December 31, 2023 and 2022 is as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Name of subsidiary** | **Country of incorporation** | **Percentage ownership** | **Functional currency** | **Principal activity** |
| Pacific Frontier Investment Inc. | Canada | 100% | CAD | Holding company |
| Pathfinder Camp Resorts (Agassiz) Inc.  (formerly Pathfinder Camp Resorts Inc.) | Canada | 100% | CAD | Operating company |
| Pathfinder Camp Resorts (Fort Langley) Inc.  (formerly Duckworth Management Group Ltd.) | Canada | 100% | CAD | Operating company |
| Pathfinder Camp Resorts (Parksville) Inc. | Canada | 100% | CAD | Operating company |