North America Home Finance Inc.

Consolidated Financial Statements

As at and for the years ended June 30, 2026 and 2025

Deloitte LLP
888 3rd Street SW
Suite 2800
Calgary AB T2P 5C5
Canada

Tel: 403-267-1700
Fax: 587-774-5379
www.deloitte.com

Independent Auditor's Report

To the Shareholders and Board of Directors of
North America Home Finance Inc.

Opinion

We have audited the consolidated financial statements of North America Home Finance Inc. ("NAHF"), (the "Company"), which comprise the consolidated statements of financial position as at June 30, 2026, and 2025, and the consolidated statements of income (loss) and comprehensive income (loss), changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2026 and 2025, and its financial performance and its cash 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 audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Company incurred a net income of $3,113,047 for the year ended June 30, 2026 and, as of that date, the Company's current liabilities exceeded its current assets by $46,134,219. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matter

A key audit matter is a matter that, in our professional judgement, was of most significance in our audit of the consolidated financial statements for the year ended June 30, 2026. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matter described below to be the key audit matter to be communicated in our auditor's report.

Fair Value of Investment Properties – Refer to Note 2, 3, 9 and 10 to the financial statements

Key Audit Matter Description

The Company measures investment properties at fair value subsequent to initial recognition. The fair value of investment properties is determined using valuation techniques that are appropriate in the circumstances and for which sufficient data is available. Significant assumptions used to determine the fair value of investment properties may include discount rates, capitalization rates, market rents, occupancy levels, future development potential and comparable market transactions.

While several assumptions are required to determine the fair value of the investment properties, the assumptions with the highest degree of subjectivity and impact on fair values are the market rents and capitalization rates. Auditing these assumptions required a high degree of auditor judgment because changes in these assumptions could result in a material change in the reported fair value of investment properties. This resulted in an increased extent of audit effort, including the need to involve fair value specialists.

How the Key Audit Matter Was Addressed in the Audit

Our audit procedures related to the market rents and capitalization rates used to determine the fair value of the investment properties included the following, among others:

- Evaluated the reasonableness of market rents by comparing them with historical results and contractual information.
- With the assistance of fair value specialists, evaluated the reasonableness of market rents and capitalization rates by considering observable market information, recent market transactions, and industry surveys.

Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis

Our opinion on the financial statements does not cover the other information and we do 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.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. 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 this auditor's 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.

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 is not a guarantee that an audit conducted in accordance with Canadian GAAS 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 part of an audit in accordance with Canadian GAAS, we exercise professional judgment 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 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 on 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated 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 Mr. Kyle Hawkins.

/s/ Deloitte LLP

Chartered Professional Accountants
October 28, 2026
Calgary, Alberta

North America Home Finance Inc.
Consolidated Statements of Financial Position
Canadian Dollars
As at June 30

	2026	2025 (Restated – Note 4)
Assets		
Current		
Cash (Note 5)	**49,848**	105,071
Accounts receivable	**1,692,861**	498,846
Prepaid expenses	**280,504**	173,658
Other receivables	**47,292**	305,537
Current portion of loans receivable (Note 6)	**5,880,740**	5,998,478
Current portion of net investment in sub-leases (Note 7)	**149,040**	143,520
Due from related parties (Note 24)	**902,054**	1,109,191
	9,002,339	8,334,301
Non-current		
Loans receivable (Note 6)	**2,975**	75,687
Development properties (Note 8)	**1,187,868**	1,148,925
Investment properties (Note 9)	**92,323,010**	67,402,455
Net investment in sub-leases (Note 7)	**1,541,923**	1,514,833
Deposits for condominium units (Note 11)	**24,082,852**	20,254,843
Intangible assets (Note 12)	**12,500,000**	12,500,000
Right-of-use asset (Note 13)	**2,239,547**	3,299,542
	133,878,175	106,196,285
	142,880,514	114,530,586

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The accompanying notes are an integral part of these consolidated financial statements.

North America Home Finance Inc.
Consolidated Statements of Financial Position
Canadian Dollars
As at June 30

	2026	2025 (Restated – Note 4)
Liabilities		
Current		
Accounts payable and accrued liabilities (Note 14)	**4,966,290**	6,045,564
Current portion of promissory note (Note 15)	**6,419,724**	6,866,816
Current portion of redeemable preference shares (Note 16)	**577,500**	577,500
Current portion of lease liabilities (Note 17)	**100,003**	100,003
Current portion of loans payable	**2,500**	-
Current portion of residential development units (Note 19)	**240,000**	240,000
Current portion of housing yield units (Note 20)	**120,000**	120,000
Current portion of mortgages payable (Note 21)	**42,318,863**	3,770
Current portion of interest payable	**391,678**	173,461
Due to related parties (Note 25)	**-**	98,846
	55,136,558	14,225,960
Non-current		
HomePlan contribution	**367,486**	285,750
Promissory note with related party (Note 15, Note 17)	**250,000**	250,000
Lease liabilities (Note 17)	**1,317,392**	1,282,489
Real property bonds (Note 18)	**2,841,880**	4,246,375
Residential development units (Note 19)	**16,536,831**	16,150,789
Variable return on residential development units (Note 19)	**9,979,175**	7,508,485
Housing yield units (Note 20)	**3,805,407**	3,184,848
Interest payable	**1,940,217**	1,384,672
Mortgages payable (Note 21)	**24,086,865**	46,188,717
Deferred tax liability (Note 31)	**2,940,512**	1,663,154
Convertible debentures (Note 22)	**-**	139,421
	64,065,765	82,284,700
Total liabilities	**119,202,323**	96,510,660
Equity		
Share capital (Note 26)	**18,240,534**	16,026,162
Contributed surplus (Note 28)	**99,665**	87,449
Preferred shares (housing shares) (Note 26)	**318,630**	-
Retained earnings	**5,015,824**	1,902,777
Non-controlling interest (Note 27)	**3,538**	3,538
Total equity	**23,678,191**	**18,019,926**
Total liabilities and equity	**142,880,514**	114,530,586

Nature of operations and going concern (Note 1)

Subsequent events (Note 34)

Approved on behalf of the Board

Signed "Dan Leverett"
Director

Signed "George Lawton"
Director

The accompanying notes are an integral part of these consolidated financial statements.

North America Home Finance Inc.

Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)

Canadian Dollars
For the years ended June 30

	2026	2025 (Restated – Note 4)
Revenue		
Home sales	**830,000**	2,325,670
Acquisition and development management fees	**-**	269,589
Rental income	**2,876,465**	1,642,575
Sub-lease income	**108,134**	103,527
	3,814,599	4,341,361
Cost of sales	**806,370**	1,820,828
Gross margin	**3,008,229**	2,520,533
Expenses		
Depreciation	**36,003**	30,768
General and administrative expenses	**1,867,041**	890,285
Salaries, wages and benefits	**-**	46,484
Professional fees	**1,191,150**	1,621,920
Sales and marketing expenses	**5,882**	65,226
	3,100,076	2,654,683
Other income (expense)		
Other income (expense)	**1,491,384**	78,839
Financing costs (Note 23)	**(2,378,490)**	(1,959,462)
Finance income (expense)	**3,377**	(796)
Change in fair values (Note 10)	**5,367,131**	7,130,311
	4,483,402	5,248,892
Net income before taxes	**4,391,555**	5,114,742
Income tax (Note 31)	**1,150**	**-**
Deferred tax expense (Note 31)	**1,277,358**	1,663,154
Net income and comprehensive income	**3,113,047**	3,451,588
Basic and diluted earnings per share (Note 3)	**$0.04**	$0.04
Weighted average outstanding shares	**82,158,574**	79,229,175

The accompanying notes are an integral part of these consolidated financial statements.

North America Home Finance Inc.
Consolidated Statements of Changes in Equity
Canadian Dollars
For the years ended June 30

	Share Capital	Contributed Surplus	Housing Shares	Retained earnings/ (Deficit) (restated – Note 4)	Sub-total	Non-controlling interest	Total equity (restated – note 4)
Balance at July 1, 2024	**15,798,373**	**-**	**-**	**(1,548,811)**	**14,249,562**	**-**	**14,249,562**
Issue of shares	227,789	-	-	-	227,789	3,538	231,327
Contributed surplus	-	87,449	-	-	87,449	-	87,449
Income and comprehensive income for the year	-	-	-	3,451,588	3,451,588	-	3,451,588
Balance at June 30, 2025	**16,026,162**	**87,449**	**-**	**1,902,777**	**18,016,388**	**3,538**	**18,019,926**
Issue of shares	2,214,372	-	-	-	2,214,372	-	2,214,372
Contributed surplus	-	12,216	-	-	12,216	-	12,216
Preferred shares (housing shares) issued during the year	-	-	318,630	-	318,630	-	318,630
Income and comprehensive income for the year	-	-	-	3,113,047	3,113,047	-	3,113,047
Balance June 30, 2026	**18,240,534**	**99,665**	**318,630**	**5,015,824**	**23,674,653**	**3,538**	**23,678,191**

The accompanying notes are an integral part of these consolidated financial statements.

North America Home Finance Inc.
Consolidated Statements of Cash Flows
Canadian Dollars
For the years ended June 30

	2026	2025 (Restated – Note 4)
Cash provided by (used for) the following activities		
Operating activities		
Net Income	**3,113,047**	3,451,588
Items not affecting the flow of cash:		
Depreciation (Note 13)	**36,003**	30,768
Financing costs (Note 23)	**2,378,490**	1,959,462
Gain on sale of investment property	**(23,264)**	-
Change in fair values	**(5,367,131)**	(7,130,311)
Gain on recognition of sublease	**(43,387)**	(112,660)
Redeemable preference shares adjustment	**-**	(2,058)
Sublease income	**(108,134)**	(103,526)
Other	**(18,241)**	-
Change in non-cash working capital (Note 32)	**(1,147,494)**	5,771,102
Cash (used in) generated from operations	**(1,180,111)**	3,864,365
Interest paid	**(2,987,921)**	(1,292,371)
Other financing fees	**(781,876)**	-
Additions to development properties	**(38,942)**	489,921
Net Cash (used in) generated from operations	**(4,988,850)**	3,061,915
Financing activities		
Advances from HomePlan contributions	**81,723**	169,281
Repayment of lease liability	**(14,000)**	(79,006)
Advances from Promissory Notes	**-**	2,963,657
Repayment of Promissory Notes	**(263,811)**	(2,459,426)
Proceeds from residential development units (Note 19)	**559,000**	2,666,821
Proceeds from HYUs	**433,920**	-
Repayment of real property bonds and development units	**(450,000)**	(4,958,629)
Proceeds from issuance of common shares	**3,224,080**	305,697
Proceeds from issuance of convertible debentures	**-**	150,000
Share issuance costs	**(1,385,252)**	-
Proceeds from mortgages payable	**36,295,204**	32,496,531
Repayment of mortgages payable	**(15,972,310)**	(3,591,586)
Repayment of HYUs (Note 20)	**(104,400)**	-
Repayment of residential development units	**(21,001)**	-
Redemption of preferred shares	**-**	(61,500)
	22,383,153	27,601,840
Investing activities		
Sub-lease payments	**146,740**	133,400
Deposits for condominium units (Note 11)	**(561,500)**	(2,800,096)
Proceeds on disposal of investment property	**95,000**	-
Additions to investment properties (Note 9)	**(17,129,766)**	(28,079,170)
	(17,449,526)	(30,745,866)
(Decrease) Increase in cash	**(55,223)**	(82,111)
Cash, beginning of year	**105,071**	187,182
Cash, end of year	**49,848**	105,071

The accompanying notes are an integral part of these consolidated financial statements.

1. Nature of operations and going concern

North America Home Finance Inc. (the "Company") is listed on the Canadian Securities Exchange (Common Shares - CSE: NAHF; Housing Shares CSE: NAHF.PR.A, Warrants CSE: NAHF.WT) and was incorporated under the Canada Business Corporations Act on July 27, 2016, and then continued to British Columbia under the Business Corporations Act (British Columbia) on December 22, 2023. The head office is located at 1021 West Hastings Street, 9th Floor, Vancouver, British Columbia, V6E 0C3. The parent of North America Home Finance Inc. is 1086353 B.C. Ltd. The ultimate parent of North America Home Finance Inc. is Community Services Trust.

The Company directly or through its subsidiaries is engaged in the business of acquiring, developing, and administering housing communities as well as providing developers and homebuyers with advanced funding tools and mortgage products, with the goal of increasing home-equity-building opportunities for families.

These consolidated financial statements include the operations of the Company as well as those of its subsidiaries - Saanich Ridge Development Ltd (incorporated on June 19, 2017), a company responsible for the development of the Saanich property, Westcoast Home Ownership Ltd. (incorporated on June 18, 2014), and NAHF Real Estate Trust, (the "Trust") (established on May 31, 2022), MVE Development GP Inc. (incorporated December 6, 2024), the general partner of the Mountain View Estates Real Estate Development Limited Partnership which is responsible for the development of the Mountain View Estates property, 1289900 B.C. Ltd (acquired on March 17, 2025) and 1404122 BC Ltd (incorporated on March 7, 2023). Out of the subsidiaries, Westcoast Home Ownership Ltd. is currently dormant.

These consolidated financial statements have been prepared on a going-concern basis, with the assumption that the Company will continue operating for the foreseeable future and will be able to realize its assets and discharge its obligations in the normal course of operations.

The Company has net income of $3,113,047 during the year ended June 30, 2026 (2025 restated net income - $3,451,588), and as of that date, the Company had retained earnings of $5,015,824 (June 30, 2025, restated – $1,902,777). Additionally, as at June 30, 2026, the Company has a working capital deficit of $46,134,219 (June 30, 2025 – $5,891,659). The working capital deficit is primarily comprised of a construction loan that the Company intends to be rolled over into a five-year term loan and a $14,500,000 mortgage that was refinanced subsequent to the year end as per Note 34. The Company has negative operating cash flows for the year ended June 30, 2026, of $4,988,850 (2025 restated – positive $3,061,915). The Company's continuing operations are dependent upon the Company's ability to obtain additional capital, successfully develop the Saanich property, develop and/or lease the rental units, roll over of the construction loan and identify, evaluate, and negotiate the acquisition of an interest in properties, assets or a business. As such, there is a material uncertainty related to these events and conditions that may cast significant doubt on the Company's ability to continue as a going concern and, therefore, the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. The Company will continue to develop and sell the remaining homes under development in the Saanich property in the next twenty-four months. The Company has also started developing the next two 26-home rental communities. The outcome of these matters cannot be predicted at this time. In assessing whether the going concern assumption is appropriate, management evaluated all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. In evaluating this uncertainty, management considered several mitigating factors, including ongoing sales of remaining Saanich homes, progress achieved to date on the rental communities, active cost-containment measures, and continued engagement with lenders and investors to secure required financing. Management's plan includes prioritizing completion and sale of the Saanich units, progressing construction and pre-leasing of the rental communities to generate future recurring income, pursuing additional debt or equity financing, and closely monitoring liquidity with identified contingency actions. These consolidated financial statements do not reflect adjustments that may be necessary should the Company be unable to continue as a going concern, and such adjustments could be material.

2. Basis of preparation

Statement of compliance

These consolidated financial statements have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board ("IASB"). The consolidated financial statements were approved and authorized for issue by the Board of Directors on October 27, 2026.

Basis of preparation

These consolidated financial statements have been prepared on the historical cost basis, except for investment properties and certain financial instruments, which are measured at fair value as described in the material accounting policies below. Historical cost is based on the fair value of the consideration given in exchange for assets.

Basis of consolidation

Subsidiaries are all entities over which the Company has control. Control is achieved when the entity has power over the investee; is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to use its power to affect its returns. The Company reassesses whether or not it controls an investee or subsidiary if facts, circumstances, and events indicate that there are changes to one or more of the three elements of control listed above. Currently, the Company has control over all of the subsidiaries reported in the consolidated financial statements (either directly or indirectly). The Company has a controlling interest in Mountain View Estates Development Limited Partnership of 65%. All inter-company balances, and gains and losses on intercompany transactions, have been eliminated for consolidation purposes.

Use of estimates and judgments

Significant accounting judgments

i.) Going concern

Management has applied judgments in the assessment of the Company's ability to continue as a going concern when preparing its consolidated financial statements for the year ended June 30, 2026. Management prepares the consolidated financial statements on a going concern basis unless management either intends to liquidate the entity or has no realistic alternative but to do so. In assessing whether the going concern assumption is appropriate, management considers all available information about the future which is at least but is not limited to, twelve months from the end of the reporting period. As a result of the assessment, management concluded the going concern basis of accounting is appropriate.

ii.) Classification of properties

Management exercises judgment in determining whether a property is classified as development property, investment property, or property, plant and equipment. Classification is based on the intended use of the property, including whether the property is held for sale in the ordinary course of business, held to earn rental income and/or for capital appreciation, or used in the Company's operations. Changes in intended use may result in transfers between property classifications.

iii.) Development properties

In applying the Company's policy with respect to development properties, judgment is applied in determining whether certain costs are additions to the carrying amount of the properties and, for properties under development, identifying the point at which capitalization of borrowing and other costs ceases.

Further, judgment is also applied in determining the number of homes to be sold in the next 12 months for current vs. noncurrent classification of development properties.

iv.) Impairment of non-financial assets

Judgment is used in analysing whether the non-financial assets are to be impaired in accordance with the requirements of IAS 36 which includes the analysis of impairment indicators at each reporting date. The Company estimates the recoverable amount of the asset when there is an indicator of impairment.

Significant accounting estimates

i.) Investment properties

Investment properties are carried at fair value. Significant assumptions may include discount rates, capitalization rates, market rents, occupancy levels, future development potential, and comparable market transactions. Changes in these assumptions could result in a material change in the reported fair value of investment properties.

ii.) Intangible assets

Management has exercised judgments and assumptions for determining the recoverable amount of the intangible assets, to assess whether the intangible assets have been impaired as of June 30, 2026.

iii.) Leases

The application of IFRS 16 requires the Company to make judgments in determining whether certain leases are operating or financing and to make estimates that affect the value of the right-of-use assets and the lease liabilities, which mainly relate to the implicit and incremental rates of borrowing and to whether purchase, renewal or termination options are reasonably certain of being exercised.

iv.) Net Investment in sub-leases

In applying the requirements of IFRS 16 for accounting of net investment in sub-leases, the Company has used an actual area per home for the allocation of the right-of-use asset to the homes sold during the year. The average area is derived based on the area of homes sold and homes to be sold in the coming year.

v.) Development properties

The Company evaluates the carrying value of its development properties at the lower of cost and net realizable value. The net realizable value is estimated based on current market prices that the Company would expect to receive from the sale of the properties.

vi.) Impairment of non-financial assets

Where indicators of impairment are identified, the recoverable amount of non-financial assets is estimated using assumptions relating to future cash flows, discount rates, development timelines, and market conditions. Changes in these assumptions could result in material impairment charges or reversals.

vii.) Financial instruments at fair value through profit or loss

In determining the fair value of financial instruments measured at fair value, the Company estimates the fair value based on the expected return on the underlying agreements or investments. The resulting fair value estimates may not be indicative of the amounts realized at settlement and as such are subject to measurement uncertainty.

Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Company and its subsidiaries. All financial information presented in Canadian dollars has been rounded to the nearest dollar.

3. Material accounting policies, new standards and critical accounting estimates

Operating segments

The Company determines its operating segments based on the differences in the nature of operations, sales, economic characteristics and regulatory environments. The chief operating decision maker is the Chief Executive Officer, who reviews operating results at this level to assess financial performance and make resource allocation

decisions. The Company has one reportable operating segment which is made up of its real estate operations based in British Columbia and Alberta, Canada. All of the Company's non-current assets are located in and revenue is earned in Canada.

Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognized when it is extinguished, discharged, cancelled or expires.

Embedded derivatives

An embedded derivative is a component of a hybrid contract that also includes a non-derivative host – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. Derivatives embedded in hybrid contracts with a financial asset host within the scope of IFRS 9 are not separated. The entire hybrid contract is classified and subsequently measured at fair value through profit or loss. Derivatives embedded in hybrid contracts with hosts that are not financial assets within the scope of IFRS 9 (e.g. financial liabilities) are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts, and the host contracts are not measured at FVTPL.

Classification and initial measurement of financial assets

All financial assets are initially measured at fair value. Financial assets are classified into the following categories:

- amortized cost;
- fair value through other comprehensive income ("FVOCI"); or
- fair value through profit or loss ("FVTPL").

The classification is determined by both:

- the Company's business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

Subsequent measurement of financial assets

Financial assets at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortized cost using the effective interest method.

Financial assets with an embedded derivative, including those with a variable return that is not closely related to the underlying host contract are measured at FVTPL with changes in fair value recognized in net income (loss) and comprehensive income (loss). The fair value of these assets is determined based on level 3 inputs including the expected return on the underlying development project. The carrying amounts reported in the consolidated statement of financial position for short-term financial assets, which includes cash, accounts receivable, other receivables, amounts due from related parties and net investment in sub-leases, approximate fair values due to the immediate or short-term maturities of these financial instruments.

Impairment of financial assets

The impairment of financial assets uses forward-looking information to recognize expected credit losses – the 'expected credit loss ("ECL") model'.

The Company considers a broad range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognized for the first category while 'lifetime expected credit losses' are recognized for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Classification and measurement of financial liabilities

Financial liabilities are initially measured at fair value, and, subsequently measured at amortized cost unless the Company designated a financial liability at fair value through profit or loss. Subsequently, financial liabilities are measured at amortized cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognized in profit or loss.

The carrying amounts reported in the consolidated statement of financial position for short-term financial liabilities, which includes accounts payable and accrued liabilities, interest payable, promissory notes, redeemable preference shares, lease liabilities, due to related parties, HomePlan contributions and promissory note with related party, approximate fair values due to the immediate or short-term maturities of these financial instruments.

The carrying value of certain financial liabilities at initial recognition is at amortized cost, with an embedded derivative bifurcated to recognize the variable return based on the profitability of the corresponding investment project or an embedded conversion option, when the embedded derivative is not closely related to the underlying host contract. The host contract is subsequently measured at amortised cost using the effective interest method. The embedded derivative is subsequently measured at fair value at the end of each reporting period with the fair value gain or loss recognized in net income (loss) and comprehensive income (loss).

There are no financial liabilities classified as fair value through OCI.

The fair values of the Saanich discounted convertible units and the Variable return on residential development units are based on level 3 inputs including the expected return on the underlying development project.

Cash

Cash consists of cash at bank, and on hand that is highly liquid. The Company considers all highly liquid investments with terms to maturity of three months or less when acquired, to be cash equivalents. Cash consists of cash held in the Company's US and Canadian denominated accounts.

Development properties

Development property costs are associated with land held for development for future sale and is measured at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Development costs include all pre-construction costs essential and directly attributable to the development of the property which include, but are not limited to, consulting fees, professional fees, construction costs, direct and

indirect borrowing costs, real estate taxes and other costs incurred during the period of development. Capitalization of costs continues until the development is complete and ready for sale.

Where development projects include units to be held for rental income purposes, costs related to the rental units are accounted for under investment properties.

Borrowing costs

Borrowing costs on funds directly attributable to finance the acquisition, production or construction of a qualifying asset are capitalized until such time as substantially all the activities necessary to prepare the qualifying asset for its intended use are complete. A qualifying asset is one that takes a substantial period of time to prepare for its intended use. Capitalization is discontinued when the asset enters the production stage or development ceases. Where the funds used to finance a project form part of general borrowings, interest is capitalized based on the interest rate applicable to the general borrowings outstanding during the period of construction.

Investment properties

Investment properties include residential properties held for the long term to earn rental income. Investment properties also include properties under development for future use as investment properties.

Investment properties are initially measured at cost, including directly attributable acquisition costs. For properties under development, cost includes direct development and construction costs, borrowing costs and property taxes that are directly attributable to the development of the property.

Subsequent to initial recognition, investment properties are measured at fair value in accordance with IAS 40, Investment Property. Fair value represents the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

The fair value of investment properties is determined using valuation techniques that are appropriate in the circumstances and for which sufficient data is available. Valuation techniques may include the direct capitalization approach, discounted cash flow analysis and direct comparison methodology, or a combination thereof, depending on the nature of the property and the availability of observable market information.

The Company obtains independent external appraisals for significant investment properties on at least an annual basis where considered appropriate. External valuations are prepared by qualified independent valuators who hold recognized professional qualifications and have recent experience in the location and category of the investment properties being valued. Management reviews and assesses the reasonableness of the assumptions and conclusions used in determining fair value.

Properties under development that are classified as investment properties are measured at fair value when that fair value can be measured reliably. In determining whether fair value can be measured reliably, management considers factors including:

- the stage of completion of the development;
- the status of development and construction permits;
- the terms of construction contracts;
- the level of development risk associated with the property;
- market evidence supporting valuation assumptions; and
- the reliability of projected cash flows upon completion.

Where fair value cannot be measured reliably, investment property under development is measured at cost until fair value becomes reliably measurable.

Changes in the fair value of investment properties are recognized in profit or loss in the period in which they arise. Investment properties measured under the fair value model are not depreciated.

Subsequent expenditures are capitalized to the carrying amount of an investment property only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost can be measured reliably. All other repair and maintenance costs are recognized in profit or loss as incurred.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with indefinite useful lives are not amortized but are tested for impairment at least annually. Impairment is tested at an individual asset level unless the asset does not generate cash flows independently from other assets, in which case the Company allocates the intangible asset to the cash-generating units to which the asset belongs.

The recoverable amount is the higher of fair value less costs of disposal and value in use. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be appropriate. If the intangible assets no longer have an indefinite life, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognized upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statements of Net Income (loss) and comprehensive income (loss).

Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. A lease obligation and corresponding ROU asset are recognized at the commencement of the lease. Lease liabilities are initially measured at the present value of the unavoidable lease payments and discounted using the Company's incremental borrowing rate when an implicit rate in the lease is not readily available. The Company determines the incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and the type of the asset leased. The Company used a weighted average incremental borrowing rate of 3.5% for the continuing lease arrangements for the year ended June 30, 2026 (June 30, 2025 – 5.64%). Interest expense is recognized on the lease obligations using the effective interest rate method. The ROU assets are recognized at the amount of the lease liabilities, adjusted for lease incentives received and initial direct costs, on commencement of the leases. ROU assets are depreciated on a straight-line basis over the lease term. The Company is required to make judgments and assumptions on incremental borrowing rates and lease terms. Short-term and low value leases have not been included in the measurement of lease liabilities.

The Company amortizes the right-of-use asset on a straight-line basis from the lease commencement date to the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured when there is change in future lease payments arising from a change in index or rate, if there is a change in the Company's estimate of the amounts expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or net income if the right-of-use asset is already reduced to zero.

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

At inception or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

At the commencement date of a finance lease, the Company recognizes assets held under a finance lease as an amount equal to the net investment in the lease, discounted using the interest rate implicit in the lease. The lease

payments included in the measurement of the net investment in the lease comprise of payments for the right to use the underlying asset that are not received at the commencement date, including fixed payments less any lease incentives payable, variable lease payments that depend on an index or a rate, any residual value guarantees provided to the lessor, the exercise price of a purchase option if the lessee is reasonably certain to exercise and payments of penalties for termination of the lease if the lease term reflects the lessee exercising an option to terminate the lease. After the commencement date, the Company recognizes sub-lease income over the lease term, based on a pattern reflecting a constant periodic rate of return on the Company's net investment in the lease.

Impairment of non-financial assets

Assets which are subject to depreciation or amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (cash-generating units). Non-financial assets are reviewed for possible impairment or reversal of a previously recorded impairment at each reporting date.

Revenue recognition

Revenue is recognized to the extent that the Company's performance obligations are satisfied.

Revenue is generated primarily from the sale of homes under development, sub-lease income, rental income as well as acquisition and development management fees.

Revenue from home sales is recognized at a point in time when possession or title passes to the purchaser and all performance obligations of the sales contract have been met. At this time, all proceeds are received, or collectability is reasonably assured.

The Company acquired an interest in a 99-year lease for the property identified as Saanich Ridge Estates with 45 renewal options of 20 years each. The Company develops and constructs homes on the leased land and subsequently sells these homes to the customers.

Revenue from sub-lease income comprises the finance income and is recognised over the initial sub-lease term in accordance with IFRS 16.

Revenue from acquisition and development management fees is recognised as and when the Company provides the services under the terms of the acquisition and development management fee agreement.

The Company has retained substantially all of the risks and benefits of ownership of its rental properties, and, therefore, accounts for leases with its tenants as operating leases. Revenue recognition under a lease commences when the tenant has a right to use the leased asset. Generally, this occurs on lease inception date when the tenant occupies their leased space. Rental revenue is recognized systematically over the term of the lease. Any suite specific incentives offered, or initial direct costs incurred in negotiating and arranging an operating lease are also amortized over the term of the operating lease. Rental revenue is recorded based on the amount received or to be received in accordance with the operating lease. Lease revenue earned directly from leasing the asset is recognized and measured in accordance with IFRS 16.

Share capital

Common and preferred shares (housing shares) are classified as equity. Transaction costs directly attributable to the issue of common and preferred shares are recognized as a deduction from equity.

Earnings per share

Basic and diluted earnings (loss) per share is calculated using the weighted average number of shares outstanding during the year. Redeemable preference shares have been excluded from the calculation of diluted earnings (loss) per share as they are anti-dilutive.

Income taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in comprehensive income (loss). Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

The Trust qualified as a "mutual fund trust" as defined under the Income Tax Act (Canada) (the "Tax Act") and as a Real Estate Investment Trust ("REIT") is eligible for the 'REIT Exemption' in accordance with the rules affecting the tax treatment. Accordingly, the Trust is not taxable on any income that is distributed or made payable to unitholders. This exemption, however, does not extend to the Company or the corporate subsidiaries of the Company that are subject to income tax.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when the related asset is realized or liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis, or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Provisions

A provision is recognized, if, as a result of a past event, the Company has a legal or constructive obligation that can be estimated reliably, and it is probable that a future outflow of economic benefits will be required to settle the obligation. The timing or amount of the outflow may still be uncertain.

Provisions are measured by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and specific risks of the obligation. Where there are a number of obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. All provisions are reviewed at each reporting date and adjusted accordingly to reflect the current best estimate.

New accounting pronouncements adopted

There were no new accounting standards or amendments that became effective and applicable to the Company during the year ended June 30, 2026. Accordingly, the Company did not adopt any new accounting standards during the year ended June 30, 2026.

Standards issued but not yet effective

The Company has not yet applied the following new standards, interpretations and amendments to standards that have been issued as at June 30, 2026, but are not yet effective. Unless otherwise stated, the Company does not plan to early adopt any of these new or amended standards and interpretations.

Classification and measurement of financial instruments (IFRS 9 and IFRS 7 – Classification and measurement of financial instruments)

IFRS 9 and IFRS 7 Classification and measurement of financial instruments issued May 2024, clarifies the requirements for timing of recognition and derecognition of some financial assets and liabilities with a new exception for some financial liabilities settled through an electronic cash transfer system and new disclosure requirements for certain instruments that can change cash flows. Disclosure requirements for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI) are also updated.

The amendments are effective for annual periods beginning on or after January 1, 2026. The Company does not expect this standard to have a material impact on its consolidated financial statements.

Presentation and Disclosures in Financial Statements (IFRS 18 - Presentation and Disclosure in Financial Statements)

IFRS 18 Presentation and Disclosure in Financial Statements issued April 19, 2024, while carrying forward many of the requirements of IAS1 introduces new requirements to present specified categories and defined subtotals in the statements of profit or loss, provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation.

IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, applied retroactively to comparative Financial Statements. The Company has commenced its implementation assessment and has made preliminary decisions regarding the classification and presentation of income and expenses within the operating, investing and financing categories, as well as the enhanced disaggregation of certain income and expense line items. Based on its assessment to date, the Company expects the standard to impact the structure and presentation of the statement of profit or loss and may require certain updates to its financial reporting processes and systems. The Company continues to evaluate the disclosure requirements and other implementation considerations of IFRS 18 and is assessing the full impact of adoption on its consolidated financial statements.

4. Change in accounting policy

During the year ended June 30, 2026, the Company changed its accounting policy for the subsequent measurement of investment properties from the cost model to the fair value model in accordance with IAS 40, Investment Property. Management determined that the fair value model provides more relevant information to users of the financial statements as it reflects current market conditions and the underlying economic performance of the Company's investment property portfolio.

In accordance with IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors, the change in accounting policy has been applied retrospectively. Comparative information has been restated as if the fair value model had always been applied.

The impact of the change in accounting policy is summarized below.

Impact on opening consolidated statement of financial position

July 1, 2024

	As previously reported	Adjustment	Restated
Investment Properties	21,804,744	266,827	22,071,571
Total assets	65,585,432	266,827	65,852,259
Retained earnings (Accumulated deficit)	(1,815,638)	266,827	(1,548,811)
Total shareholders' equity	13,982,735	266,827	14,249,562

Impact on accumulated deficit

July 1, 2024

	As previously reported	Adjustment	Restated
Retained earnings (Accumulated deficit)	(1,815,638)	266,827	(1,548,811)
Reversal of accumulated depreciation	(146,288)	146,288	-
Recognition of cumulative fair value adjustment on investment properties	-	120,539	120,539
Total shareholders' equity	13,982,735	266,827	14,249,562

Impact on consolidated statement of financial position

June 30, 2025

	As previously reported	Adjustment	Restated
Investment Properties	60,023,326	7,379,129	67,402,455
Total assets	107,151,457	7,379,129	114,530,586
Retained earnings (Accumulated deficit)	(3,813,198)	5,715,975	1,902,777
Total shareholders' equity	12,303,951	5,715,975	18,019,926

Impact on consolidated statement of income (loss) and comprehensive income (loss)

Year ended June 30, 2025

	As previously reported	Adjustment	Restated
Depreciation	1,483,521	(1,517,506)	(33,985)
Fair value gain (loss) on investment properties	-	5,861,623	5,861,623
Deferred tax expense	-	1,663,154	1,663,154
Net income (loss) before tax	(1,997,560)	7,112,302	5,114,742
Net income (loss) and comprehensive income (loss)	(1,997,560)	5,449,148	3,451,588
Basic and diluted earnings (loss) per share	$(0.03)	$0.07	$0.04

Impact on accumulated deficit

Year ended June 30, 2025

	As previously reported	Adjustment	Restated
Retained earnings (Accumulated deficit)	(3,813,198)	5,715,975	1,902,777
Reversal of accumulated depreciation	(1,371,218)	1,371,218	-
Recognition of cumulative fair value adjustment on investment properties	-	5,861,623	5,861,623
Total shareholders' equity	12,303,951	5,715,975	18,019,926

The principal effect of the change in accounting policy was the reversal of depreciation previously recorded on investment properties measured under the cost model and the recognition of fair value gains and losses on investment properties at each reporting date.

As investment properties are measured at fair value under IAS 40, no depreciation is recorded on investment properties subsequent to adoption of the fair value model.

Additional information regarding the Company's investment properties and related fair value measurements is provided in notes 9 and 10.

5. Cash

As at June 30, 2026, the Company held cash of $49,848 (June 30, 2025- $105,071). The credit risk associated with the Company's cash was considered low as the Company's balances were held with large Canadian chartered banks.

6. Loans Receivable

On July 5, 2021, the Company entered into an agreement with Five Bridges Development Limited Partnership ('Five Bridges') pursuant to which, the Company will advance up to $6,500,000 with a return based on 2.70% interest per annum and a pro rata share in the excess of proceeds over disposition of the development project. The amount advanced was used for the construction and development of a real estate property located in Kelowna. The loan along with the accrued interest and pro rata share of profit on the development project was repaid by Five Bridges subsequent to year end (Note 34).

The following table summarizes the change in loans receivable during the year.

	2026	2025
Balance – beginning of year	**6,074,165**	11,343,716
Funding provided to developer	**219,023**	92,751
Repaid during the year	**(428,630)**	(5,987,640)
Change in fair value (*Note 10*)	**19,157**	625,338
Balance – end of year	**5,883,715**	6,074,165
Current portion of loans receivable	**5,880,740**	5,998,478
Long term portion of loans receivable	**2,975**	75,687

During the year ended June 30, 2026, there was a positive change in fair value of $19,157 (June 30, 2025 – positive - $625,338) relating to the pro rata return owed to the Five Bridges development unit holders (Note 10).

7. Net investment in sub-leases

During the year ended June 30, 2026, the Company entered into sub-lease agreements to lease the land associated with 1 home (2025 - 3 homes) which was sold during the year in connection with Saanich Ridge Estates (Note 13). The Company is the head lessee on the land and enters into sub-lease agreements with customers when a sale of a home occurs (Note 8). As per the agreement, the Company has a right to terminate the term of the lease in case of events of default. The terms of the subleases are for the majority of the remaining economic life of the right-of-use asset and therefore, is classified as a finance lease.

During the year ended June 30, 2026, the Company entered into sublease agreements which resulted in the derecognition of $28,289 (2025 - $84,867) of the related right of use asset and recognized a gain on the resulting recognition of the sublease of $43,387 (2025- $112,660) and recorded the gain in other income on the statement of income (loss) and comprehensive income (loss). During the year ended June 30, 2026, sublease payments were discounted to present value at a rate of 8% over 99 years (2025 – 8% over 99 years).

The Company has recognized the following net receivables for the sub-leases:

	2026	2025
Balance – beginning of year	**1,658,353**	1,490,698
Additions during the year	**71,676**	197,528
Interest accretion	**107,674**	103,527
Lease payment received	**(146,740)**	(133,400)
Balance – end of year	**1,690,963**	1,658,353
Current portion	**149,040**	143,520
Long term portion	**1,541,923**	1,514,833

Sub-leases as lessor

The future undiscounted lease payments receivable under sub-leases are as follows:

	Undiscounted lease payments
2027	149,040
2028	149,040
2029	149,040
2030	149,040
2031	149,040
Thereafter	13,435,680
Total undiscounted lease payments receivable	**14,180,880**
Less: Unearned finance income	(12,489,917)
Net investment in sub-leases	**1,690,963**

8. Development properties

	2026	2025
Balance – beginning of year	**1,148,925**	806,499
Additions including financing fees capitalized during the year	**836,934**	1,787,140
	1,985,859	2,593,639
Less: Reclassified to cost of sales representing homes sold	**(797,991)**	(2,202,694)
Subtotal	**1,187,868**	390,945
Developments held for sale	**-**	757,980
Balance – end of year	**1,187,868**	1,148,925

The development property under construction has been divided into 7 phases and is made up of 118 units of single-family detached homes of which 28 have been completed and 12 are being developed for sale and 78 are in the Company's rental pool of properties included in investment properties. The Company's HomePlan model for rental homes is structured for a minimum term of five years after which the tenants under such model have the option to purchase the home between the end of the fifth year up to the end of the seventh year.

9. Investment properties

	June 30, 2026	June 30, 2025
Completed investments properties	**52,731,701**	56,111,766
Investment properties under development	**39,591,309**	11,290,689
Total Investment Properties	**92,323,010**	67,402,455

Additional information regarding the valuation techniques, significant unobservable inputs, fair value hierarchy classification and sensitivity analyses used in determining fair value is disclosed in Note 10.

The following table summarizes the change in investment properties during the year:

	Investment properties	Investment properties under development	Total investment properties
Balance at July 1, 2024	**1,053,349**	**21,018,222**	**22,071,571**
Additions:			
Capitalized borrowing costs	-	1,156,795	1,156,795
Development costs	-	10,558,302	10,558,302
Purchase of Five Crossings	27,874,702	-	27,874,702
Transfer of Saanich Ridge Rental Community #1	25,280,564	(25,280,564)	-
Net fair value gain (loss)	1,903,151	3,837,934	5,741,085
Disposals	-	-	-
Balance at June 30, 2025	**56,111,766**	**11,290,689**	**67,402,455**
Additions:			
Capitalized borrowing costs	-	1,785,609	1,785,609
Development costs	770,108	16,725,204	17,495,312
Net fair value gain (loss)	(4,078,438)	9,789,807	5,711,369
Disposals	(71,735)	-	(71,735)
Balance at June 30, 2026	52,731,701	39,591,309	92,323,010

The fair value of investment properties includes the value attributable to the right-of-use asset associated with the leasehold interest at the Saanich Ridge Rental Community #1. As at June 30, 2026, the carrying amount of the right-of-use assets included within the fair value of the investment properties was approximately $3,733,211. The fair value of these right-of-use assets is not separately determined, as it is inherently reflected in the fair value of the related investment properties.

Disposals during the year

During the year ended June 30, 2026, the Company disposed of an investment property located in Edmonton, Alberta for proceeds of $95,000 (2025 – $nil). The consideration was settled in cash. The resulting gain (loss) on disposal of $23,264 was recognized in profit or loss.

Borrowing costs capitalized and weighted average capitalization rate

During the year ended June 30, 2026, the Company capitalized borrowing costs of $1,785,609 (2025 – $1,156,795) relating to investment properties under development.

The weighted average capitalization rate used to determine borrowing costs eligible for capitalization on investment properties under development was 6.73% during the year ended June 30, 2026 (2025 – 8.25%).

Mortgage security

Certain investment properties have been pledged as security for mortgages payable as disclosed in Note 21 .

Rental income

Investment properties are leased to tenants primarily under residential tenancy agreements and long-term operating leases. Rental income is receivable from tenants on a monthly basis.

Rental income earned from investment properties during the year amounted to $2,876,465 (2025 – $1,642,575).

The key valuation metrics for the Company's two investment properties are set out in the following table:

	June 30, 2026		June 30, 2025	
	Capitalization Rate Weighted Average	**Forecasted Total Stabilized Net Operating Income**	Capitalization Rate Weighted Average	Forecasted Total Stabilized Net Operating Income
Five Crossings	**4.16%**	**1,006,891**	4.59%	1,258,990
Saanich Rental Community #1	**4.64%**	**1,263,536**	4.92%	1,356,927
Total	**4.42%**	**2,270,427**	4,75%	2,615,917

The overall weighted average stabilized capitalization rates for measuring the Company's two investment properties at fair value using a forecasted stabilized net operating income as at June 30, 2026 and 2025, was 4.42% and 4.75% respectively.

The overall capitalization rate method requires inputs of both stabilized net operating income and capitalization rates to determine fair value. Generally, an increase in stabilized net operating income will result in an increase to the fair value of an investment property. An increase in the capitalization rate will result in a decrease to the fair value of an investment property. When the capitalization rate is applied to net operating income to calculate fair value, there is a significant impact as the lower the capitalization rate, the larger the impact. The following table summarizes the impact of changes in both the capitalization rates and forecasted net operating income on the Company's fair value of the two investment properties:

As at June 30, 2026:

		Stabilized Net Operating Income				
		-3%	-1%	As Forecasted	+1%	+3%
Capitalization Rate		2,202,314	2,247,723	2,270,427	2,293,131	2,338,540
-0.25%	4.17%	1,448,218	2,537,666	3,082,389	3,627,113	4,716,561
Rate as reported	4.42%	(1,541,700)	(513,900)	51,390,000	513,900	1,541,700
+0.25%	4.67%	(4,211,363)	(3,238,608)	(2,752,230)	(2,265,852)	(1,293,097)

As at June 30, 2025:

		Stabilized Net Operating Income				
		-3%	-1%	As Forecasted	+1%	+3%
Capitalization Rate		2,537,439	2,589,758	2,615,917	2,642,076	2,694,395
-0.25%	4.50%	1,312,477	2,474,243	3,055,126	3,636,009	4,797,775
Rate as reported	4.75%	(1,650,995)	(550,332)	55,033,166	550,332	1,650,995
+0.25%	5.00%	(4,318,318)	(3,272,651)	(2,749,818)	(2,226,984)	(1,181,317)

10. Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements reflect the assumptions that market participants would use when pricing the asset or liability under current market conditions. Depending on the nature of the instrument and the availability of observable market information, the Company uses quoted market prices, market-corroborated inputs or valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs.

a) The carrying amounts of cash, accounts receivable, other receivables, net investment in sub-leases, amounts due to or from related parties, accounts payable and accrued liabilities, interest payable, promissory notes, redeemable preference shares, lease liabilities, HomePlan contributions and promissory note with related party, and other short-term financial instruments approximate their fair values because of

their short-term maturities. This conclusion does not apply to instruments for which carrying amounts and fair values are presented separately below.

b) The fair value of the Company's mortgages payable is an estimate made at a specific point in time, based on relevant market information. The estimate is based on quoted market prices for the same or similar issues or on the current rates offered to the Company for similar financial instruments subject to similar risks and maturities.

c) The fair values of the RDU and HY Units are determined using valuation techniques that reflect the contractual terms of the instruments and the fair values of the underlying assets and liabilities. The variable-return component of the RDUs and the HY Units are measured at fair value through profit or loss and are classified within Level 3 because significant inputs to those valuations are not observable in active markets. The fixed or amortized-cost component of the RDU is presented separately from the recurring Level 3 measurement.

The Company measures certain financial and non-financial assets and liabilities at fair value and classifies those fair value measurements using a fair value hierarchy that reflects the significance of the inputs used. Fair value measurements that use significant unobservable inputs require judgement and are subject to estimation uncertainty. Actual outcomes may differ from these estimates, and changes in valuation techniques or significant inputs could materially affect the amounts recognized or disclosed. The Company's significant financial instruments and their carrying values as at June 30, 2026, and June 30, 2025, are as follows:

	June 30, 2026		June 30, 2025	
Financial assets	**Carrying Value**	**Fair Value**	**Carrying Value**	**Fair Value**
At amortized cost:				
Cash	49,848	49,848	105,071	105,071
Accounts receivable	1,692,861	1,692,861	498,846	498,846
Other receivables	47,292	47,292	305,537	305,537
Due from related parties	902,054	902,054	1,109,191	1,109,191
Net investment in sub-leases	1,690,963	1,690,963	1,658,353	1,658,353
At FVTPL:				
Loans receivable	5,883,715	5,883,715	6,074,165	6,074,165
Deposits for condominiums	24,082,852	24,082,852	20,254,843	20,254,843

	June 30, 2026		June 30, 2025	
Financial liabilities	**Carrying Value**	**Fair Value**	**Carrying Value**	**Fair Value**
At amortized cost:				
Accounts payable and accrued liabilities	4,966,290	4,966,290	6,045,564	6,045,564
Interest payable	2,331,895	2,331,895	1,558,133	1,558,133
Promissory notes	6,419,724	6,419,724	6,866,816	6,866,816
Redeemable preference shares	577,500	577,500	577,500	577,500
Mortgage payable	66,405,728	70,063,471	46,192,487	47,297,850
Lease liabilities	1,417,395	1,417,395	1,382,492	1,382,492
Due to related parties	-	-	98,846	98,846
HomePlan contribution	367,486	367,486	285,750	285,750
Promissory note with related party	250,000	250,000	250,000	250,000
Real property bonds	2,841,880	2,841,880	4,246,375	4,246,375
Residential development units	16,776,831	16,776,831	16,390,789	16,390,789
At FVTPL:				
Variable return on residential development units	9,979,175	9,979,175	7,508,485	7,508,485
Housing yield units	3,925,407	3,925,407	3,304,848	3,304,848

The fair value hierarchy prioritizes the inputs used in valuation techniques into the following three levels:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3 – unobservable inputs that are significant to the fair value measurement.

Recurring fair value measurements

The fair value measurement is categorized in its entirety within the level of the hierarchy corresponding to the lowest-level input that is significant to the measurement. The Company assesses the significance of an input by considering factors specific to the asset or liability. The following fair value hierarchy table presents the Company's assets and liabilities measured at fair value:

	June 30, 2026			June 30, 2025		
	Level 1	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Financial assets at FVTPL:						
Loans receivable	-	-	5,883,715	-	-	6,074,165
Deposits for condominiums			24,082,852	-	-	20,254,843
Investment properties	-	-	52,731,701	-	-	56,111,766
Investment properties under development	-	-	39,591,309	-	-	11,290,689
Financial liabilities:						
Mortgage payable	-	(66,405,728)	-		(46,192,487)	-
Financial liabilities at FVTPL:						
Variable return on residential development units	-	-	(9,979,175)	-	-	(7,508,485)
Housing yield units	-	-	(3,925,407)	-	-	(3,304,848)
Total	**-**	**(66,405,728)**	**108,384,995**	**-**	**(46,192,487)**	**82,918,130**

The recurring fair value measurements presented above are classified within Level 3 of the fair value hierarchy because one or more unobservable inputs are significant to each measurement in its entirety. These measurements therefore require significant management judgment.

There were no transfers between Level 1, Level 2 and Level 3 during the years ended June 30, 2026, and June 30, 2025. The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period in which the change in circumstances occurred.

Level 3 fair value measurements

The following table presents a reconciliation of recurring Level 3 fair value measurements for the years ended June 30, 2026, and June 30, 2025 and the investment properties have been disclosed in Note 9.

	Financial assets at FVTPL	**Financial liabilities at FVTPL**	**Total**
Balance at July 1, 2024	24,832,130	(4,499,351)	20,332,779
Additions:			
Advances during the year	2,892,847	-	2,892,847
Issued during the year		(3,300,848)	(3,300,848)
Net fair value gain(loss)	4,548,649	(3,013,134)	1,535,515

	Financial assets at FVTPL	Financial liabilities at FVTPL	Total
Discount capitalized	43,022	-	43,022
Repayments during the year	(5,987,640)	-	(5,987,640)
Balance at June 30, 2025	**26,329,008**	**(10,813,333)**	**15,515,675**
Additions:			
Advances during the year	780,523	-	780,523
Issued during the year	-	(561,448)	(561,448)
Redemptions during the year	(428,630)	104,400	(324,230)
Net fair value gain(loss)	3,285,666	(2,634,200)	651,466
Balance at June 30, 2026	**29,966,567**	**(13,904,581)**	**16,061,986**

Fair value gains(losses) recognized in profit or loss

The following table summarizes the fair value gains (losses) recognized in profit or loss during the year:

	2026	2025
Loans receivable (Note 6)	19,157	625,338
Net fair value gain (loss) on investment properties (Note 9)	5,711,369	5,594,796
Deposit for condominium units (Note 11)	3,266,509	3,923,311
Residential development units (Note 19)	(2,470,690)	(3,013,134)
Housing yield units (Note 20)	(163,510)	-
Right of use asset (Note 13)	(995,704)	-
Net fair value gain (loss) recognized in profit or loss	**5,367,131**	**7,130,311**

Valuation techniques and significant unobservable inputs

The following table summarizes the principal valuation techniques and significant unobservable inputs used in determining Level 3 fair value measurements. The sensitivity discussion represents the directional impact on fair value resulting from changes in the significant unobservable inputs while holding all other assumptions constant.

Property	Valuation Technique	Significant Unobservable Inputs	Sensitivity
Edmonton property	Market comparison	Comparable sales prices, location adjustments, property-specific characteristics and market conditions.	Higher comparable values increase fair value
Saanich Ridge Lot 140	Income approach/Market approach	HomePlan obligations, participant equity interests, sublease obligations and market participant assumptions	An increase in HomePlan obligations or participant equity interests would generally decrease fair value, while a decrease in such obligations would generally increase fair value.
Saanich Ridge Lot 142	Income approach/Market approach	HomePlan obligations, participant equity interests and market participant assumptions	An increase in HomePlan obligations or participant equity interests would generally decrease fair value, while a decrease in such obligations would generally increase fair value.
Five Crossings	Direct capitalization	NOI, cap rate, HomePlan obligations	An increase in forecast net operating income or a decrease in capitalization rates would generally result in

Property	Valuation Technique	Significant Unobservable Inputs	Sensitivity
			an increase in fair value. Conversely, a decrease in forecast net operating income or an increase in capitalization rates would generally result in a decrease in fair value.
Saanich Rental Community #1	Direct capitalization	NOI, cap rate, HomePlan obligations	An increase in forecast net operating income or a decrease in capitalization rates would generally result in an increase in fair value. Conversely, a decrease in forecast net operating income or an increase in capitalization rates would generally result in a decrease in fair value.
Saanich Rental Communities phases 2 and 3 under development	Development valuation approach	Costs to complete, projected rents, discount rates	Lower completion costs and higher rents increase fair value.
Residential development units	Income approach (developer's profit)	Costs to complete	Higher and lower costs to complete impacts the developer's profit.
Housing yield units	NAV methodology	Underlying asset fair values, development assumptions, redemption obligations, accrued distributions.	Higher NAV increases fair value; lower NAV decreases fair value. Because the valuation is derived primarily from underlying asset values, changes in the fair value of underlying real estate assets present the most significant driver of changes in the fair value of the HYUs.

The fair values of significant investment properties were supported by independent appraisals prepared by qualified external valuators possessing recognized professional qualifications and recent experience in the location and category of the properties being valued. Management reviews the valuation techniques, significant inputs and conclusions in the external valuations, assesses changes from the prior reporting period and applies property-specific adjustments where appropriate. The resulting valuations and significant judgments are reviewed as part of the Company's financial reporting process.

Management has concluded that the current use of each investment property represents its highest and best use. Accordingly, fair value measurements have been determined based on the existing use of each property. No alternative use of the properties was determined to provide greater value.

Changes in fair value are primarily influenced by changes in market rents, occupancy assumptions, capitalization rates, discount rates, projected cash flows, estimated costs to complete and market transaction data. In isolation, increases in market rents, occupancy assumptions, projected cash flows or comparable market values generally increase fair value, while increases in capitalization rates, discount rates or estimated costs to complete generally decrease fair value. For properties subject to HomePlan arrangements, increases in HomePlan obligations,

participant equity interests or other contractual obligations generally decrease fair value, while decreases in those obligations generally increase fair value.

The fair value of the HYUs is determined using a net asset value methodology that reflects the fair values of the underlying assets and liabilities, including development assumptions, redemption obligations and accrued distributions. Increases in the net fair value of the underlying assets generally increase the fair value of the HYUs, while increases in the underlying obligations generally decrease their fair value.

11. Deposits for condominium units

	2026	2025
Collinson Rise		
Balance – beginning of year	**14,264,368**	10,786,673
Discount capitalized	**-**	(13,447)
Change in fair value	**2,697,428**	3,491,142
Balance – end of year	**16,961,796**	14,264,368
Glenlake Highview (a related party)		
Balance – beginning of year	**5,990,475**	2,701,741
Advances during the year	**561,500**	2,800,096
Discount capitalized	**-**	56,469
Change in fair value	**569,081**	432,169
Balance – end of year	**7,121,056**	5,990,475
Total	**24,082,852**	20,254,843

i.) Collinson Rise

On June 1, 2022, the Trust entered into an agreement with Collinson Rise Limited Partnership ("Collinson Rise"), an independent third party, pursuant to which, the Trust will advance up to $9,500,000 to be applied against the future purchase price of condominiums in the respective projects as and when elected by the Company.

The amounts advanced are secured by a collateral mortgage registered against the lands as security for Collinson Rise's obligations. The Trust would be obtaining seventy-five units in the future condominium to be built by Collinson Rise, and the amount advanced would be considered part of the total consideration to be paid for the units by the Trust.

The amounts advanced under the agreement may be repaid by:

a. the transfer of future condominiums, free of any prior encumbrances, to the Trust in accordance with a purchase agreement for the purchase price applicable to the transferred future condominiums.
b. the return by Collinson Rise to the Trust of any cash amount or other asset of a value agreed to by the Trust.
c. the return by Collinson Rise to the Trust of any credit amount of prepayment after completion of selection and conveyance to the Trust of any applicable strata lots in the project; or
d. following the occurrence of any event of default, the net recovery by the Trust from the enforcement of the collateral mortgage or any other security documents held to secure the obligations of Collinson Rise to the Trust under this agreement.

The amounts advanced have been measured at fair value through profit or loss.

On April 30, 2024, the Company signed an indemnity agreement in return for First West Credit Union to make a loan to Collinson Rise Limited Partnership. The Company indemnifies the Credit Union and holds the Credit Union harmless against all losses, costs, expenses and damages relating to or arising out of the Credit Union making the loan, including principal monies advanced and readvanced, interest, costs, charges and expenses due to the Credit Union in connection with the loan totaling $59,595,717. The Company did not receive a premium associated with the indemnity agreement. On May 30, 2024, the Company signed an indemnity agreement among Collinson Rise Limited Partnership, as principal, Collinson Rise Development Inc., focus Kelowna Homes Inc., and Ryan Joel

Tamblyn, as joint indemnitors, the Company, as a several indemnitor, and Travelers Insurance Company of Canada, as surety for the same loan.

ii.) Glenlake Highview

On November 1, 2023, the Trust entered into an agreement with Glenlake Highview Limited Partnership ("Glenlake Highview"), a related party, pursuant to which, the Trust will advance up to $9,010,000 to be applied against the future purchase price of condominiums in the respective projects as and when elected by the Company.

The amounts advanced are secured by a collateral mortgage registered against the lands as security for the Glenlake Highview's obligations. The Trust would be obtaining 35% of the total number of units in the future condominium to be built by Glenlake Highview, and the amount advanced would be considered as a part of the total consideration to be paid for the units by the Trust.

The amounts advanced under the agreement may be repaid by:

i.) the transfer of future condominiums, free of any prior encumbrances, to the Trust in accordance with a purchase agreement for the purchase price applicable to the transferred future condominiums.
ii.) the return by Glenlake Highview to the Trust of any cash amount or other asset of a value agreed to by the Trust;
iii.) the return by Glenlake Highview to the Trust if any credit amount of prepayment after completion of selection and conveyance to the Trust of any applicable strata lots in the project; or
iv.) following the occurrence of any event of default, the net recovery by the Trust from the enforcement of the collateral mortgage or any other security documents held to secure the obligations of Glenlake Highview to the Trust under this agreement.

The amounts advanced have been measured at fair value through profit or loss.

12. Intangible assets

On June 29, 2018, the Company entered into a license agreement with 1086353 BC Ltd., a majority shareholder, to acquire intellectual property relating to HomeIndex Mortgage, HomePlan and HomeSaver. The intellectual property includes brands, developed financial products comprised of legal contract precedents, financial models and proprietary formulas. As consideration, the Company issued 62,500,000 common shares with a fair value of $12,500,000 based on a share value of $0.20 per common share. The carrying amount of intellectual property was $12,500,000 as at June 30, 2026 (2025 - $12,500,000).

The intellectual property is classified as an indefinite-life intangible asset as management has determined that there is no foreseeable limit to the period over which the asset is expected to generate future economic benefits. This assessment is based on the expected continued utilization of the HomePlan program and related intellectual property across existing and planned developments, including the Saanich Rental Communities, Five Crossings, REVO and Glenlake projects. The asset is not amortized and is tested annually for impairment whenever indicators of impairment exist.

The recoverable amount was determined using a value-in-use methodology based on discounted future cash flow projections comparing the expected cash flows generated utilizing the HomePlan program to alternative development and rental scenarios without the program. Cash flow projections incorporated expected future development projects and anticipated conversion of rental units to HomePlan arrangements where applicable. The annual impairment assessment performed as at June 30, 2026, resulted in a recoverable amount of approximately $24,232,260, exceeding the carrying amount of the intellectual property by approximately $11,732,260. No impairment loss was recognized. Management reviews the indefinite useful life assessment and related impairment conclusions annually.

13. Right-of-use assets

On August 24, 2017, the Company entered a 99-year front ended head lease with renewal options (the "Lease") for the property identified as Saanich Ridge Estates. Saanich Ridge Estates is located at Lot 8-1 Tsawout First Nation Lands, Central Saanich, British Columbia and is made up of approximately 14 acres.

Management has assessed the terms of this arrangement and concluded that it meets the definition of a lease given management has control over the leased property. Accordingly, a right-of-use asset and lease liability has been recorded which represents the discounted value of the land lease over the initial lease term being 99 years. Refer to Note 17 for details related to the lease liability.

On June 1, 2023, pursuant to the agreement signed by the Company with the lessor, the land was subdivided into 2 land parcels, one parcel which would be governed by the original lease arrangement and the other parcel, on which 26 rental homes would be constructed, would be governed by the amended lease agreement. The Company has paid a one-time amendment fee of $24,000, as per the terms of the agreement, to the lessor. (Note 7).

On November 29, 2024, the Company entered into a 99-year front ended head lease with renewal options (the "MVE Lease") for the property identified as Mountain View Estates. Mountain View Estates is located at Lot 73, CLSR Plan No. 52745 Cowichan Indian Reserve No. 1, Duncan, British Columbia and is made up of approximately 19.6 acres.

Management has assessed the terms of this arrangement and concluded that it meets the definition of a lease given management has control over the leased property. Accordingly, a right-of-use asset and lease liability has been recorded which represents the discounted value of the land lease over the initial lease term being 99 years. Refer to Note 17 for details related to the lease liability.

	2026	2025
Balance – beginning of year	**3,299,542**	1,955,326
Add: Initial recognition of right of use asset		1,422,398
Add: Remeasurement of lease liability	**-**	37,453
Less: Reclassification to investment property	**(995,704)**	-
Less: Derecognition related to net investment in sub-leases (Note 8)	**(28,288)**	(84,867)
Less: Depreciation during the year	**(36,003)**	(30,768)
Balance – end of year	**2,239,547**	3,299,542

14. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities is made up of the following:

	2026	2025
Trade accounts payable	**4,483,512**	3,952,469
Accrued liabilities	**436,816**	1,820,325
Customer advance payments	**45,962**	2,770
Financing fee payable	**-**	270,000
	4,966,290	6,045,564

15. Promissory note

	2026	2025
Five Crossings	**5,346,407**	5,774,407
Litte Crow	**1,073,317**	1,092,409
Current portion of promissory note	**6,419,724**	6,866,816
Related party	**250,000**	250,000
Non-current portion of promissory note	**250,000**	250,000

In the year ended June 30, 2025, the Company entered into a promissory note without interest totaling $5,774,407 for the purpose of final settlement of the acquisition of the Five Crossings investment property. This note is repayable on demand. (Note 34)

In the year ended June 30, 2025, the Company entered into a promissory note totaling $2,324,295 for the purpose of settlement of development costs. This note bears interest at an annual rate of 10% and is repayable at the discretion of the Company. At June 30, 2026, $1,073,317 (2025 - $1,092,409) remained outstanding.

In the year ended June 30, 2025, the Company amended a $250,000 promissory note dated August 24, 2017, extending the maturity date to July 31, 2030. The note bears interest at a variable rate equal to Prime Rate, calculated monthly on the outstanding balance. At June 30, 2026, accrued interest on the note totaled $122,470. (Note 17)

16. Redeemable preference shares

	2026	2025
Balance – beginning of year	**577,500**	641,056
Less: Shares redeemed during the year	**-**	(63,556)
Balance – end of year	**577,500**	577,500
Current portion	**577,500**	577,500
Long term portion	**-**	-

During the year ended June 30, 2025, 61.5 redeemable preference shares were redeemed at a price of $1,000 per share for total consideration of $61,500.

17. Lease Liability

	2026	2025
Saanich Ridge Estates		
Balance – beginning of year	**-**	6,509
Lease payments	**-**	(6,509)
Interest accrued	**-**	-
Balance – end of year	**-**	-
Mountain View Estates		
Balance – beginning of year	**1,382,492**	-
Initial recognition		1,422,400
Lease payments	**(14,000)**	(72,500)
Interest accrued	**48,903**	32,592
Balance – end of year	**1,417,395**	1,382,492
Total Lease Liability	**1,417,395**	1,382,492
Current portion	**100,003**	100,003
Long term portion	**1,317,392**	1,282,489

The promissory note payable of $250,000 to a related party is considered as a part of lease consideration and has been included in the maturity analysis. This note had a 5-year term originally due on August 24, 2022, which was extended to July 31, 2030, bears interest at the prime rate and is secured by way of a collateral $250,000 mortgage charge against the head lease for Saanich Ridge Estates ranking behind the first mortgage loan with 1 City Financial Ltd. Accrued interest of $122,470 (2025 - $105,629) has been recognized under interest payable.

On November 29, 2024, the Company signed the MVE lease a formal head lease for the development of the property identified as Mountain View Estates located at Lot 73, CLSR Plan No. 52745 Cowichan Indian Reserve No. 1, Duncan, British Columbia and recognized $1,422,400 lease liability. Accrued interest of $48,903 (2025 - $32,592) has been recognized under interest payable.

The following table sets out a maturity analysis of lease liabilities:

	2026	2025
Maturity analysis – contractual undiscounted cash flows		
2026	**-**	100,000
2027	**100,000**	100,000

	2026	2025
2028	**100,000**	100,000
2029	**100,000**	100,000
2030	**100,000**	100,000
Thereafter	**1,267,395**	1,132,492
Total undiscounted lease liability	**1,667,395**	**1,632,492**
Current portion	**100,003**	100,003
Non-current portion	**1,317,392**	1,282,489
Non-current Promissory note with related party	**250,000**	250,000

Amounts recognized

During the year, the Company expensed $48,903 (2025 - $32,592) of interest on the MVE lease liability as financing costs and made lease payments of $14,000 (2025 - $72,500) for Mountain View Estates.

18. Real property bonds

	Real Property Bonds	Saanich RPUs	Total
Balance – June 30, 2024	**1,602,783**	**2,001,404**	**3,604,187**
Interest accrued	196,666	445,522	642,188
Balance – June 30, 2025	**1,799,449**	**2,446,926**	**4,246,375**
Interest accrued	125,730	149,812	275,542
Redemptions and other*	(750,427)	(929,610)	(1,680,037)
Balance – June 30,2026	**1,174,752**	**1,667,128**	**2,841,880**

*Redemptions and other includes adjustments to development rights accrued.

The Company's Real property bonds' amortized cost is equivalent to the fair value of these liabilities.

The Company issued participating debt securities to third parties, the terms of which are disclosed as follows:

i.) Real property bond units ("RPB Units"): 1,250 RPB Units were issued, each RPB Unit consisting of a real property bond ("RP Bond"), a redeemable capital growth based right ("RP Right") and up to 2,000 Common share purchase warrants (the "RPB Warrants"). Each RP Bond carries an interest rate of 2.70% per annum (simple interest paid on maturity) with the Series 50 RP Bonds having a term of 60 months. The RP Right will payout $500 per RP Right minus the accrued interest to the 60th month on the Series 50 RP Bonds. Each RPB Warrant entitled the holder to purchase one common share of the issuer at an exercise price of $0.001 per common share. The Company concluded that the value of the warrants are $454,000. As such, the Company has allocated the value of the monies received to the debt instrument. All warrants were exercised in 2018. The subscription price is $1,000 per RPB Unit $999.99 per RP Bond, and $0.01 per RP Right.

The bonds had a maturity period of 60 months, which matured prior to the beginning of the year ended June 30, 2024. However, the bondholders approved the postponement of repayment of the bond until the time of repayment of the 1 City mortgage borrowed by the Company due September 1, 2027. Accordingly, the entire balance of bonds payable has been classified as non-current liability as the mortgages are not due within next 12 months.

During the year ended June 30, 2026, the Company has capitalized interest and development rights of $Nil (2025 - $190,664) on real property bond units as part of the development property (Note 8).

ii.) Saanich RPUs: In October 2020, the Company issued 1,020 Saanich RPUs to accredited investors on an exempt private placement basis for Saanich Real Property units with each RP Unit, for the first $750,000 of aggregate investment, at a price of ninety-seven cents ($0.97) per RP Unit and subsequently at a price of $1.00 per RP Unit up to a maximum of $1,000,000. The securities offer an 8% cumulative annual preferred return. On April 16, 2025, the Company's board of directors approved an amendment to the profit participation terms, in light of the extended project timeline, increasing the lumpsum profit

participation payable to investors from $350 per unit to $470 per unit, in addition to the cumulative annual preferred return. The impact of the amendment was recognized as part of the change in fair value of the liability during the year. The units mature on the sale of the 40th home in the Saanich Ridge Estates Development.

During the year ended June 30, 2026, the Company has capitalized interest and development rights of $Nil (2025 - $418,555) on real property bond units as part of the development property (Note 8).

19. Residential development units

	Five Bridges	Collinson Rise	Glenlake (a related party)	Saanich DCUs	Total
Balance – June 30, 2024	**6,500,000**	**9,795,893**	**2,900,124**	**2,580,000**	**21,776,017**
Issued during the year	-	-	2,561,241	55,000	2,616,241
Repaid during the year	(4,958,629)	-	-	-	(4,958,629)
Repaid by way of condominium units	(407,840)	-	-	-	(407,840)
Conversion of DCU to HYU	-	-	-	(2,635,000)	(2,635,000)
Balance – June 30, 2025	**1,133,531**	**9,795,893**	**5,461,365**	**-**	**16,390,789**
Exchange offering into housing shares	(151,958)				(151,958)
Issued during the year	-	-	559,000	-	559,000
Repaid during the year	-	(21,000)	-	-	(21,000)
Balance – June 30, 2026	**981,573**	**9,774,893**	**6,020,365**	**-**	**16,776,831**
Current portion	-	120,000	120,000	-	240,000
Long term portion	981,573	9,654,893	5,900,365	-	16,536,831

Variable gain on residential development units	Five Bridges	Collinson Rise	Glenlake (a related party)	Saanich DCUs	Total
Balance – June 30, 2024	**3,449,212**	**986,080**	**60,059**	**-**	**4,495,351**
Change in fair value	437,828	2,143,137	432,169	-	3,013,134
Balance – June 30, 2025	**3,887,040**	**3,129,217**	**492,228**	**-**	**7,508,485**
Change in fair value	13,410	1,888,200	569,080	-	2,470,690
Balance – June 30, 2026	**3,900,450**	**5,017,417**	**1,061,308**	**-**	**9,979,175**

The Company issued participating debt securities to third parties, the terms of which are disclosed as follows:

i.) 6,500 development units were issued by the Company to raise funds to loan to Five Bridges Development Limited Partnership. Each development unit consists of one development property bond ("Development Bond") and one redeemable right ("Development Right"). The Development Bond bears simple interest from the date of issuance accrued on the principal amount of the Development Bonds outstanding from time to time at the rate of 2.7% per annum. Interest shall accrue up to and become payable on the date that is earlier of July 30, 2026 (i.e. the Maturity date) and date of redemption. Additionally, each Development Right can be redeemed and cancelled at face value by the Company, or the Development Right Holder is entitled to, on the Maturity Date of the Development Bonds, an amount equal to the aggregate of 9.6% return per year on the principal amount of the associated Development Bond, plus either:

a. where the Five Bridges development property is sold on or before the Maturity Date, 70% pro rata share of the amount that is or was the issuer's excess of proceeds of disposition of its interest in the Five Bridges development project and the issuer's adjusted cost base therein or;
b. where the Five Bridges development property is not sold on or before maturity, 70% pro rata share of the issuer's appreciated value in the Five Bridges development project.

In either case, the return is net of the accrued interest expense on the associated Development Bond accrued to the time of redemption.

The portion of the return on the Five Bridges investment related to the pro rata share of the amount that is the issuer's excess of proceeds over disposition of its interest in the Five Bridges development project was bifurcated from the development units and recorded in Variable Return on Property Bonds and measured at FVTPL. At June 30, 2026, the change in fair value of the loan receivable related to the Five Bridges project was $5,572,072, which is ultimately used to settle this obligation when it comes due to the development unit holders.

During the year ended June 30, 2026, $151,959 of the principal amount of the development units was exchanged into Housing Shares by investors.

ii.) The Trust issued 9,795,893 Collinson Rise units (the "CR units"), at subscription prices between $0.96 and $1 per unit. Each unit has a face value of $1 and includes a non-compounded preferred return of 9% on the aggregate subscription price of a unitholder.

On April 30, 2023, the Trust entered into an agreement with Collinson Rise Limited Partnership, wherein, the amount of discount offered on the securities by the Company would be required to be automatically re-invested back into the deposit for condominium units by Collinson Rise Limited Partnership. "Discount" means the difference between the face value and offered subscription price of the Securities, instituted at the discretion of the Trust for the purpose of incentivizing purchases of the Securities.

The CR Units are non-voting, rank in priority to the common trust units and can be converted to common trust units. The aggregate subscription price on a redemption is payable solely out of the net proceeds that the Trust receives from Collinson Rise Limited Partnership and, after completion of the purchase transaction, from net rental revenues and sales of condominium units acquired and not from any other assets of the Trust. If such proceeds are less than the amount required to pay the principal amount of the CR Units and the full preferred return to all unitholders, the amounts payable to such persons shall be adjusted downward to reflect the amount available for payment to all such persons on a pro rata basis.

The CR Units are redeemable by the Trust at any time for an amount equal to the outstanding (and not previously returned) aggregate subscription price of such CR Units, plus the preferred return (the "Redemption Price") calculated up to and including the redemption date. A unitholder may elect and request that the Trust redeem the CR Units for an amount equal to the Redemption Price discounted by 10% if the redemption is requested by the holder prior to the completion date of the project as set out in note 9. Redemptions are paid out on a pro rata basis up to a maximum monthly amount of $10,000 in total for all CR unitholders.

The portion of the return on the Collinson Rise investment related to the pro rata share of the amount that is the issuer's excess of proceeds over disposition of its interest in the Collinson Rise development project was bifurcated from the Collinson Rise Units and recorded in Variable Return on Property Bonds and measured at FVTPL. At June 30, 2026, the fair value of the embedded derivative on condominium units related to the Collinson Rise project was $ 5,017,417 (2025- $3,129,217) which is ultimately used to settle this obligation when it comes due to the CR unitholders.

iii.) During the year, the Trust issued 559,000 (2025: 2,561,241) Glenlake units (the "GL units"), at subscription prices between $0.96 and $1 per unit. Each unit has a face value of $1 and includes a non-compounded preferred return of 9.6% on the aggregate subscription price of a unitholder.

On November 1, 2023, the Trust entered into an agreement with Glenlake Highview Limited Partnership, a related party, wherein, the amount of discount offered on the securities by the Company would be required to be automatically re-invested back into the deposit for condominium units by Glenlake Highview

Limited Partnership. "Discount" means the difference between the face value and offered subscription price of the Securities, instituted at the discretion of the Trust for the purpose of incentivizing purchases of the Securities. During the year ended June 30, 2026, an amount of $Nil (2025 - $56,468) has been considered as re-investment to the deposit for condominium units.

The GL Units are non-voting, rank in priority to the common trust units and can be converted to common trust units. The aggregate subscription price on a redemption is payable solely out of the net proceeds that the Trust receives from Glenlake Highview Limited Partnership and, after completion of the purchase transaction, from net rental revenues and sales of condominium units acquired and not from any other assets of the Trust. If such proceeds are less than the amount required to pay the principal amount of the GL Units and the full preferred return to all unitholders, the amounts payable to such persons shall be adjusted downward to reflect the amount available for payment to all such persons on a pro rata basis.

The GL Units are redeemable by the Trust at any time for an amount equal to the outstanding (and not previously returned) aggregate subscription price of such GL Units, plus the preferred return (the "Redemption Price") calculated up to and including the redemption date. A unitholder may elect and request that the Trust redeem the GL Units for an amount equal to the Redemption Price discounted by 10% if the redemption is requested by the holder prior to the completion date of the project as set out in note 9. Redemptions are paid out on a pro rata basis up to a maximum monthly amount of $10,000 per month.

The portion of the return on the Glenlake investment related to the pro rata share of the developer's profit, and the discounted purchase option of the condominium units, was bifurcated from the GL units and measured at FVTPL. At June 30, 2026, the fair value of the embedded derivative was $1,061,308 (2025 - $492,228).

20. Housing yield units

	2026	2025
Opening Balance	**3,304,848**	**4,000**
Issued during the year	473,114	50,580
Conversion of DCU to HYU	-	2,635,000
Premium on conversion	-	599,250
Repaid during the year	(104,400)	-
Distribution in kind	88,335	16,018
Change in fair value	163,510	**-**
Ending Balance	**3,925,407**	**3,304,848**
Current portion of housing yield units	120,000	120,000
Long term portion of housing yield units	**3,805,407**	**3,184,848**

During the year, the Trust issued 46,312 (2025: 5,058) HY units as part of an offering memorandum to issue up to 850,000 HY units which would raise gross proceeds of $8,500,000 at a price of $10.00 per HY unit. HY units are redeemable (subject to a monthly limit), non-voting units which entitle the holder to distributions of income or capital as declared by the Trustees.

The HY Units are the initial series of Housing Yield Units created by resolution of the Trustees and designated as "Housing Yield Units, Series A". The HY Units are non-voting unless required by applicable law. The HY Units authorized for issuance rank in priority to Common Units of the Trust and pari passu as a series as to all returns and distributions.

The HY Units are direct obligations of the Trust. The Trustees may declare distribution of income or capital on the HY Units up to the HY Payment Amounts and shall allocate and distribute the aggregate HY Payment Amounts (less any distributions previously declared on HY Payments Amounts during the calendar year) at the end of each calendar year to HY Unitholders of record on December 31 of each year. Distributions shall be paid in cash ; through the issuance of additional HY Units ("DRIPS") offered at a 2% discount, through the transfer of assets or the issuance of HY Redemption Notes. During 2026, subscribers of the HY Units are eligible to participate in the HY+ option. Whereby subscribers may elect to defer their right to a cash redemption for an 18-month period following the date of closing, and in exchange the Trust shall offer the subscriber an additional 4.0% (for an aggregate of 15.0%) in addition to the simple annualized preferred return offered by the Trust.

During the year, HY Unit holders received a distribution in kind which represents a quarterly distribution settled through the issuance of additional HYUs under the Trusts distribution reinvestment program. Such distributions increase the carrying amount of the HYU liability by $88,335 (2025: $16,018) and do not represent fair value gains or losses during the year

The HY Units are redeemable by the Trust at any time for an amount equal to the Redemption Price calculated up to and including the Redemption Date. The Company may also purchase HY Units by private agreement with any HY Unitholder. HY Units may also be convertible into other Units of the Company, as specified to holders upon resolution of the Trustees and through a register maintained by the Company's transfer agent. A unitholder may elect and request that the Trust redeem the HY Units held for an amount equal to the Redemption Price discounted by a percentage determined at the applicable Redemption Date, where the redemption request from the unitholder falls within the following schedule of timeframes from the initial subscription date with respect to the applicable HY Units:

- if redeemed in 1st year, 5.0%;
- if redeemed in 2nd year, 4.0%;
- if redeemed in 3rd year, 3.0%;
- if redeemed in 4th year, 2.0%;
- if redeemed in 5th year, 1.0%;
- and after the 5th year, 0.0%.

The total amount payable by the Trust in respect of HY Units tendered for redemption in the same calendar month is limited to $10,000, unless the Trustees in their sole discretion waive such limitation. The maximum contractual redemption amount that could be required to be settled within the next twelve months is $120,000 ($10,000 per month × 12 months), which has been classified as current. The remaining balance has been classified as non-current.

During the year ended June 30, 2026, the Trustees revalued the HY Units at $10.46 per unit based on increases in the Trust's net asset value. Consequently, the Company has recognized a Change in Fair Value through profit and loss of $163,510 for the year (2025: $Nil).

21. Mortgages payable

	2026	2025
On May 11, 2023, the loan amount on the second mortgage for the Saanich ridge property was refinanced for a total drawdown amount of $4,510,000, the interest rate changed to 12% until August 1, 2024, and 24% thereafter with the maturity date amended to October 1, 2024. Subsequent to June 30, 2024, the maturity date was further amended to July 1, 2025, and the interest rate changed to 12% until December 1, 2025, and 24% thereafter. The maturity date was further amended to September 1, 2026, and the interest rate changed to 12% until July 1, 2026, and 24% thereafter. On February	**2,818,321**	3,100,516

	2026	2025
3, 2026, the maturity date was further amended to September 1, 2027, and the interest rate changed to 12% until July 1, 2027, and 24% thereafter. Interest of $519,091 (2025 - $637,179) has been capitalized as part of the development property (Note 8). As at June 30, 2026, $2,818,321 (June 30, 2025 - $3,100,516) has been drawn on the mortgage. Accrued interest of $1,521,848 (2025 - $1,005,990) has been recognized under interest payable. As of June 30, 2026, the fair value of this mortgage, estimated using a discounted cash flow model based on current market interest rates and the company's credit rating, is $4,800,720 (June 30, 2025 -$4,566,292).		
On November 25, 2022, the Company secured an additional mortgage on the Saanich Ridge property in the amount of $1,610,000 from 1 City Financial Ltd. On August 19, 2024, the maturity date was further amended to July 1, 2025. In addition, the interest rate of 13% per annum compounded monthly was extended to December 1, 2024, on the advanced balance, and 24% thereafter. The maturity date was further amended to September 1, 2026, and the interest rate of 13% per annum compounded monthly was extended to July 1, 2026, and 24% thereafter. On February 3, 2026, the maturity date was further amended to September 1, 2027, and the interest rate of 13% per annum compounded monthly was extended to July 1, 2027, and 24% thereafter. For the year ending June 30, 2026, interest of $102,843 (2025 - $213,249) has been capitalized as part of the development property (Note 8). As at June 30, 2026, $242,943 (2025 - $1,113,625) has been drawn on the mortgage. Accrued interest of $295,899 (2025 - $268,149) has been recognized under interest payable. As of June 30, 2026, the fair value of this mortgage, estimated using a discounted cash flow model based on current market interest rates and the company's credit rating, is $627,004 (June 30, 2025 -$1,537,026).	**242,943**	1,113,625
On April 26, 2023, the Company secured an additional mortgage on the Saanich Ridge property in the amount of $551,000 from Robert D. Gibbens Law Corporation. The mortgage bears interest of higher of Royal Bank Prime Rate plus 2.80% or 9.50% per annum until May 1, 2024, and 21% per annum calculated monthly thereafter for the term maturing on July 1, 2024. Interest of $Nil (2025 - $Nil) has been capitalized as part of the development property (Note 8). As at June 30, 2026, $546,000 (2025 - $546,000) has been drawn on the mortgage. Accrued interest of $79,412 (2025 - $78,836) has been recognized under interest payable. On September 26, 2024, the maturity date was extended to July 1, 2025. The maturity date was further amended to July 1, 2026, and the interest rate changed to 9.75% until May 1, 2026, and 21% thereafter. As of June 30, 2026, the fair value of this mortgage, estimated using a discounted cash flow model based on current market interest rates and the company's credit rating, is $763,208 (June 30, 2025-$682,841).	**546,000**	546,000
On May 7, 2025, the mortgage from People's Trust for an amount of $12,780,000 was converted into a 5-year mortgage with a maturity date of December 1, 2030. During the year ending June 30, 2026, the Company fully repaid the outstanding principal and accrued interest on the mortgage.	**-**	13,205,750
On March 31, 2025, the Company obtained a mortgage for an amount of $22,114,000 for a first mortgage for the acquisition of 80 units in the Five Crossings development as part of investment properties (Note 9). The CMHC-insured mortgage bears an annual	**21,913,867**	21,997,693

	2026	2025
rate equal to the 5-year Canada Mortgage Bond + 0.50%. The mortgage matures on June 1, 2030. At June 30, 2026, accrued interest of $62,140 (June 30, 2025 - $62,628) has been recognized under interest payable. As of June 30, 2026, the fair value of this mortgage, estimated using a discounted cash flow model based on current market interest rates and the company's credit rating, is $20,407,712 (June 30, 2025 - $20,047,993).		
On January 31, 2025, the Company obtained a mortgage for an amount of up to $36,244,756 for the development of the Saanich Ridge rental development properties (Note 8). As at June 30, 2026, $28,369,784 has been drawn on the mortgage (June 30, 2025, $8,031,328). The mortgage is due on March 1, 2027. The mortgage bears an annual rate equal to RBC Prime – 0.05% with a minimum rate at 6.15%. At June 30, 2026, interest of $1,163,675 (June 30, 2025 - $156,421) has been capitalized as part of the investment properties (Note 9). As at June 30, 2026, accrued interest of $145,395 has been recognized under interest payable (June 30, 2025 - $38,111). As of June 30, 2026, the fair value of this mortgage, estimated using a discounted cash flow model based on current market interest rates and the company's credit rating, is $28,644,204 (June 30, 2025 - $8,155,883).	**28,369,784**	8,031,328
On October 30, 2025, the Company obtained a new mortgage with PeakHill Capital for $14,500,000, which is secured by the Saanich Ridge rental community #1 property. The loan proceeds were used predominantly to payout the Peoples Trust mortgage. The mortgage bears an annual rate of interest equal to the prime rate plus 2.75% and initially was a demand facility payable at any time upon demand by PeakHill Capital and requires interest only payments. On January 15, 2026, the demand facility was amended to a term loan with a maturity date of June 1, 2027. Subsequent to June 30, 2026, the Company refinanced this mortgage with PeakHill and obtained a new mortgage (Note 34). As of June 30, 2026, the fair value of this mortgage, estimated using a discounted cash flow model based on current market interest rates and the company's credit rating, is $14,781,617 (June 30, 2025 - $Nil).	**14,500,000**	-
On February 19, 2026, the Company obtained a bridge loan with 1 City Financial for $679,000. The mortgage bears an annual rate of interest 24%. As of June 30, 2026, the fair value of this mortgage, estimated using a discounted cash flow model based on current market interest rates and the company's credit rating, is $39,006 (June 30, 2025 - $Nil).	**32,500**	-
Total mortgages payable	**68,423,415**	47,994,912
Unamortized deferred transaction costs	**(2,017,687)**	(1,802,425)
Mortgages payable including unamortized deferred transaction costs	**66,405,728**	46,192,487
Current portion of mortgages payable including unamortized deferred transaction costs	**42,318,863**	3,770
Long term portion of mortgages payable including unamortized deferred transaction costs	**24,086,865**	46,188,717
Mortgages payable including unamortized deferred transaction costs	**66,405,728**	46,192,487

22. Convertible debentures

On June 26, 2025, the Company issued and sold convertible debenture units comprised of debenture notes totaling $150,000. The convertible debentures contain common share conversion rights to the common shares of the Company ("CD Rights") and 75,000 common stock purchase warrants in the Company.

The aggregate principal number of convertible debentures which may be issued and outstanding from time to time is $1,700,000.

The convertible debentures incur interest at an annual rate of 10% and have a maturity date that is July 31, 2026, or upon the date the Company becomes a Reporting Issuer.

The CD Rights are recorded with the liability, and the warrants have been measured at $13,079 and are recorded as contributed surplus in equity.

During the year ended June 30, 2026, the Company had outstanding convertible debentures that contained common share conversion rights to the common shares of the Company ("CD Rights") and common stock purchase warrants in the Company.

The aggregate principal number of convertible debentures authorised to be issued was $1,700,000.

The convertible debentures bore interest at an annual rate of 10% and were scheduled to mature on July 31, 2026, or earlier upon the date the Company becomes a Reporting Issuer.

Following the Company's initial public offering in February 2026, all outstanding convertible debentures were converted into common shares in accordance with their terms.

23. Financing costs

	2026	2025
Mortgages	**1,898,155**	913,928
Related party promissory note	**16,841**	19,497
Promissory notes	**112,806**	44,940
Real property bonds	**(779,908)**	-
HYU distributions	**183,538**	37,848
Convertible debentures	**199,780**	-
Amortization of deferred finance fees	**511,632**	397,184
Other financing costs	**235,646**	546,065
Total	**2,378,490**	1,959,462

24. Due from related parties

The following table summarizes the change in due from related parties during the year.

	2026	2025
Due from NAH Equity Company GP Inc. a company controlled by George Lawton Funds advanced for operating expenses related to project and credit card expenses	**-**	273,289
Due from NAHF Equity Management Ltd. a company owned by NAH Equity Company GP Inc., a company controlled by George Lawton Funds advanced for operating expenses	**61,669**	-
Due from NA Equity Company LP., an entity owned by NAH Equity Company GP Inc. a company controlled by George Lawton Funds advanced for operating expenses	**759,159**	-
Due from Se-Mi-Ah-Mu Tatalu Developments LP, an entity controlled by George Lawton and Navi Jagpal Funds advanced for operating expenses related to cash transfers, commissions and consulting which was partially offset by $30,000 of Housing Yield Units that were redeemed and reinvested in Se-Mi-Ah-Mu	**-**	199,590
Due from Glenlake Highview Development LP Inc, an entity controlled by Navi Jagpal Funds advanced for operating expenses	**-**	550,640
Due from Emerge Modular Ltd., a company where Navi Jagpal has significant influence Funds advanced for operating expenses related to cash transfers, professional fee payments and construction expenses	**77,691**	77,691
Due from Pacific Hwy Industrial Development GP Inc. a company controlled by Navi Jagpal Funds advanced for operating expenses related to legal fees	**-**	4,446
Due from Steve Alphonse who is a minority shareholder in MVE Development GP Inc. Funds advanced for cost sharing	**3,535**	3,535
	902,054	1,109,191

During the year ended June 30, 2026, certain amounts due from related parties were settled in accordance with various multi-party agreements. The amounts due from related parties are not interest bearing and are due upon demand.

25. Due to related parties

	2026	2025
Transactions:		
Management fees to NAHF Equity Management Ltd.	**643,893**	-
Consulting fees to key management personnel	**-**	378,223
	643,893	378,223

The following table summarizes the change in due to related parties during the year.

	2026	2025
Due to 1086353 BC Ltd., the majority shareholder and a company controlled by George Lawton Funds advanced by parent company for operating expenses related to project costs, which were partially offset by incorporation costs and professional fees	**-**	10,292
Due to NAHF Equity Management Ltd., a company owned by NAH Equity Company GP Inc. a company controlled by George Lawton Funds advanced for management fees owing including, administrative fees, property management fees, disposition fees, development management pass-through fees and HomePlan marketing fees, which was partially offset by cash transfers	**-**	80,971
Due to NAHF Equity Co. LP, an entity owned by NAH Equity Company GP Inc. Funds advanced for operating expenses related to third party marketing and communications providers	**-**	7,583
	-	98,846

During the year ended June 30, 2026, amounts due to related parties were settled in accordance with various multi-party agreements.

Related party transactions also include a promissory note with 1086353 BC Ltd, a majority shareholder for $250,000 (June 30, 2025 - $250,000). The promissory note payable is considered as a part of lease consideration and is due July 31, 2030, and bears interest at the prime rate. Accrued interest of $122,470 to June 30, 2026 (June 30, 2025 - $105,629) has been recognized under interest payable.

26. Share capital

Authorised
Unlimited common shares no par value - Voting and participating
Unlimited preferred shares at no par value - Non-voting and non-participating

Issued and outstanding

	Number of shares	Share Capital
Common shares		
Balance – June 30, 2024	**78,990,456**	15,798,373
Issue of shares	**772,500**	227,789
Balance – June 30, 2025	**79,762,956**	16,026,162
Issue of shares	**6,995,204**	3,599,780
Minority interest	**-**	(158)
Share issue costs	**-**	(1,385,250)
Balance – June 30, 2026	**86,758,160**	18,240,534
Preferred shares		
Balance – June 30, 2024	**-**	-
Issue of shares	**-**	-
Balance – June 30, 2025	**-**	-
Issue of shares	**31,127**	318,630
Balance – June 30, 2026	**31,127**	318,630

As of June 30, 2026, the Company had

(i) 500,000 warrants issued and outstanding with an exercise price of $0.50 per share expiring August 30, 2027, and
(ii) 850,000 warrants issued and outstanding with an exercise price of $0.50 per share expiring September 30, 2027.
(iii) 1,871,640 warrants issued and outstanding with an exercise price of $0.85 per share expiring February 24, 2028.

27. Non-controlling interest

The Company recognizes a non-controlling interest of $3,538 (2025 - $3,538) in Mountain View Estates Development Limited Partnership, which is the 35% ownership interest held by Steve Alphonse.

28. Contributed surplus

	2026	2025
Opening balance	**87,449**	-
Value of warrants issued in the year	**114,394**	87,449
Value recognized on conversion of debentures (Note 22)	**(102,178)**	-
Closing balance	**99,665**	87,449

29. Financial risk management overview

The Company's activities expose it to certain financial risks arising from financial instruments to which the Company is exposed during or at the end of the reporting period. These risks include credit risk, liquidity risk,

foreign exchange risk and interest rate risk. The actions taken to manage them are outlined below. The directors have overall responsibility for the establishment and oversight of the Company's risk management framework.

i.) Credit risk

Credit risk is defined as the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's cash, accounts receivable, other receivable, mortgage receivable, loan receivable, net investment in sub-lease and deposit for condominium units. The Company is exposed to credit risk as some tenants may experience financial difficulty and may default in payment of rent in the current economic environment. The Company attempts to minimize possible risks by collecting security deposits from tenants. Management has assessed and recorded the current expected credit loss at $61,122 (June 2025 - $91,580) against accounts receivable. The Company has mortgage title and security over properties financed by the loan receivable and the deposits for condominium units. Further, cash balances are deposited with a major Canadian banking institution. The Company's maximum exposure to credit risk is the value of its cash, accounts receivable, other receivable, mortgage receivable, loan receivable, deposit for condominium units and due from related parties.

ii.) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivery of cash or another financial asset. The Company ensures that there is sufficient capital to meet short term business requirements, after considering cash flows from operations and the Company's holdings of cash. The Company acquires mortgages from financial institutions and completion of private debt placement to meet ongoing financial obligation, for which repayment is required at various maturity dates. Liquidity risk is measured by reviewing the Company's future net cash flows for the possibility of negative net cash flow.

The Company's liquidity risk arises from obligations in the normal course of operations including accounts payable and accrued liabilities, interest payable, lease liability, promissory note with related party, due to related parties, real property bonds and development units, mortgages payable, and redeemable preference shares. After examining the economic factors that could cause liquidity risk, the Company believes it will have sufficient liquidity to support its operations and meet its financial obligations for at least twelve months. If the Company is not successful, then this uncertainty may cast significant doubt with respect to the ability of the Company to continue as a going concern (see Note 1).

The following table details the Company's contractual maturities of its financial liabilities at June 30, 2026, and June 30, 2025:

	Year ended June 30, 2026		Year ended June 30, 2025	
	Less than one year	Greater than one year	Less than one year	Greater than one year
Accounts payable and accrued liabilities	**4,966,290**	**-**	6,045,564	-
Interest payable	**391,678**	**1,940,217**	173,461	1,384,672
Current portion of promissory note	**6,419,724**	**-**	6,866,816	-
Redeemable preference shares	**577,500**	**-**	577,500	-
Lease liabilities	**100,003**	**1,317,392**	100,003	1,282,489
Current portion of loans payable	**2,500**	**-**	-	-
Convertible debentures	**-**	**-**	-	139,421
Residential development units	**240,000**	**16,536,831**	240,000	16,150,789
Housing yield units	**120,000**	**3,805,407**	120,000	3,184,848
HomePlan contribution	**-**	**367,486**	-	285,750
Promissory note with related party	**-**	**250,000**	-	250,000
Real property bonds	**-**	**2,841,880**	-	4,246,375
Mortgages payable	**42,318,863**	**24,086,865**	3,770	46,188,717

iii.) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is exposed to interest rate risk primarily through certain variable-rate borrowings, including:

- PeakHill construction mortgages of $28,369,784, that bear interest at 6.15%.
- PeakHill mortgage on Saanich Ridge rental community #1 of $14,500,000, that bear interest at 7.45%.
- Promissory note with related parties of $372,470, that bear interest at prime (4.45%).

The Company's remaining debt instruments are subject to fixed interest rates and are therefore not exposed to cash flow interest rate risk, although their fair values may fluctuate as market interest rates change.

Based on the variable-rate borrowings outstanding at June 30, 2026, a 1% increase (decrease) in Prime Rate would increase (decrease) annual interest expense by approximately $432,423.

30. Capital disclosures

The Company manages its capital, consisting of shareholders' equity, promissory notes with a related and unrelated parties, real property bonds and mortgages payable, in a manner consistent with the risk characteristics of the assets it holds. All sources of financing are analysed by management and approved by the directors.

The Company's objectives when managing capital are:

a) to safeguard the Company's ability to continue as a going concern; and
b) to facilitate the completion of corporate objectives.

The Company is meeting its objective of managing capital through its detailed review and performance of due diligence on all potential acquisitions, preparing short-term and long-term cash flow analysis to ensure an adequate amount of liquidity, and quarterly review of financial results. There is no change to the Company's approach to

management of capital during the year. The Company is not subject to any externally imposed capital requirements.

31. Income tax

The following table reconciles the expected income tax expense (recovery) at the Canadian statutory income tax rates to the amounts recognized in the statements of loss and comprehensive loss for the year ended June 30, 2026, and 2025:

	2026	2025
Income (loss) and comprehensive income (loss) before tax	**4,390,405**	5,114,742
Statutory tax rate (in percentage)	**27**	27
Expected income tax (recovery)	**1,185,409**	1,380,980
Non-deductible items	**(9,597)**	11,062
Change in estimates	**-**	(520,739)
Change in deferred tax asset not recognized	**47,518**	586,486
Other	**54,028**	205,365
Total income tax expense (recovery)	**1,277,358**	1,663,154

The unrecognized deductible temporary differences as at June 30, 2026, and 2025 are comprised of the following:

	2026	2025
Non-capital losses carried forward – Canada	**5,280,923**	3,993,072
Real property units	**828,751**	1,003,449
Residential development units	**3,900,451**	3,887,040
Lease liabilities	**1,417,395**	1,382,489
Financing costs	**-**	34,015
Total unrecognized deductible temporary differences	**11,427,520**	10,300,065

The Company has not recognized a deferred tax asset in respect of non-capital loss carry forward of approximately $5,280,923 (2025 - $3,993,072) which may be carried forward to apply against future income for Canadian income tax purposes, subject to the final determination by taxation authorities, expiring between 2032 and 2036.

32. Changes in non-cash working capital

	2026	2025
Decrease (increase) in accounts receivable	**(1,163,557)**	(357,763)
Decrease (increase) in prepaid expenses	**(18,646)**	528,037
Increase in due from related parties	**206,977**	172,622
Increase in due to related parties	**(98,386)**	(22,841)
Increase in accounts payable and accrued liabilities	**(1,816,093)**	3,796,224
Increase in deferred tax liability	**1,277,358**	1,663,154
Increase in other receivables	**464,853**	(8,331)
	(1,147,494)	5,771,102

33. Commitments

During the year ended June 30, 2026, the Company signed contracts for the future construction of fifty-two homes for a total amount of $25,777,000 (excluding GST) with its vendor of which $6,191,220 remains unbilled.

On September 28, 2022, the Company signed an indemnity agreement in return for First West Credit Union to make a loan to Five Bridges Development Limited Partnership. The Company indemnifies the Credit Union and

holds the Credit Union harmless against all losses, costs, expenses and damages relating to or arising out of the Credit Union making the loan, including principal monies advanced and readvanced, interest, costs, charges and expenses due to the Credit Union in connection with the loan totaling $44,500,267. The Company did not receive a premium associated with the indemnity agreement. Subsequent to June 30, 2026, the Company received confirmation that the loan had been repaid in full and the indemnity agreement had been discharged.

The Company has guaranteed certain financing provided by KV Capital to Boynton Developments (Kelowna) Ltd and Highland Promontory Development Limited Partnership with an aggregate indebtedness of $7,559,693 at June 30, 2026.

The Company has guaranteed certain financing provided by PeakHill Capital to Glenlake Highview Development Limited Partnership, a related party, with an aggregate indebtedness of $13,500,000. The financing is secured with collateral charges on the Saanich Ridge property and the Five Crossings Apartment Property. The funds advanced by the Company to the Glenlake Highview Development Limited Partnership are subordinate to loans advanced under this PeakHill Capital financing. The obligations under this PeakHill Capital financing are guaranteed by, among others, the Company, NAHF Limited Partnership, 1404122 B.C. Ltd., and 1289900 B.C. Ltd.

34. Subsequent events

a) On June 30, 2026, the Company entered into a mortgage financing agreement with PeakHill Capital for proceeds of $19,266,300. The mortgage was funded on July 3, 2026, and the proceeds were received by the Company on July 6, 2026.

The financing was obtained to refinance the existing first mortgage, including accrued interest, partial repayment of the 1 City mortgages, including accrued interest, and redeem $250,000 of redeemable preference shares.

As the financing was completed subsequent to June 30, 2026, no related mortgage liability has been recognized in the consolidated statement of financial position as at that date. The transaction represents a non-adjusting subsequent event.

The new mortgage is secured by the Company's investment property and bears interest at 3.836% per annum, maturing on December 1, 2031.

b) On August 28, 2026, the Company executed a Completion and Mutual Release Agreement which finalized the settlement of its profit participation interest and promissory note obligation relating to the Five Crossings development project in Kelowna, British Columbia. The agreement confirmed the Company's profit participation entitlement of $5,572,072.22, the Company's outstanding promissory note obligation of $5,346,407.40 and the contractual set-off of these amounts.

Following the contractual set-off, a net amount of $225,664.82 was payable to and received by the Company.

Management determined that the August 28, 2026, settlement provided additional evidence regarding conditions that existed at June 30, 2026, including the measurement of the Company's profit participation asset and promissory note liability. The June 30, 2026, financial statements have been adjusted to reflect the final profit participation entitlement and corresponding liability amounts determined under the settlement agreement.

The settlement did not create new rights or obligations subsequent to year-end but rather confirmed the final measurement of contractual rights and obligations that existed as at June 30, 2026.

c) On August 20, 2026, the Company announced a non-brokered private placement of additional Series 1 Non-Voting Preferred Shares ("Housing Shares") at a subscription price of $9.75 per share.

The offering contemplates the issuance of a minimum of 51,283 Housing Shares and a maximum of 512,820 Housing Shares for aggregate gross proceeds ranging from approximately $500,000 to $5,000,000. The offering is expected to close on or about November 2026, subject to receipt of applicable regulatory and Canadian Securities Exchange approvals and satisfaction of customary closing conditions.

The Company intends to use the proceeds to repay certain liabilities associated with existing development project investments and to increase permanent capital available to support the growth of its housing equity platform.

In connection with subscriptions attributable to eligible finders, the Company may pay cash finder's fees of up to 7% of the applicable gross proceeds and issue finder warrants exercisable into common shares of the Company at $0.50 per share for a period of 24 months following closing.

Management has determined that the announced financing represents a non-adjusting subsequent event under IAS 10, as the transaction arose after June 30, 2026, and did not exist at the reporting date. No amounts have been recognized in the accompanying consolidated financial statements.

d) Subsequent to year end, on September 16, 2026, PeakHill Capital called the loan provided to Glenlake Highview Development Limited Partnership, a related party, for which the Company is a guarantor.

The loan had an aggregate indebtedness of $13,646,250 as at June 30, 2026 and is secured by collateral charges on the Glenlake property, in addition to the Saanich Ridge property and the Five Crossings Apartment Property. The obligations are guaranteed by the Company and certain related parties.

As the loan was called subsequent to year end, no liability was recorded.