

NORTH AMERICA HOME FINANCE INC.

Management's Discussion and Analysis

For the year ended June 30, 2026

This management's discussion and analysis ("MD&A") in respect of the results of operations of North America Home Finance Inc. ("NAHF Inc." or the "Company") should be read in conjunction with the Company's audited consolidated financial statements and related notes for the years ended June 30, 2026, and June 30, 2025 (the "Financial Statements") and the Company's MD&A for the year ended June 30, 2025.

The Financial Statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS") unless otherwise noted. All dollar amounts and references included in this MD&A are in Canadian dollars.

NAHF Inc.'s Board of Directors, approved the content of this MD&A on October 27, 2026. The Company is a venture issuer as defined under applicable Canadian securities legislation and the policies of the Canadian Securities Exchange. The Company continues to confirm its eligibility for the venture issuer certification regime with securities counsel on an ongoing basis.

Non-GAAP measures

The MD&A refers to terms that are not specifically defined in IFRS and do not have any standardized meaning prescribed by IFRS. These non-GAAP financial measures and supplementary financial measures may not be comparable to similar measures presented by other companies. We believe that the non-GAAP financial measures and supplementary financial measures are useful in assisting investors in understanding components of our financial results. For a definition of these measures refer to the section "Non-GAAP Measures".

Forward looking information

Certain statements and information contained herein constitute forward-looking statements and forward-looking information within the meaning of applicable securities legislation ("forward-looking statements") about the Company and the development of its business. In some cases, forward-looking statements can be identified by words or phrases such as "may", "might", "will", "should", "could", "expect", "anticipate", "continue", "plan", "seek", "estimate", "indicate", "believe", "intend", "project", "potential", "forecast", "budget", "target", "goal", "objective", "schedule", "is/are likely to" or the negative of these terms and other similar expressions intended to identify forward-looking statements. The Company has based these forward-looking statements on its current expectations and projections about future events and financial trends that it believes might affect its financial condition, results of operations, business strategy and financial needs. These forward-looking statements include, among other things, statements relating to:

- the planned business activities of the Company and the strategy by which it expects to achieve these objectives;
- the Company's vision and growth strategy;
- expectations with respect to the growth of the Company's business;
- the interpretation of financial information, capital costs, and operating costs;
- requirements for additional capital;
- the future financial and operating performance of the Company;
- future financings and the ability to raise capital;
- future dividends or distributions;
- the future issuance of securities of the Company and the terms thereof;
- expectations with respect to the Housing Shares;
- expectations with respect to the HomePlan program and products;
- compensation to the Manager;
- the identification, acquisition, and development of housing assets;
- future relationships with developers;

- expectations with respect to Saanich Ridge Estates, Five Crossing Developments, Revo Development, Glenlake Development, Mountainview Estates and other development projects, including timing, cost and anticipated proceeds;
- the Company's expectation that average annualized contractual recurring cash flow will increase later in 2026 as additional rental community housing units are completed and tenanted;
- the Company's expectation that it will be more focused on raising project specific debt in 2026 and beyond as it continues to build its income producing asset base;
- expectations with respect to the process for and receipt of regulatory approvals, permits and licenses under governmental or other applicable regulatory regimes;
- expectations with respect to material contracts, their terms, and the exercise of the parties' the rights thereunder;
- expectations with respect to the Trust, NAHF General Partner, and NAHF Limited Partnership; and
- the future issuance of securities of the Trust and the terms thereof.

Such forward-looking statements and forward-looking information are based on a number of material factors and assumptions, including, but not limited to, expectations and assumptions relating to: the results of planned development activities; the price of housing assets; the cost of identification, acquisition and development activities; that as the business continues to develop, there will be no changes that would materially adversely affect the business; that financing will be available if and when needed and on reasonable terms; that third-parties, supplies and governmental and other approvals required to conduct the business will be available on reasonable terms and in a timely manner; that there will be no revocation or adverse amendments to or delays in granting government approvals; that general business, economic, competitive, social, and political conditions will not change in a material adverse manner; the assumptions underlying the Company's business model; other estimates, assumptions, and forecasts. While the Company considers these material factors and assumptions to be reasonable based on information currently available to it, they may prove to be incorrect.

Forward-looking statements and forward-looking information involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements and forward-looking information. Such risks include but are not limited to: the trading price and volatility of the Company's securities; lack of trading market for the Company's securities; potential dilution from future financings; shareholders having limited control of the Company's policies and operations; investment eligibility; the completion of the Exchange Offering; the potential issuance of preferred shares; the Company's dividend policy; the subordination of the Common Shares; the limited operating history of the Company; risks associated with the real estate industry and operating a business therein; risks associated with the Company having no history of positive earnings; reliance upon key management and other personnel; risks associated with non-binding letters of intent; failure to manage conflicts of interest; uncertainty of additional financing; risks associated with external management; construction delay risks; reliance on independent mortgage and property management companies; urban real estate market activity; reliance on sales and marketing expertise; bargaining power of suppliers; interest rate volatility and general inflationary pressures; future property acquisitions; failure to obtain or maintain required permits, approvals and licences; mortgage financing risks; reliance on appraisals; risks related to mortgage extensions and mortgage defaults; credit risk; risk related to the Trust's tax status; risks related to environmental protection legislation; climate change risk; risks associated with competition; uninsurable risks; risks related to insurance renewals; litigation risks; reputational risks; uncertainty in market opportunity estimates and growth forecasts; failure to manage growth; illiquidity of real estate and reinvestment risk; changes and compliance with laws, regulations and policy; industry and economic factors that may affect the business; income tax risk; public

health crisis; information security and cyber threats; political and regulatory risks; and Housing Share liquidity preference.

See "Risk Factors" in this management's discussion and analysis ("MD&A") for a further discussion of risks relating to an investment in securities of the Company as well as the risks discussed elsewhere in this MD&A.

Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in the forward-looking statements and forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements and forward-looking information.

The forward-looking statements are based on management's beliefs, estimates and opinions on the date the statements are made and the Company undertakes no obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. As such, undue reliance should not be placed on forward-looking statements. Certain statements included in this MD&A may be considered "financial outlook" for purposes of applicable securities laws, and such financial outlook may not be appropriate for purposes other than this MD&A.

This MD&A includes forward-looking information about prospective results of operations, financial position or cash flows, based on assumptions about future economic conditions and courses of action and that is not presented in the format of a historical balance sheet, income statement or cash flow statement ("Financial Outlook"). Actual results may vary from the Financial Outlook summarized in this MD&A.

Management has approved the financial outlook as of October 27, 2026. The Financial Outlook has been included in this MD&A to provide readers with disclosure regarding the Company's reasonable expectations of anticipated results of its proposed business activities for the periods indicated. Readers are cautioned that the Financial Outlook may not be appropriate for other purposes.

Business overview

NAHF Inc. is listed on the Canadian Securities Exchange (Common Shares CSE: NAHF; Warrants CSE: NAHF.WT; Housing shares CSE: NAHF.PR.A). The Company was incorporated under the Canada Business Corporations Act on July 27, 2016, and subsequently continued under the Business Corporations Act (British Columbia) on December 22, 2023.

The Company was created to manage and operate revenue-producing residential real estate properties and to fund the development and ownership of new residential real estate in conjunction with homeowners. The Company directly or through its subsidiaries is engaged in the business of acquiring, financing, developing, holding, maintaining, improving, leasing, managing or otherwise dealing with income producing residential real property through the issuance of subsidiary trust units to subscribers, and investing the proceeds from such issuance in the development of real estate properties and growing the business of providing financing to residential real estate developers and home purchasers.

The Company's core vision is to contribute to growth in home ownership in North America through the introduction of advanced financing tools and mortgage products for housing developers and home purchasers.

The Company is specifically focused on offering shared equity housing agreements through its HomePlan Equity Building Program ("HomePlan") to qualified employed renters to enable them to begin building equity. In the future when a family has accumulated more equity, the Company also intends to offer qualified shared appreciation mortgage products with lower monthly payments to deliver a broader range of payment terms to

the market and transition families into being able to work with existing conventional mortgage lenders. To effectively operate in this way and compete with other real estate investment vehicles for capital, the Company intends to increase its asset base through the development and acquisition of income-producing housing real estate.

As the asset base increases and the total capital available to the Company grows giving it greater economies of scale, there is expected to be greater competitiveness on financing terms allowing a wider range of home purchasers to be served.

The Company intends to focus part of its strategy on developing and acquiring newer housing assets which have longer economic life spans and require less short-term capital maintenance reserve expense. Focusing on newer properties should also provide home occupants with a greater probability of predictable experience in home maintenance with less chance of larger and more expensive repairs being needed.

The Company's focus is on the development, acquisition, and management of a portfolio of high-quality housing communities in both suburban and high-density urban locations, in cities with projected ongoing population growth. As of June 30, 2026, the Company had investments either directly, or through its subsidiary NAHF Real Estate Trust, in five residential locations including the Saanich Ridge Development, Mountain View Estates Development, and Glenlake Highview Development, all on Southern Vancouver Island, BC, as well as the Five Crossings Apartments and Revo Development ("Collinson Rise" or "Revo") in Kelowna, BC, and non-binding letters of intent to invest in or acquire additional housing communities on Vancouver Island and in the Okanagan Valley.

The Company organized the Trust (defined below) as a subsidiary to fund housing development projects through segregated unit classes and to hold income-producing housing assets for the long term. The Trust provides third-party unitholders a preferred investment position which is designed to reduce volatility for those unitholders. The Company receives a share of the profits in the development projects and a share of the property appreciation of the income-producing housing assets in exchange for subordinating its equity in the Trust to third-party unitholders.

NAHF Real Estate Trust

NAHF Real Estate Trust (the "Trust") is an unincorporated, limited purpose open-ended investment trust formed under and governed by the laws of the Province of British Columbia. The Trust is governed by an Amended and Restated Declaration of Trust dated September 26, 2023, as amended and supplemented from time to time, a copy of which is available under the Company's profile on SEDAR+ at www.sedarplus.ca.

The Trust's primary business focus is the indirect holding of residential rental real estate, through its wholly owned subsidiary, NAHF Limited Partnership (or other limited partnerships or investment arrangements as may be established by the Trust from time to time). Returns of principal, profits, and capital will flow solely from the housing income properties held by the NAHF Limited Partnership (or other limited partnerships or investment arrangements as may be established by the Trust from time to time) to the Trust and certain unit holders of the Trust.

The Trust has three types of unit classes:

(i) Common Units, all of which are held by the Company,
(ii) Residential Development Units, which link a specific development project investment to a given series of units and,
(iii) Housing Yield (HY) Units, which invest into the revenue producing property portfolio held by NAHF Limited Partnership.

The Trust provides financing to real estate developers for the development of its own residential rental units and intends to acquire, and where appropriate refurbish, or redevelop, operating residential rental properties, in each case for the purpose of earning rental income. The Trust may also earn interest from providing secured financing to homebuyers or housing developers.

The Trust has contracted with the Company for all its operational needs and does not have its own fixed salary costs or office space costs pursuant to an Administration and Property Management Services Agreement, a copy of which is available under the Company's profile on SEDAR+ at www.sedar.plus.ca.

Strategy

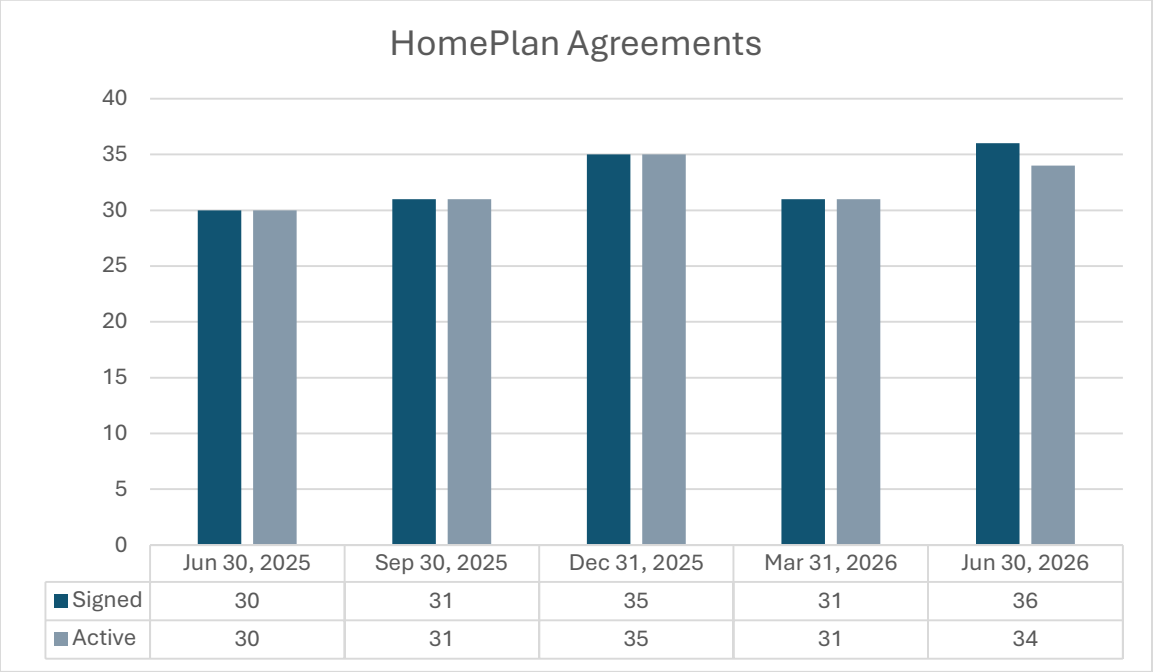
In addition to driving sustainable occupancy rates within its existing housing assets described in points 1 and 2 below, NAHF Inc. expects to grow the total portfolio of housing assets available to be offered with a HomePlan Agreement for the occupants through:

1. Direct majority owned development.
2. Development partner project investments.
3. Forward (wholesale) acquisition of to-be-built housing assets
4. Preferred share consideration acquisitions of new assets.
5. Apartment building conversions.
6. MLS resale asset accumulation which is a "tenant first" approach allowing potential tenants, who are pre-qualified by the Company, to select a home that is for sale on MLS which will be acquired by the Company and held as a rental property rented to the tenant under a HomePlan agreement.
7. Structured Mortgage AUM (capital light).

HomePlan Equity Building Program

The Company offers and operates the HomePlan program under an exclusive license to provide shared equity housing options to qualified employed renters. A HomePlan agreement provides that a tenant pays an additional amount over and above the monthly rent payment, representing an option cost which accumulates over the term of the agreement and can be credited against the purchase price for the home together with a share of the appreciation in value of the home over that term.

HomePlan agreement status as of June 30, 2026, is outlined in the table below:



	Jun 30, 2025	Sep 30, 2025	Dec 31, 2025	Mar 31, 2026	Jun 30, 2026
Signed	30	31	35	31	36
Active	30	31	35	31	34

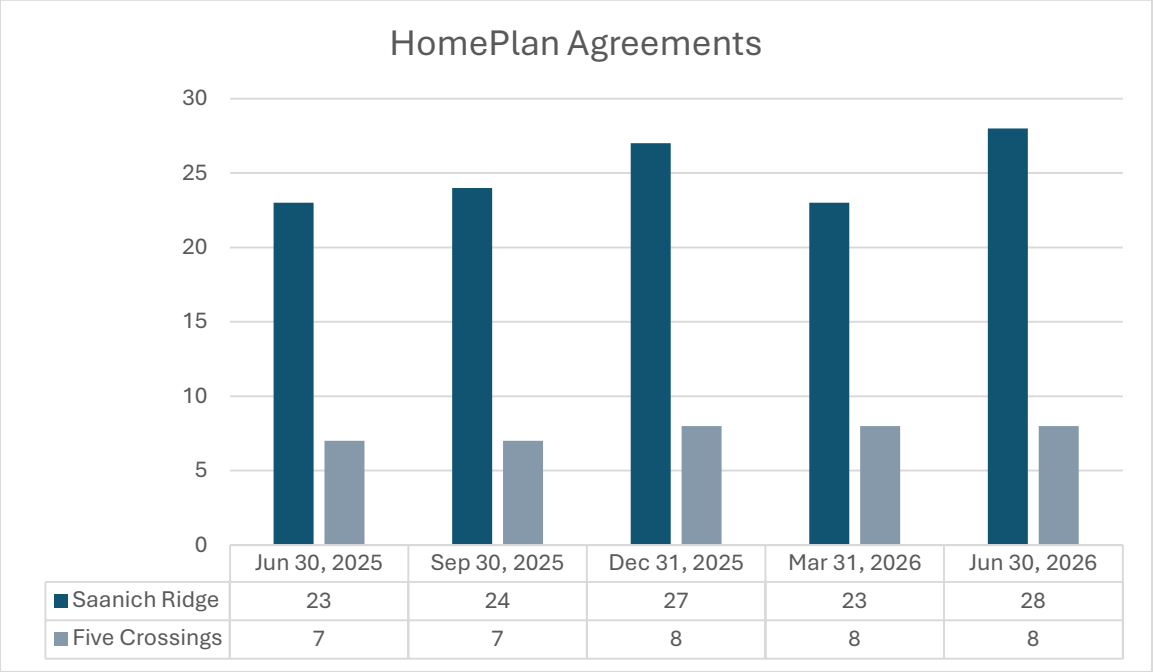
Property portfolio

The Company is currently active in the Greater Victoria market as well as the Central Okanagan market, both of which are experiencing competition from other landlords as housing supply increases due to various factors. Affordability continues to be a barrier to home ownership which makes the Company's HomePlan program a more favourable choice for home buyers.

Wholly owned homes are currently being developed, sold and rented at the Company's Saanich Ridge Development in Greater Victoria.

The Company continued its strategy of forward acquisition (wholesale) of to-be-built housing assets by closing the finance offering for its investment in the Revo Development in May 2024, where funds were advanced to the Collinson Rise Limited Partnership and serve as a deposit for 75 condominiums projected to be available in the spring of 2027. Additionally in 2024, an agreement to acquire 35% of the total number of units upon completion of phase 1 of the Glenlake Development in the Langford, Greater Victoria area was signed and a portion of the financing raised.

The Company believes it is well positioned to use its HomePlan program offered through the Trust to accelerate tenancies in the Saanich Ridge Development and tenancies at the Revo Development, the construction of which was fully financed by the developer in fiscal 2025.



	Jun 30, 2025	Sep 30, 2025	Dec 31, 2025	Mar 31, 2026	Jun 30, 2026
Saanich Ridge	23	24	27	23	28
Five Crossings	7	7	8	8	8

The Company also intends to pursue its other five growth strategy transactions over the long term.

Development partners

In addition to selecting cost effective and attractively located sites, the Company selects development partners with strong track records.

Key Performance Measures

Homes pipeline and homes held

Given that NAHF Inc.'s principal objective is to increase the number of households that can grow an equity stake in their own homes, key measurements for the Company overall are the number of homes that are in the pipeline for future occupancy, and the number of homes already held for HomePlan purchasers.

The table below outlines the housing assets held and the pipeline of housing assets that are intended to be held in the Trust and operated within the Company.

Homes pipeline and homes held are operational measures and therefore may not be comparable to similar measures presented by other companies.

As at June 30, 2026 Property description	Planned Homes	Homes Held (Completed)	% Construction Complete	Pipeline (homes to be constructed)
Home sales and sub-lease income				
Saanich Ridge Estates Land Leases	40	28	70%	12
Rental Income				
Edmonton properties	1	1	n/a	-
Saanich Ridge Rental Community #1	26	26	100%	-
Saanich Ridge Rental Community #2	26	26	100%	-
Five Crossings Development	80	80	100%	-
Revo Development	75	-	83%	75
Mountain View Estates	123	-	0%	123
Saanich Ridge Rental Community #3	26	7	27%	19
Glenlake Development Tower 1	82	-	0%	82
Total	**479**	**168**	**n/a**	**311**

The Revo Development condominium building where the Company or its subsidiary has an agreement in place pursuant to which it has the right to acquire 75 units as a distinct air-space parcel within the building, subject to standard closing conditions, is at approximately 83% completion and continues to be developed.

The Company believes it has created a pipeline of residential assets that have the potential to provide reliable and stable cash flow and continues to pursue opportunities that will increase the diversification of income-producing assets through other acquisitions and/or development.

The portfolio of development projects is progressing as anticipated, and management remains confident that there will be continued demand for rental housing and positive absorption in the markets and locations the Company has selected to pursue new housing development.

The Company intends to use its HomePlan program to generate sales at these developments and build its asset base.

Occupancy Levels

The Company strives to achieve average 98% occupancy within its portfolio of properties to maximize cash flow and margin beyond its debt service requirements.

Occupancy levels is an operating measure and therefore may not be comparable to similar measures presented by other companies.

Occupancy levels are measured by property at the end of each reporting period to ensure the Company is achieving sustainable occupancy rates. Occupancy levels are shown below:

Property occupancy rate	June 30, 2026	March 31, 2026	December 31, 2025	September 30, 2025,
Saanich Ridge rental community	96%	92%	100%	92%
Five Crossings 80 units	94%	76%	80%	83%
Total	**95%**	**84%**	**90%**	**88%**

The Company markets the homes in both properties but expects a certain level of vacancy at any point in time. Occupancy rates increased in both properties in the quarter ended June 30, 2026, resulting from the Company's active marketing efforts for both properties in the quarter.

The Company expects to continue to increase newly built, housing assets intended to enable us to maintain high occupancy levels through tenant purchaser retention.

Average annualized contractual recurring cash flow from income-producing housing assets

Management uses average annualized contractual recurring cash flow from income-producing housing assets as a key performance measure to evaluate the Company's ability to generate recurring cash flows from its rental portfolio. Average annualized contractual recurring cash flow from income-producing housing assets is a supplementary financial measure that indicates recurring cash inflows for the Company, including rental income and sub-lease income based on a run rate as of a particular date. Specifically, average annualized contractual recurring cash flow is calculated as the sum of:

(i) the average annual rental rate per square foot for occupied units as of the applicable period end date multiplied by the aggregate square footage rented as of such date

plus

(ii) the average monthly sub-lease per unit as of the period end date annualized; and
(iii) multiplied by the number of units subject to a sub-lease as of such date.

Average annualized contractual recurring cash flow does not have a standardized meaning under IFRS and may not be comparable to similar measures presented by other companies. See "Non-GAAP Measures".

As of:	June 30, 2026	March 31, 2026	December 31, 2025	September 30, 2025	June 30, 2025
Square feet rented	**98,118**	**84,235**	90,717	96,890	97,543
Average annual rent per square foot	**$33.28**	**$33.47**	$34.04	$35.57	$35.46
Annualized recurring rent cash flow	**3,265,367**	**2,819,345**	3,088,007	3,446,377	3,458,875
Units sublet	**27**	**27**	28	27	28
Average monthly sub-lease per unit	**$460**	**$460**	$460	$460	$460
Number of months	**12**	**12**	12	12	12
Annualized recurring sub-lease cash flow	**149,040**	**149,040**	154,560	149,040	154,560
Average Annualized contractual recurring cash flow	**3,414,407**	**2,968,385**	3,242,567	3,595,417	3,613,435

At June 30, 2026, the Company increased square feet rented, increasing average annualized contractual recurring cash flow from rental income producing housing assets by $0.45 million since March 31, 2026.

In the year ended June 30, 2026, while the Company had increased overall square feet rented, the competitive Kelowna market necessitated a different approach to marketing homes for rent. The Company provided incentives which decreased the overall rent per square from $35.46 to $33.28. Overall average annualized contractual recurring cash flow decreased $0.20 million.

The Company expects its average annualized contractual recurring cash flow to increase later in 2026 as additional rental community housing units are completed and tenanted.

2026 Highlights

Years ending	2026	2025	% change
Summarized statement of loss and comprehensive loss data			
Total Revenue	**3,814,599**	4,341,361	(12%)
Net Income (loss) and comprehensive income (loss)	**3,113,047**	3,451,588	(10%)
Per share data			
Weighted average number of shares	**82,158,574**	79,229,175	4%
Basic and diluted earnings per share	**$ 0.038**	$0.044	(13%)
Summarized statement of financial position data			
Total Assets	**142,880,514**	114,530,586	25%
Total Non-current Financial Liabilities	**64,065,765**	82,284,700	(22%)

Throughout the year we maintained a conservative, focused approach to strengthening our financial position and earnings capability, by continuing work to increase our income producing housing asset base, financing the development of investment property and investing in wholesale development housing acquisitions.

Revenue in the year ended June 30, 2026, consisted of a home sale, rental income and sub-lease income totalling $3.81 million, which was $0.53 million lower than $4.34 million at June 30, 2025.

Home sales declined from 3 homes to 1 home, as the Company changed its focus from selling homes to developing homes in the second Saanich Ridge rental community. The value of the home sale in the year ended June 30, 2026, at $0.83 million was higher than the average $0.78 million per home sold in the year ended June 30, 2025.

Effective January 1, 2025, the Company entered into a management agreement (the "Management Agreement") with NAHF Equity Management Ltd. (the "Manager"). Pursuant to the Management Agreement, acquisition, development and other fees will be earned by the Manager, which reduced acquisition and development management fees to nil in the year ended June 30, 2026, a reduction of $0.27 million from the fees earned in the year ended June 30, 2025.

For the year ended June 30, 2026, rental income increased $1.23 million (75%) over the Year ended June 30, 2025, as the Company had finalized Phase 1 of the Saanich Ridge Development rental community, completing and renting 26 homes by the end of fiscal 2025. The Company also acquired 80 units and rented a portion thereof in the Five Crossings development by the end of fiscal 2025. Sub-lease income associated with the land related to homes sold in prior years at Saanich Ridge and an additional 3 homes sold in calendar 2025 was also earned by the Company.

Revenue in the year ended June 30, 2026, consisted of one home sale, rental income and sub-lease income totalling $3.81 million. Home sales decreased from 54% of revenue in the year ended June 30, 2025, to 22% in the year ended June 30, 2026. Rental income increased from 38% in the year ended June 30, 2025, to 75% in the year ended June 30, 2026, as the Company had finalized Phase 1 of the Saanich Ridge Development rental community, completing and renting 26 homes by the end of fiscal 2025. The Company also acquired 80 units and rented a portion thereof in the Five Crossings development by the end of fiscal 2025. Sub-lease income associated with the land related to homes sold in prior years at Saanich Ridge and an additional 3 homes sold in 2025 was also earned by the Company.

Net income of $3.11 million for the year ended June 30, 2026, was $0.34 million less than the prior year primarily due to:

- Changes in fair value arising from a change in accounting policy for investment properties from the amortized cost to fair value basis and
- Additional financing costs.

Total assets increased $28.35 million to $142.88 million in the year ended June 30, 2026, as the Company expanded its income producing housing asset base by continuing to build the next two Saanich rental communities and changed its accounting policy related to investment in properties from the amortized cost basis to fair value. Additionally, the Company increased deposits for condominiums in alignment with its Forward (wholesale) acquisition of to-be-built housing assets strategy and recorded a receivable for refund of construction overage costs.

Non-current financial liabilities decreased $18.22 million to $64.07 million in the year ended June 30, 2026, primarily due to the reclassification of the construction mortgage from PeakHill from non-current to current. Additionally, the second mortgage with 1City was partially repaid and the People's Trust mortgage that was converted into a five-year mortgage in the year ended June 30, 2025, was fully repaid in the year ended June 30, 2026, and replaced by bridge financing from PeakHill. The bridge financing was re-financed in July 2026 with a 5-year CHMC insured mortgage.

Review of financial and operating results

Readers are reminded that established key performance measures may be non-standard or non-GAAP measures. Refer to the "Non-GAAP Measures" section below.

Segments

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 noncurrent assets are located in and revenue is earned in Canada.

Discussion of operations

Revenue

The Company earns revenue from the sale of homes, sub-lease income and rental income.

Year ended June 30	Revenue%	2026	Revenue%	2025
Home sales	**22%**	**830,000**	54%	2,325,670
Acquisition and development management fees	**0%**	**-**	6%	269,589
Rental income	**75%**	**2,876,465**	38%	1,642,575
Sub-lease income	**3%**	**108,134**	2%	103,527
Total Revenue	**100%**	**3,814,599**	100%	4,341,361

Home sales of $0.83 million were generated for 1 home sold in the year ended June 30, 2026, compared with 3 homes sold in the year ended June 30, 2025. Throughout the year ended June 30, 2026, the Company focused on developing homes in the second Saanich Ridge rental community.

Acquisition and development management fees were recognised as and when the Company provided services under the terms of agreements with developers. Effective January 1, 2025, the Company entered into a management agreement (the "Management Agreement") with NAHF Equity Management Ltd. (the "Manager"). Pursuant to the Management Agreement, acquisition, development and other fees will be earned by the Manager, which reduced Acquisition and development management fees to nil in the year ended June 30, 2026.

Rental income increased by $1.23 million in the year ended June 30, 2026, compared with the year ended June 30, 2025, as the Company rented Saanich rental community homes and Five Crossings homes to qualified renters at the time those homes were completed and available to be rented. Existing rental homes on HomePlan are each expected to begin being sold to occupants the later of five to seven years into the future when renters become eligible to exercise their option to purchase the home.

Cost of sales and gross margin

Year ended June 30	Gross Margin %	2026	Gross Margin %	2025
Revenue		**3,814,599**		4,341,361
Cost of Sales		**806,370**		1,820,828
Gross Margin	**79%**	**3,008,229**	58%	2,520,533

Cost of sales is comprised of the costs of developing homes for sale. The Company incurred $0.80 million cost of sales in the year ended June 30, 2026, for 1 home sold. In the year ended June 30, 2025, the Company incurred $1.82 million cost of sales for 3 homes sold.

Gross margin of $3.01 million and 79% in year ended June 30, 2026, is $0.49 million higher than gross margin achieved in the prior year, attributable to higher rental income from the expanded recurring income producing housing asset.

Expenses

Year ending June 30	2026	2025 (Restated)
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

As the Company focused on scaling for growth, expenses in the year ended June 30, 2026, were $0.45 million higher than the prior year.

Depreciation expense is associated with right of use asset for the Mountain View development and the unsold lots in Saanich Ridge Estates, which represents the cost of common use areas over the lease term.

General and administrative expenses were $0.98 million higher in the year ended June 30, 2026, than in the prior year as the Company incurred more expenses to support more rental income producing investment properties and the initial public offering.

Effective January 1, 2025, the Company entered into a management agreement (the "Management Agreement") with NAHF Equity Management Ltd. (the "Manager"). Pursuant to the Management Agreement, the Manager provides management and resources to operate the Company and charges fees for its services. Fees charged by the Manager to the Company are also included in general and administrative expenses. For the year ended June 30, 2026, the Manager charged the following fees:

Years ending June 30	2026	2025
Administration	**247,467**	133,405
Development management	**236,781**	-
Disposition	**808**	-
Finance fees	-	129,201
HomePlan marketing fee	**73,197**	55,378
Property management	**85,640**	28,797
	643,893	**346,781**

Professional fees were $0.43 million lower in the year ended June 30, 2026, compared with the prior year as consulting fees are now incurred by the Manager, and the Manager charges the Company fees for its services which are disclosed as general and administrative expenses.

Sales and marketing expenses were $0.06 million lower in the year ended June 30, 2026, than the prior year, as most homes available for rent were rented and less marketing was required.

Other income

Other income of $1.49 million in the year ended June 30, 2026, was primarily comprised of a refund of overages on construction costs.

Financing costs

Years ending June 30	2026	2025
Mortgages	**1,898,155**	913,928
Related party promissory notes	**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**	-
Other financing costs	**747,278**	943,249
	2,378,490	**1,959,462**

Most of the Company's financing costs are comprised of mortgage interest on the Company's growing portfolio of rental properties with interest on construction mortgages being capitalized to specific projects.

Financing costs associated with real property bonds, HYUs issued by the Trust, promissory notes, and Convertible debentures, issued by Saanich Ridge Development Ltd., are to finance general working capital.

Financing costs were $0.42 million higher in the year ended June 30, 2026, than in the prior year primarily due to increased mortgages offset by an adjustment to recognize the change in estimated return on real property bonds and amortization of deferred finance fees.

Other financing costs are comprised primarily of amortization of deferred financing fees relating to the mortgages.

The Company expects to be more focused on raising project specific debt in 2026 and beyond as it continues to build its income producing asset base.

Change in fair values

In the year ended June 30, 2026, the Company recognized a net fair value gain of approximately $5.37 million in profit or loss. This included a net fair value gain of approximately $5.711 million on investment properties, together with fair value changes on other financial assets and financial liabilities. Refer to Note 10 of the consolidated financial statements for additional information.

Deferred income tax

Income tax expense for the year ended June 30, 2026, was $1.28 million compared to $1.66 million for the year ended June 30, 2025. The deferred tax expense primarily resulted from temporary differences arising from the fair value measurement of investment properties following the Company's change in accounting policy from the cost model to the fair value model. The decrease of $0.38 million compared to the prior year was attributable to lower deferred tax expense recognized on the related fair value adjustments. The deferred tax expense is non-cash in nature and does not represent a current income tax liability.

Properties

The Company's properties as at June 30, 2026, consisted of the Saanich Ridge development property, net investment in sub-leases for 27 lots sublet out of the 28 completed, investment property in Edmonton, Saanich Ridge rental communities and the Five Crossings Development. There is also a right of use asset associated with a 99-year lease for Saanich Ridge and a right of use asset associated with a 99-year lease for

Mountain View Estates. The Company has also made deposits for condominiums in the Collinson Rise (REVO) and Glenlake developments.

Years ending June 30	2026	2025 (restated)
Development properties	**1,187,868**	1,148,925
Net investment in sub-leases	**1,690,963**	1,658,353
Right of use asset	**2,239,547**	3,299,542
Investment properties		
Completed investment properties	**52,731,701**	56,111,766
Investment properties under development	**39,591,309**	11,290,689
	92,323,010	67,402,455
Loans receivable	**5,883,715**	6,074,165
Deposits for condominiums		
Collinson Rise/Revo Development	**16,961,796**	14,264,368
Glenlake Development	**7,121,056**	5,990,475
	24,082,852	20,254,843
	127,407,955	99,838,283

Development properties

The Saanich Ridge Development property is planned to be divided into 7 phases and is made up of 118 units of single-family detached homes of which 40 are being developed for sale (with 27 sold to date to third parties) and 78 are for inclusion in the Company's rental pool of properties (with 59 completed to date). The Company plans to rent out the rental homes using its HomePlan model for a minimum term of five years post which the tenants under such model would have option to purchase the home between the end of fifth year up to the end of the seventh year. The Carrying value of $1.19 million is attributable to development costs for the remaining 12 of 40 single family detached homes under development for sale.

Net investment in sub-leases

During the year ended June 30, 2026, the Company entered into a sub-lease agreement to lease the land associated with 1 home, which was sold during the year in connection with the Saanich Ridge Development. The Company is the head lessee on the land and enters into sub-lease agreements with customers when a sale of a home occurs. 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, are classified as finance leases. Please refer to Notes 7 and 13 of the notes to the consolidated financial statements for more information.

The Company recognized $1.69 million net receivable for the subleases at June 30, 2026.

Right of use asset

During the year ended June 30, 2026, the right of use asset decreased by $1.06 million to $2.24 million as $0.995 million was reclassified to investment property and $0.04 depreciation was recorded. Please refer to Note 13 of the notes to the consolidated financial statements for more information.

Investment properties

Investment properties of $92.32 million include completed investment properties of $52.73 million and investment properties under development of $39.59 million.

Investment properties at	July 1, 2024	June 30, 2025	June 30, 2026
Completed investment properties	1,053,349	56,111,766	52,731,701
Investment properties under development	21,018,222	11,290,689	39,591,309
Total Investment Properties	**22,071,571**	**67,402,455**	**92,323,010**

Completed investment properties include the first completed Saanich rental community, the 80 units acquired from Five Crossings and Saanich Ridge Lot 140, a home held for sale in the Saanich Ridge Development which is currently being rented to tenants by the Company and being held as an investment property for rental, which have been measured at fair value at June 30, 2026, and restated to fair value at June 30, 2025, in accordance with the Company's change in accounting policy for investment properties from the amortized cost to fair value basis.

Completed investment properties decreased by $3.38 million in accordance with the change in accounting policy. Please refer to the change in accounting policy section of this MD&A and notes 3,4, 9 and 10 to the consolidated financial statements for more information.

The Company has rented these rental homes using a mix of the HomePlan shared equity program and residential tenancy agreements.

Investment properties under development include the second and third Saanich rental communities which are currently under development and are expected to be completed within 9 months with rental homes being rented as they are completed throughout the 9-month period. Investment properties under development have been measured at fair value at June 30, 2026, and restated to fair value at June 30, 2025, in accordance with the Company's change in accounting policy for investment properties from the amortized cost to fair value basis.

Investment properties under development increased by $28.30 million over the prior year as the Company primarily continued to develop the next two income producing Saanich rental communities at a cost of $16.73 million and recognized a net fair value gain of $9.79 million. Please refer to Notes 3,4,9 and 10 to the consolidated financial statements for more information.

The Company intends to rent these new rental homes using the HomePlan shared equity program.

Loans receivable

On July 5, 2021, the Company entered into an agreement with Five Bridges Development Limited Partnership whereby a loan was advanced to be used for the construction and development of a six-story condominium project on six parcels of real estate located in Kelowna. The loan along with the interest accrued is repayable by Five Bridges Development Limited Partnership by June 30, 2026. The amount advanced is secured by a mortgage on the six real estate properties underlying the development located in Kelowna. Management believes the fair value of this loan is equal to its carrying value. On March 31, 2025, the Company completed the purchase of 80 condominium units in the Five Crossings development, at which time Five Bridges Development Limited Partnership provided a purchase price credit of $5.58 million and $0.43 million in condominium credits as partial repayment of the outstanding loan amount. A change in fair value of $0.63 million in the loan receivable was recognized in the year ended June 30, 2025.

During the year ended June 30, 2026, the Company and Five Bridges LP agreed to a reduction in the loan receivable and a reduction in the promissory note for Five Crossings of $0.43 million

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 $5.57 million, the Company's outstanding promissory note obligation of $5.35 million and the contractual set-off of these amounts.

Following the contractual set-off, a net amount of $0.23 million was payable to and received by the Company.

The settlement did not create new rights or obligations subsequent to year-end.

In addition to several additional loans outstanding of $0.03 million made to other parties during the year ended June 30, 2025, repayable in 2026 and future years, the Company made $0.27 million additional loans to other parties in the year ended June 30, 2026. Loans receivable decreased by $0.19 million to $5.88 million. Please refer to Note 6 of the notes to the consolidated financial statements for additional information.

Deposits for condominium units

Deposits for condominium units increased $3.83 million to $24.08 million in the year ended June 30, 2026.

In May 2024, the Trust closed the finance offering for its investment in the REVO Development, which funds were advanced to the Collinson Rise Limited Partnership and serve as a deposit for 75 condominiums projected to be completed in 2027.

An agreement to acquire 35% of the total number of condominium units upon completion of phase 1 of the Glenlake Development in the Langford, greater Victoria area was also signed, and a $2.50 million portion of the financing was raised. Development permits were received in October 2024, and construction is estimated to commence in 2027 with the condominium units expected to be completed on a three-year timeline.

The REVO Development and the Glenlake Development increased in fair value by $2.70 million and $0.57 million, respectively in the year ended June 30, 2026. Additionally, in the year ended June 30, 2026, the Company made $0.56 million net advances of condominium deposits for the Glenlake development.

Please refer to Note 11 of the notes to consolidated financial statements for more detailed information.

Capital resources and liquidity

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern and to facilitate the completion of corporate objectives.

Property development is a capital-intensive activity. Sufficient capital is required to develop new property and participate in property investments that align with deploying shared housing equity options.

The Company is committed to make another $6.19 million of capital expenditures to complete the two rental communities in Saanich Ridge which is already financed by a construction loan. The Company expects that it could make substantial capital expenditures for the acquisition of rental properties in the future which will be funded through a combination of debt, equity, and cash.

The Company's ability to meet its obligations over the next twelve months is dependent on a combination of (i) refinancing existing short-term mortgage facilities, (ii) raising additional equity and/or project-specific debt, and (iii) generating cash flows from operations as additional rental units are completed and tenanted. Management has identified expected sources of funding; however, these sources are subject to market conditions, lender approvals and execution risk. As at June 30, 2026, the Company had a working capital

deficit of $46.13 million. The working capital deficit is primarily comprised of a construction loan that is intended to be rolled over into a five-year term loan and a $14.50 million mortgage that was refinanced with a five-year CMHC insured mortgage subsequent to the year end. There can be no assurance that such refinancing will be completed on acceptable terms or at all. A failure to obtain sufficient financing on a timely basis may have a material adverse effect on the Company's ability to fund operations, complete developments, and meet its obligations as they come due.

The inability of the Company to access sufficient capital for its operations could have a material adverse effect on the Company's financial condition, the result of its operations or its overall prospects.

We have developed strong relationships with our lenders and property owners, which has to date provided the Company access to attractive development properties and reasonable financing terms, despite fluctuating credit markets and ongoing changes in the economic environment.

Capital, consisting of share capital, preferred shares (housing shares), promissory notes with a related and unrelated party, real property bonds, residential development units and housing yield units, is managed in a manner consistent with the risk characteristics of the assets the Company holds.

The balance of the capital is sourced from fixed and variable rate mortgages. The $25.55 million fixed rate mortgages account for approximately 37% of the mortgage borrowings with higher than market interest rates. These fixed rate mortgages are actively being repaid or renegotiated.

The $42.87 million variable rate mortgages, accounting for the remaining 63% of mortgage financing, is CMHC insured allowing the Company to reduce the overall interest rate and extend the amortization period.

Management completes detailed reviews and performs due diligence on all potential acquisitions, preparing short-term and long-term cash flow analysis to ensure an adequate amount of liquidity, and performs quarterly reviews of financial results.

All sources of financing are analysed by management and approved by the Directors. As of June 30, 2026, the Company has a net current liability position of $46.1 million. The majority of this deficit is comprised of mortgages with a term less than 12 months and accounts payable and accrued liabilities. The construction mortgage from PeakHill for the construction of the second and third phase of the Saanich Ridge development, which is the majority of the net current liability, is intended by the Company to be rolled over to a 5-year term loan upon completion of construction. Additionally, the bridge financing from PeakHill in the amount of $14.50 million was refinanced by a 5-year CMHC insured mortgage subsequent to year end.

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 which are discussed in the Risks and risk management section of this MD&A.

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.

The Company does not intend to adopt a dividend policy for its common stock in the short term but instead will focus on growing the shareholder equity retained by the Company on behalf of its common shareholders through the development of new housing assets, participation in the development profits earned in third party developer's projects funded by the Trust, and through fair value gains from the Company's share of appreciation realized from the housing assets held by the Trust for the long term.

During the year ended June 30, 2026, the Company created a preferred class of stock referred to as the Housing Shares which are listed on the CSE. The Housing Shares are intended to track returns of HY Units of the Trust that the Company retains, and the Company intends to pay out any income received from those HY Units in the form of a dividend on those Housing Shares.

In April 2026, the Company exchanged certain debt instruments for 31,127 Housing Shares with a price of $10.35 per share.

Subsequent to the year end, the Company declared a dividend of $0.13 per Housing Share.

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 $0.50 million to $5.0 million. The offering is expected to close on or about September 25, 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.

Certain agreements to which the Company and its subsidiaries are parties, restrict the payment of dividends.

The Company's main liquidity requirements arise from ongoing working capital requirements, debt servicing and repayment obligations, capital and leasing expenditures on existing properties, property acquisitions and distributions to shareholders. All of the aforementioned liquidity requirements, except for debt repayment obligations at maturity and property acquisitions, are generally funded from cash flows from operations. Debt repayment obligations are generally funded from refinancing the related debt. Property acquisitions are generally funded from capital raises as well as obtaining debt financing on the related property.

Going Concern

The 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 $3.11 million during the year ended June 30, 2026 (2025 restated net income - $3.45 million), and as of that date, the Company had retained earnings of $5.02 million (June 30, 2025, restated – $1.90 million). Additionally, as at June 30, 2026, the Company has a working capital deficit of $46.13 million (June 30, 2025, $5.89 million). The working capital deficit is primarily comprised of a construction loan that the Company intends to roll over into a five-year term loan and a $14.50 million mortgage that was refinanced subsequent to year end as per note 34 to the consolidated financial statements. The Company has negative operating cash flows for the year ended June 30, 2026, of $4.99 million (2025 restated – positive $3.06 million). 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 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.

Cash flows

Years ending June 30	2026	2025	Change
Cash (used in) generated by operating activities	**(4,988,850)**	3,061,915	(8,050,765)
Cash used by investing activities	**(17,449,526)**	(30,745,866)	13,296,340
Cash provided by financing activities	**22,383,153**	27,601,840	(5,218,687)
Increase (decrease) in cash	**(55,223)**	(82,111)	26,888
Cash, beginning of period	**105,071**	187,182	(82,111)
Cash, end of period	**49,848**	**105,071**	**(55,223)**

As at June 30, 2026, the Company held cash of $0.05 million. The credit risk associated with the Company's cash was considered low as the Company's balances are held with large Canadian chartered banks.

Cash (used in) generated by operating activities

Analysis of changes in cash (used in) generated by operating activities

Years ending June 30	2026	2025	Change
Operating revenues and other income	**5,134,575**	4,201,160	933,415
Goods and services purchased	**(3,889,834)**	(4,444,743)	554,909
Financing costs paid	**(2,987,921)**	(1,292,371)	(1,695,550)
Other financing fees	**(781,876)**	-	(781,876)
Other operating working capital changes	**(2,424,852)**	4,107,948	(6,532,800)
Additions to development properties	**(38,942)**	489,921	(528,863)
Cash (used in) generated by operating activities	**(4,988,850)**	**3,061,915**	**(8,050,765)**

Cash used in operating activities in the year ended June 30, 2026, was $8.05 million higher than the $3.06 million cash generated in the prior year. The Company increased its income producing housing assets by

completing the first Saanich Ridge rental community and acquiring 80 units in the Five Crossings development as of March 31, 2025, with operating revenues and other income increasing by $0.93 million in the year ended June 30, 2026. Goods and services purchased decreased $0.55 million to $3.89 million in the year ended June 30, 2026, primarily due to decreased cost of sales. Financing costs and fees increased $1.70 million to $2.99 million in the year ended June 30, 2026, as additional mortgages were obtained. Financing costs and fees offset any gains from increased revenue resulting in higher cash used in operating activities. Cash was used to generate higher rental and home sales revenue.

Cash provided by financing activities

Analysis of changes in cash provided by financing activities:

Years ending June 30	2026	2025	Change
Advances from HomePlan contributions	**81,723**	169,281	(87,558)
Repayment of lease liability	**(14,000)**	(79,006)	65,006
Advances from promissory notes	**-**	2,963,657	(2,963,657)
Repayment of promissory notes	**(263,811)**	(2,459,426)	2,195,615
Repayment of real property bonds and development units	**(450,000)**	(4,958,629)	4,508,629
Proceeds from issuance of residential development units	**559,000**	2,666,821	(2,107,821)
Repayment of residential development units	**(21,001)**	-	(21,001)
Proceeds from issuance of HYUs	**433,920**	-	433,920
Repayment of HYUs	**(104,400)**	-	(104,400)
Proceeds from issuance of common shares	**3,224,080**	305,697	2,918,383
Share issuance costs paid	**(1,385,252)**	-	(1,385,252)
Proceeds from issuance of convertible debentures	**-**	150,000	(150,000)
Proceeds from mortgages payable	**36,295,204**	32,496,531	3,798,673
Repayment of mortgages payable	**(15,972,310)**	(3,591,586)	(12,380,724)
Redemption of preferred shares	**-**	(61,500)	61,500
Cash provided by financing activities	**22,383,153**	**27,601,840**	**(5,218,687)**

Cash provided by financing activities was $5.22 million lower in the year ended June 30, 2026, than the prior year.

Advances from HomePlan contributions

HomePlan contributions represent the additional amount renters pay over and above their monthly payment, which is an option cost which accumulates over the term of the agreement and can be credited against the purchase price for the home together with a share of the appreciation in value of the home over that term.

In the year ended June 30, 2026, $0.08 million HomePlan contribution savings were collected from renters under the HomePlan equity sharing program, $0.08 million less than the prior year as the final five homes in the first Saanich Ridge rental community homes were rented and one additional HomePlan agreement was activated in the Five Crossings Development in the year.

Repayment of promissory notes

The Company repaid $0.26 million in the year ended June 30, 2026, of the promissory notes entered into in the prior year. These notes bear a 10% annual interest rate and are repayable at the discretion of the Company.

At June 30, 2026, $1.07 million of promissory notes together with $5.35 million of the promissory note for the purchase of the 80 units in Five Crossings remained outstanding.

Real property bonds and residential development units

Proceeds from residential development units in the year ended June 30, 2026, were $2.1 million lower than the prior year as the capital markets contracted in of the year.

During the year ended June 30, 2026, the Company redeemed $0.45 million of real property bonds from the proceeds of the IPO.

During the year ended June 30, 2026, the Company refunded $0.02 million of residential development units at the request of investors.

HYU's

In the year ended June 30, 2026, the Company issued 46,312 HYUs and received proceeds of $0.43 million. The Company also redeemed 10,384 HYUs for $0.10 million.

In the year ended June 30, 2026, the Company made an income distribution in kind to the holders of the HYUs of $0.08 million.

In addition to the quarterly distributions to HYU unitholders, the Company revalues the HYUs based on the net asset value attributable to the HYUs. As of June 30, 2026, the net asset value of the HYUs is $10.46.

Proceeds from issuance of common shares and share issuance costs paid

During the year ended June 30, 2026, on February 25, 2026, the Company completed its initial public offering of 3,400,000 units for gross proceeds of $1.70 million. Each unit was comprised of one common share and one-half of a common share purchase warrant (each whole warrant an "Offered Warrant"), with each Offered Warrant being exercisable at the price of $0.85 per share and expiring on February 25, 2028. The Company's Common Shares and Offered Warrants commenced trading on the Canadian Securities Exchange on February 26, 2026. In connection with the offering the Company also issued 238,000 broker warrants, with each broker warrant being exercisable at the price of $0.50 per share and expiring on February 25, 2028.

Mortgages payable

In the year ended June 30, 2026, the Company received $36.30 million of mortgage financing, $3.80 million more than in the prior year. During the year the Company refinanced the $12.78 million mortgage from People's Trust by entering into a larger $14.50 million mortgage with PeakHill Capital. The Company also drew down a further $20.3 million on its construction facility as the Company is financing the next two Saanich Ridge rental communities. The Company drew down a further $0.8 million from 1City Financial for the financing of the Saanich Development.

In the year ending June 30, 2026, the Company repaid $15.97 million of mortgages partly from the refinancing of the People's Trust mortgage, a $2.59 million repayment of the mortgages from 1 City Financial, as well as the Company is making principal payments on the mortgages for the income producing rental properties.

Other

The Company continues to pay down the lease liability for the Mountain View property but does not expect to develop the property in 2026.

Cash used by investing activities

Analysis of changes in cash used by investing activities

Years ending June 30	2026	2025	Change
Additions to investment properties	**(17,129,766)**	(28,079,170)	10,949,404
Proceeds on disposal of investment property	**95,000**	-	95,000
Deposits for condominium units	**(561,500)**	(2,800,096)	2,238,596
Sub-lease payments	**146,740**	133,400	13,340
Cash used by investing activities	**(17,449,526)**	**(30,745,866)**	**13,296,340**

Cash used by investing activities decreased by $13.30 million to $17.45 in the year ended June 30, 2026, from the prior year.

Additions to investment properties have decreased from the prior year as the Company has been focused on developing the next two rental communities at Saanich Ridge. The prior year included the acquisition of the 80 homes in the Five Crossings Property.

During the year ended June 30, 2026, the Company disposed of one of its Edmonton properties and realized $0.09 million in proceeds.

Funding from deposits of $0.56 million to be applied against the future purchase price of condominiums in the Glenlake Development when elected by the Company, were also made in the year ended June 30, 2026, but were $2.23 million less than deposits made in the prior year as the Company nears completion of its raise for Glenlake.

For the year ended June 30, 2026, sub-lease payments received from the homes sold on leased land, increased $0.01 million over the prior year.

Financial instruments and commitments

Financial instruments

The Company's financial instruments, their accounting classifications and the Company's policies with respect to the recognition and measurement of financial instruments are described in Note 3 of the notes to the audited consolidated annual financial statements.

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 and cash equivalents, restricted 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 $0.06 million (June 2025 - $0.09 million).

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 and cash equivalents, restricted 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 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, residential development units, convertible debentures, 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.

The Company has the following contractual obligations:

Contractual obligations	Payments due by period				
	Total	**Less than 1 year**	**1-3 years**	**4-5 years**	**After 5 years**
Accounts payable and accrued liabilities	4,966,290	4,966,290	-	-	-
Interest payable	2,331,895	391,678	1,940,217	-	-
Promissory notes	6,419,724	6,419,724	-	-	-
Promissory notes with related party	250,000	-	250,000	-	-
Redeemable preference shares	577,500	577,500	-	-	-
Lease liabilities	1,417,395	100,003	200,000	200,000	917,392
Loans payable	2,500	2,500			
Real property bonds	2,841,880	-	2,841,880	-	-
Residential development units	16,776,831	240,000	10,756,464	120,000	5,660,367
Housing yield units	3,925,407	120,000	240,000	240,000	3,325,407
HomePlan contribution	367,486	-	-	-	367,486
Mortgages payable	66,405,728	42,318,863	3,228,161	20,858,704	-
Total contractual obligations	**106,282,636**	**55,136,558**	**19,456,722**	**21,418,704**	**10,270,652**

The construction mortgage from PeakHill for the construction of the second and third phase of the Saanich Ridge development and shown above as due in less than 1 year, is expected to be rolled over to a 5-year term loan at the completion of the construction.

The bridge loan from PeakHill Capital for Saanich Ridge Rental Community #1 shown above as due in less that 1 year was refinanced by a 5-year CMHC insured mortgage subsequent to year end.

Outstanding share information

As at June 30, 2026, the Company had 86,758,160 common shares issued and outstanding and 31,127 preferred shares outstanding.

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

As of the date of this MD&A, the Company had 86,758,160 common shares issued and outstanding and 31,127 preferred shares ("Housing Shares") issued and outstanding.

Please refer to Note 26 of the notes to the audited annual consolidated financial statements for information related to our outstanding shares.

Proposed transactions

The Company continues to evaluate and pursue opportunities to expand its portfolio of residential housing assets through development, acquisition and strategic investment transactions. As at the date of this MD&A, the Company has existing commitments and arrangements relating to the REVO Development, Glenlake Development, Mountain View Estates and other projects described elsewhere in this MD&A.

In addition, the Company has entered into certain non-binding letters of intent relating to potential future housing community investments and acquisitions. As these discussions remain preliminary and are subject to due diligence, negotiation of definitive agreements, financing and regulatory approvals, there can be no assurance that any such transactions will be completed.

Other than the matters disclosed elsewhere in this MD&A, management is not currently aware of any proposed acquisition, disposition or other transaction that it considers material to the Company.

Transactions between related parties

The Company works with several related parties to contribute to growth in home ownership in North America through advanced financing tools and mortgage products for housing developers and home purchasers.

The Company has established governance procedures to identify, review and approve related party transactions, which are subject to oversight by the Board of Directors.

NAHF Equity Management Ltd. (the "Manager" as defined above) which provides services of certain executives, consultants and other employees to the Company is a wholly owned subsidiary of NAH Equity Company GP Inc.

NAH Equity Company GP Inc., a company controlled by George Lawton (the Chief Executive Officer and one of the directors of the Company), has part ownership in each of the following:

- NA Equity Co. LP
- Se-Mi-Ah-Mu Tatalu Developments LP

- Glenlake Highview Development GP Inc
- Glenlake Highview Development LP Inc.
- Pacific Hwy Industrial Development GP Inc.

The Company provides funding for the operations of these related parties in the normal course of their business as they are developing properties and initiating projects.

1086353 BC Ltd. is under common ownership, controlled by George Lawton but not controlled by the Company. The Company receives funding for its operations in the normal course of business from this related party.

	Jun e30, 2026	June 30, 2025
Transactions:		
Management fees payable to NAHF Equity Management Ltd.	**643,893**	-
Consulting fees to key management personnel	**-**	378,223
	643,893	**378,223**

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

	June 30, 2026	June 30, 2025
Due to 1086353 BC Ltd., the majority shareholder and a company controlled by George Lawton	**-**	10,292
Funds advanced by parent company for operating expenses related to project costs, which were partially offset by incorporation costs and professional fees		
Due to NAHF Equity Management Ltd., a company owned by NAH Equity Company GP Inc. a company controlled by George Lawton	**-**	80,971

	June 30, 2026	June 30, 2025
Funds advanced for management fees owing including, administrative fees, property management fees, disposition fees, development management pass-through fees and HomePlan marketing fees which were partially offset by cash transfers		
Due to NA Equity Co. LP, an entity owned by NAH Equity Company GP Inc. a company controlled by George Lawton	-	7,583
Funds advanced for operating expenses related to third party marketing and communications providers		
Total due to related parties	**-**	**98,846**

The balances with related parties are not interest bearing and are due upon demand.

Related party transactions also include a promissory note with 1086353 BC Ltd, a majority shareholder for $0.25 million (June 30, 2025 - $0.25 million). 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 $0.12 million to June 30, 2026 (June 30, 2025 - $0.11 million) has been recognized under interest payable.

Accounting matters

Critical Accounting Estimates

The discussion and analysis of our financial condition and results of operations are based on our consolidated financial statements, which have been prepared in accordance with IFRS Accounting Standards. In applying IFRS Accounting Standards, we make estimates and assumptions that affect the carrying amounts of assets and liabilities, disclosure of contingent liabilities and the reported amount of income for the period. Actual results could differ from estimates previously reported. Our significant accounting policies and accounting estimates are contained in the consolidated financial statements.

Please refer to Note 2 of the notes to the consolidated financial statements for a discussion of accounting estimates and judgments and Note 3 of the notes to the consolidated financial statements for a description of our accounting policies.

Please refer to Note 31 of the notes to the consolidated financial statements for additional information regarding the Company's deferred tax assets, deferred tax liabilities and income tax expense.

Changes in Accounting Policies and Adoption of IFRS Accounting Standards

Changes in Accounting Policies

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.

Please refer to Note 4 to the consolidated financial statements for more details related to the impact of the change in accounting policy.

Adoption of IFRS Accounting Standards

Please refer to Note 3 of the notes to the consolidated financial statements for information pertaining to accounting pronouncements that will be effective in future years.

Financial Outlook

Economic

The Canadian Mortgage and Housing Corporation (CMHC) has published forecasts of the number of new homes needing to be built in Canada to meet the annual population growth expectations resulting from immigration. Due to increasing challenges with affordable housing, management believes the Company's HomePlan program is very attractive to home buyers in its markets.

The Company plans to pursue new development investments with its current developer relationships for growing its pipeline of additional housing assets that can be added to its portfolio of investment income properties. In addition, using a variety of transaction structures, additional income producing assets are intended to be targeted for acquisition or management with the potential to securitize the equity in those assets using "housing shares" of the Company.

The Company intends to continue to monitor both the economy and real estate markets with a view to ensuring adequate access to new equity and debt that will enable the Company to meet its existing operational requirements and maximize opportunities that may become available.

Interest Rates

Policy interest rates and mortgage borrowing costs had declined materially by June 30, 2026, from their 2023 peak levels, but remained above the levels that prevailed during much of the housing market peak period in early 2022. While policy interest rates and benchmark bond yields declined during fiscal 2026 from the elevated levels reached in prior years, borrowing costs remained above the levels that prevailed during much of the housing market peak in early 2022. Higher borrowing costs continue to affect housing affordability, and mortgage qualification amounts for many prospective homebuyers. As a result, some households may delay home purchases, remain in rental accommodation for longer periods, or seek alternative housing solutions that require less upfront capital. Management believes these market conditions continue to support demand for the Company's housing programs and products.

Subsequent Events

a) On June 30, 2026, the Company entered into a mortgage financing agreement with PeakHill Capital for proceeds of $19.27 million. 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 $0.25 million 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 $5.57 million, the Company's outstanding promissory note obligation of $5.35 million and the contractual set-off of these amounts.

   Following the contractual set-off, a net amount of $0.23 million 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 $0.50 million to $5.0 million. The offering is expected to close on or about September 25, 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.

Selected Consolidated Quarterly Information

	Q4 26	Q3 26	Q2 26	Q1 26	Q4 25	Q3 25	Q2 25	Q1 25
Revenue	780,276	714,290	755,197	1,564,836	2,967,017	401,401	512,113	460,831
Net operating income (loss)	(170,224)	241,373	656,535	(819,530)	913,907	(389,921)	(289,621)	(368,515)
Net Income (Loss)	4,351,412	646,739	(373,227)	(1,511,876)	9,004,983	(1,439,368)	(466,682)	(3,647,346)
Basic and diluted EPS	0.05	0.01	(0.01)	(0.02)	0.11	(0.02)	(0.01)	(0.05)
Average annualized contractual recurring cash flow	3,414,407	2,968,385	3,242,567	3,595,417	3,613,435	n/a	n/a	n/a

Revenue varied across the quarters for the following reasons:

- Homes built for sale were sold in Q1 2026, Q1 2025 and Q4 2025.
- As of March 31, 2025, Saanich rental community #1 was completed and the 80-unit airspace parcel in Five Crossings was acquired, with associated rental revenue increasing from Q4 2025.
- Acquisition and development fees were charged in Q1 and Q2 2025, after which these fees were charged by the Manager.

Net operating income (loss) is affected by the timing of property sales, rental income growth, development activities, and significant accounting adjustments. Q4 2025 net operating income was primarily driven by a net depreciation reversal related to the change in fair value of the Company's investment properties, gross margin on the sale of three homes and increased rental income. Q2 2026 net operating income was primarily attributable to a net depreciation reversal associated with the change in accounting policy for investment properties from amortized cost basis to fair value at the entity level. The remaining quarter-to-quarter fluctuations largely reflect the timing of revenue generation relative to ongoing operating and administrative costs.

Net income in Q3 2026 was driven by a revaluation of estimated return on real property bonds.

Net income in Q4 2025 and Q4 2026 is associated with the reversal of depreciation and impact on change in fair value associated with the change in accounting policy for Investment properties from the amortized cost basis to fair value.

Net loss in Q1 2025 and Q2 2025 was driven by professional fees incurred in relation to the IPO.

Net loss in Q3 2025, Q1 2026 and Q2 2026 was driven by additional costs incurred by the Company to generate higher rental income and build and acquire more rental income producing assets.

Risks and Risk Management

Investing in the Company's securities involves a high degree of risk. Current and prospective investors should carefully consider all of the following risk factors before purchasing any securities of the Company. The occurrence of any of the following risks could materially and adversely affect the Company's investments, prospects, cash flows, results of operations or financial condition. In that event, the value of the Company's securities could decline, and investors may lose all or part of their investment. In addition to the risks summarized below and elsewhere in this MD&A, further risk factors not presently known to the Company or that the Company currently believes are immaterial could also materially and adversely affect the Company's investments, prospects, cash flows, results of operations or financial condition and negatively

affect the value of the Company's securities. In addition, some of the risks are interrelated and, consequently, current and prospective investors should treat such risk factors as a whole.

Risk Factors Relating to the Common Shares

Ability to Issue Additional Common Shares Diluting Existing Shareholders' Interests

The Company's Articles authorize the Company to issue an unlimited number of Common Shares without further approval or action by the Company's shareholders. The Company may issue additional Common Shares or other securities to raise funds, to pay for acquisitions, upon conversion, redemption or at maturity of convertible securities or for other reasons. The Company expects to issue securities under its long-term incentive plan that are convertible into or that settle for Common Shares, which will be dilutive to the Company's shareholders. The Manager has the ability, subject to applicable securities laws and exchange approval, to elect to receive all or any portion of its management fees under the Management Agreement in the form of Common Shares. If the Manager exercises such right, the issuance of Common Shares as a result thereof will be dilutive to shareholders. The Company cannot predict the number of Common Shares it may issue, or the effect, if any, that an issue will have on the market price of the Common Shares or warrants. While the Board is required to fulfill its fiduciary obligations in connection with the issuance of such shares, the shares may be issued in transactions with which not all shareholders agree. Additional Common Shares or other securities issued by the Company may be dilutive to holders the Company's securities and such dilution could be significant.

Ability to Issue Preferred Shares

The Company's articles authorize the Company to issue from time to time in one or more series an unlimited number of Preferred Shares, including the Housing Shares. The Company may issue one or more series of Preferred Shares from time to time to raise funds, including the Housing Shares. At this time, the Company cannot predict the number of Preferred Shares, including the Housing Shares, it may issue, or the effect, if any, that an issue will have on the market price of the Common Shares or the warrants.

Control of Common Shares

As of the date of this MD&A, 72.7% of the Common Shares of the Company are beneficially owned and controlled by George Lawton together with 1086353 B.C. Ltd., a company controlled by George Lawton. George Lawton is the Company's President and CEO and is also a director of the Company. George Lawton is also the controlling shareholder and the sole director and officer of the Manager. As a result of such ownership and control interest, 1086353 B.C. Ltd., via George Lawton, will be able to exert significant influence over matters that are to be determined by votes of the holders of Common Shares. Further, if 1086353 B.C. Ltd. were to sell substantial amounts of Common Shares in the public market, the market price of the Common Shares and warrants could fall. The perception among the public that these sales will occur could also produce such effect. Further, the timing and receipt of any takeover or control premium by holders of Common Shares could depend on the determination of 1086353 B.C. Ltd. as to when to sell Common Shares. This concentration of ownership may discourage, delay or prevent a change in control of the Company, which could deprive shareholders of opportunities to receive a premium for their Common Shares as part of a sale of the Company or its assets and provide liquidity to other shareholders, and might reduce the price of the Common Shares. The interests of 1086353 B.C. Ltd. may not always be aligned with the interests of the Company or the interests of other shareholders. 1086353 B.C. Ltd. will have significant influence over the Company, including on matters relating to mergers, consolidations and sale of all or substantially all of the Company's assets, the election of directors, and other significant corporate actions. Due to 1086353 B.C. Ltd.'s significant shareholding position, these actions may be taken even if they are opposed by other shareholders of the Company.

Listing

There can be no assurance that an active public market for the Common Shares or warrants will develop or be sustained. If a market does not develop or is not sustained, it may be difficult for investors to sell the Common Shares or warrants at an attractive price or at all. The Company cannot predict the prices at which the Common Shares or the warrants will trade. The holding of Common Shares or warrants involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. Securities of the Company should not be purchased by persons who cannot afford the possibility of the loss of their entire investment.

Volatility of Market Price of Common Shares, Housing Shares and Warrants

The market price of the Common Shares, Housing Shares and the warrants may be volatile. The volatility may affect the ability of holders of Common Shares, Housing Shares and warrants to sell the Common Shares or the warrants at an advantageous price. Market price fluctuations in the Common Shares, Housing Shares and the warrants may be due to our operating results failing to meet the expectations of securities analysts or investors in any quarter, downward revision in securities analysts' estimates, governmental regulatory action, adverse change in general market conditions or economic trends, acquisitions, dispositions or other material public announcements by the Company or its competitors, along with a variety of additional factors, including, without limitation, those set forth under this "Risk Factors" section. In addition, the market price for securities in the stock markets can experience significant price and trading fluctuations. These fluctuations can result in volatility in the market prices of securities that is often unrelated or disproportionate to changes in operating performance. These broad market fluctuations may adversely affect the market prices of the Common Shares, Housing Shares or the warrants.

Common Share Dividend Policy

The Company has never declared, nor paid, any dividend since its incorporation and does not intend to pay any dividend on the Common Shares in the near future since all available funds will be used to achieve the business objectives of the Company. The payment and amount of any future dividends is entirely within the discretion of the Board will depend upon, among other things, the Company's results of operations, cash flow, financial condition, debt covenants, debt obligations and operating and capital requirements. The Company has incurred and anticipates that it will continue to incur substantial expenses relating to the development and initial operation of its business. There is no assurance as to whether the Company will ever pay dividends and, if dividends are paid, there is no assurance with respect to the amount of any such dividends. Further, under the *Business Corporations Act* (British Columbia), the Company is prohibited from declaring or paying dividends if there are reasonable grounds for believing that the Company is insolvent or the payment of dividends would render the Company insolvent. In addition, (i) the indentures governing the real property bonds and five bridges development bonds prohibit the payment of dividends or other distributions on any shares of the Company and any redemption or repurchase of shares of the Company until such time as none of the respective bonds remain outstanding, and (ii) the indenture governing the Saanich Ridge notes prohibit the payment of dividends or other distributions on any shares of Saanich Ridge Development Ltd. and any redemption or repurchase of shares of Saanich Ridge Development Ltd. until such time as no notes remain outstanding.

Structural Subordination of Common Shares

In the event of a bankruptcy, liquidation or reorganization of the Company or its subsidiaries, holders of certain of the Company's indebtedness and certain trade creditors will generally be entitled to payment of their claims from the Company's assets or those of its subsidiaries before any assets are made available for distribution to the Company and/or its shareholders. The Common Shares will be effectively subordinated to most of the indebtedness and other liabilities of the Company and its subsidiaries as well as the Housing

Shares. The warrants do not entitle their holders to any rights of liquidation. Neither the Company nor its subsidiaries will be limited in the ability to incur secured or unsecured indebtedness.

In addition, the Common Shares are directly in the case of the Housing Shares, and indirectly in the case of the GL Units, CR Units and HY-A Units, subordinated to such classes of securities which have preferred positions with respect to certain cash flows and assets of the Company and the Trust in the ordinary course and on liquidation or dissolution. These restrictions directly or indirectly restrict the ability of the Company to pay dividends on the Common Shares and may result in there being no residual assets in respect of which the Common Shares will participate in the event of the liquidation or dissolution of the Company.

CSE Listing

In the future, the Company may fail to meet the continued listing requirements for the Common Shares and/or the warrants to be listed on the CSE. If the CSE delists such securities from trading on its exchange, the Company could face significant material adverse consequences, including: a limited availability of market quotations for the Common Shares and/or warrants; a determination that such securities are "penny stocks" which will require brokers trading to more stringent rules and possibly resulting in a reduced level of trading activity in the secondary market for such securities; a limited amount of news and analysts coverage for the Company; and a decreased ability to issue additional securities or obtain additional financing in the future.

Risk Factors Relating to the Company's Business

Limited Operating History

The Company is in the early stage of its development and has a limited operating history. Its operations are subject to the risks inherent in a company in the early stages of its development. As such, the Company will be subject to all of the business risks and uncertainties associated with any new business enterprise, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenues. Future profits, if any, will depend upon various factors, many of which are out of the Company's control. There is no assurance that the Company will achieve profitability.

An investment in the Company's securities carries a high degree of risk and should be considered speculative by investors. There is no assurance that we the Company will be successful in achieving a return on Shareholders' investment and the likelihood of the Company's success must be considered in light of its early stage of operations. An investor should consider any purchase of the Company's securities in light of the risks, expenses and problems frequently encountered by all companies in the early stages of their corporate development.

Operating Risk

Investment in real estate is subject to numerous risks, including the highly competitive nature of the real estate industry, changes in general or local conditions, failure of tenants to pay rent, changes in neighbourhood property values, interest rates, availability of mortgage funds, increases in real estate tax rates and other operating expenses, the possibility of competitive overbuilding and of the inability to obtain full occupancy of the properties the Company acquires or develops, governmental rules and fiscal policies, including rent control legislation, which limit potential rent increases (which is discussed further below), and other events and factors which are beyond the control of the Company.

Real estate has a high fixed cost associated with ownership, and income lost from rental properties due to vacancies cannot easily be minimized through cost reduction. Rental properties generate income through rental payments made by the tenants thereof. Upon acquisition or development of a rental property, there can be no assurance that the Company will find a suitable tenant for that property or be able to lease it on favourable terms. Upon the expiry of any lease, there can be no assurance that such lease will be renewed,

or the tenant replaced. The terms of any subsequent lease may be less favourable to the Company than the existing lease. The most important factor in real estate ownership is occupancy and the risk to occupancy is therefore the highest priority risk factor.

Certain significant capital expenditures, including upgrading and maintaining building's structure, balconies, parking garages, roofing, and electrical and mechanical systems, and other expenditures, including property taxes, maintenance costs, mortgage payments, insurance costs and related charges, must be made throughout the period of ownership of real property regardless of whether a property is producing any income. If the Company is unable to meet mortgage payments on any property, losses could be sustained as a result of the mortgagee's exercise of its rights of foreclosure or of sale.

The Company is also subject to utility and property tax risk relating to increased costs that the Company may experience as a result of higher resource prices, as well as its exposure to significant increases in property taxes. There is a risk that property taxes may be raised as a result of revaluations of municipal properties and their adherent tax rates. In some instances, enhancements to properties may result in a significant increase in property assessments following a revaluation. Additionally, utility expenses, mainly consisting of natural gas, water and electricity service charges, have been subject to considerable price fluctuations over the past several years. The Company reduces its utility and property tax risk but utilizing "net" leases where possible which allow a landlord to recover expenditures.

The Company currently relies on third-party vendors, developers, co-owners and strategic partners to provide the Company with various services or to complete projects. The lack of an effective process for developing joint venture arrangements or for contract tendering, drafting, review, approval and monitoring may pose a risk for the Company. The Company may not be able to negotiate contract terms, service levels and rates that are optimal for the Company.

Negative Operating Cash Flow

In the Company's most recently completed financial year the Company generated negative operating cash flows and there is no assurance that the Company will not experience negative cash flow from operations in the future. The Company cannot guarantee that it will have positive or negative cash flow from operating activities in future periods. The Company cannot provide any assurances that it will achieve sufficient revenues (if at all) or maintain profitability or positive cash flow from operating activities. If the Company does not achieve or maintain profitability or positive cash flow from operating activities, then there could be a material adverse effect on the Company's business, financial condition and results of operation, and the Company may need to deploy a portion of its working capital to fund such negative operating cash flows or seek additional sources of funding.

Reliance on Manager

Prospective investors assessing the risks and rewards of an investment in securities of the Company should appreciate that they shall, in large part, be relying on the skill and experience of the directors and management team of the Company, and George Lawton in particular. George Lawton is the President and CEO of the Company. He is also sole director and officer, and the controlling shareholder, of the Manager. In addition, he has other business interests, including as a director and officer of other companies, that will divert his time and attention from time to time. Prospective investors will be relying on his discretion and ability and continued involvement. George Lawton is not required by contract to dedicate himself to the Company on a full-time basis, but only as, and when, he determines his involvement shall be beneficial to the Company. If his management services are lost, then the business, financial condition and results of operations of the Company might be materially adversely affected.

Non-Binding Letters of Intent

The Company, directly or indirectly, has entered into non-binding letters of intent with third parties to acquire certain properties for its business. Such letters of intent are non-binding, and there is no guarantee that a definitive agreement will be reached on the terms set out in the applicable letter of intent or at all. If a definitive agreement is reached, it may be subject to conditions including due diligence, financing, and regulatory approvals, which may negatively impact the likelihood of a successful transaction on the intended terms or at all. As a result, the possible transactions contemplated in the letters of intent may not close or may be completed on materially different terms or under different timelines than currently anticipated. In addition, non-binding letters of intent may include binding provisions that could restrict the ability of the Company to carry out certain actions or disclosure and could have negative impacts on the Company and its business if the Company breaches any such binding provisions.

Access to Capital

The real estate industry is highly capital intensive. Although the Company expects to have access to debt financing, there can be no assurances it will have access to sufficient capital or access to capital on terms favourable to the Company to complete its acquisition of housing income properties and investment in real estate developments. Further, in certain circumstances, the Company may not be able to borrow additional funds. Market conditions and unexpected volatility or illiquidity in financial markets may inhibit the Company's access to capital. As a result, it is possible that financing which a project of the Company may require, may not be available or, if it is available, may not be available on favourable terms to the Company. Failure by the Company to access required capital could have a material adverse effect on its business, cash flow, financial condition and results of operations and ability to make distributions to holders of Housing Shares and Common Shares.

The NAHF Limited Partnership will require acquisition financing to supplement its acquisition of housing income properties and investment in real estate developments. There can be no guarantee that such additional financing will be available, or if available will be available on terms satisfactory to either Company, NAHF Limited Partnership, or the Trust. There is no assurance that additional or alternative financing will be available or, if available, may be obtained by the Company, NAHF Limited Partnership, or the Trust on reasonable terms. The cost of any alternative financing may be higher than anticipated and if obtained could result in a lower-than-expected return on investment or the potential for erosion of principal investment value.

Potential Conflicts of Interest

The Company may be subject to various conflicts of interest because certain of the Directors and officers of the Company are engaged in a wide range of real estate and other business activities and do not devote their full time to the affairs of the Company. The Company may become involved in transactions which conflict with the interests of the foregoing. In accordance with applicable Canadian corporate law, directors who have a material interest in any person who is a party to a material contract or a proposed material contract with the Company are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract. In addition, the directors and the officers are required to act honestly and in good faith with a view to the best interests of the Company. Certain of the directors and officers of the Company may have other employment or other business or time restrictions placed on them and, accordingly, the Company will not be the only business enterprise of these directors and officers. As a result, if any such conflicts are not resolved in favour of the Company, the Company may be adversely affected.

The Declaration of Trust contains conflict of interest provisions requiring the Trustees to disclose their interest in certain contracts and transactions and to refrain from voting on those matters. In addition, certain

decisions regarding matters that may give rise to conflict of interest must be made by a majority of Independent Trustees only.

Additionally, the Company may from time-to-time deal with persons, firms, institutions or corporations with which the Company may be dealing, or which may be seeking investments similar to those desired by the Company. The interests of these persons could conflict with those of the Company. In addition, from time to time these persons may be competing with the Company for available investment opportunities.

Dependence on Key Personnel

The Company's success depends to a certain degree upon certain key members of the management provided by the Manager, namely the Chief Executive Officer (George Lawton), Chief Financial Officer (Gaylyn Lawton) and Senior Consultant (Adam Gant). It is expected that these individuals will be a significant factor in the Company's growth and success. The loss of the service of such members of senior management could have a material adverse effect on the Company. Further, the Company's performance and future operating results are substantially dependent on the continued service and performance of such key members of management via the Manager and the Company is entirely reliant on the Manager's ability to retain such persons and to provide them with sufficient compensation to incentivize retention given the Company does not control the compensation of such individuals other than any Awards that may be granted under the long-term incentive plan from time to time. Competition for such personnel is intense, and there can be no assurance that the Manager can retain the key individuals through which its services are provided to the Company or that the Manager will be able to attract or retain highly qualified personnel in the future for purposes of delivering services under the Management Agreement to the Company. The loss of the services of any of the Manager's key members of management or the inability to attract and retain the necessary personnel could have a material adverse effect upon its and the Company's business, financial condition, operating results and cash flows. Neither the Company nor the Manager currently maintains "key man" insurance for any senior management of the Company.

Reporting Issuer Status

The Company is subject to reporting requirements under applicable securities law, the listing requirements of the CSE and other applicable securities rules and regulations. Compliance with these requirements will increase legal and financial compliance costs, make some activities more difficult, time consuming or costly, and increase demand on existing systems and resources. Among other things, the Company will be required to file annual and quarterly disclosure as well as other timely reporting requirements with respect to its business and results of operations and maintain effective disclosure controls and procedures and internal controls over financial reporting. In order to maintain and, if required, improve disclosure controls and procedures and internal controls over financial reporting to meet this standard, significant resources and management oversight may be required. As a result, management's attention may be diverted from other business concerns, which could harm the Company's business and results of operations. The Company or Manager may need to hire additional employees to comply with these requirements in the future.

Being a reporting issuer increases the cost to obtain and maintain director and officer liability insurance, and the Company may in the future be required to accept reduced coverage or incur substantially higher costs to obtain or maintain adequate coverage. It may be difficult for the Company to retain qualified directors and executive officers if the Company is seen to have inadequate director and officer liability insurance.

Manager Performance

The success of an investment in the Company will be based in large part on the ability and performance of the Manager in its duties including developing and selling the residential properties the Company develops, negotiating the acquisition and sale of the residential properties the Company acquires from third party developers, and operating the properties the Company owns (including leasing and maintaining such

properties). If management does not perform these tasks well, the financial results of the Company and the value of the Common Shares, Warrants and Housing Shares could be materially impacted.

The Company will rely on the Manager's expertise in identifying strategic, advisory and asset management services. The Company will also rely on the Manager with respect to certain advisory services, including the services of the Chief Executive Officer, Chief Financial Officer and Senior Consultant and the management of its properties.

Consequently, the Company's ability to achieve its business objectives depends in large part on the Manager and its ability to advise the Company. This means that the Company's investments are dependent upon the Manager's business contacts, its ability to successfully hire, train, supervise and manage personnel that have strong knowledge of real estate and its ability to operate its business in a manner that supports the Company. If the Company were to lose the services provided by the Manager or its key personnel or if the Manager fails to perform its obligations under its agreements with the Company, the Company's business operations and growth prospects may decline. The Company may be unable to duplicate the quality and depth of management available to it by becoming a self-managed company or by hiring another asset manager or property manager. Additionally, the Company and its subsidiaries are not permitted to retain any other person to perform any asset management or Administration and Property Management Services, subject to certain exceptions, without the consent of the Manager. While the Board has oversight responsibility with respect to the services provided by the Manager pursuant to the Management Agreement, the services provided by the Manager under such agreement will not be performed by employees of the Company or its subsidiaries, but by the Manager directly, and through entities to which it may subcontract its duties. As a result, the Manager directly, and through entities to which it may subcontract, will have the ability to influence many matters affecting the Company and the performance of its properties now and in the foreseeable future. Prospective investors should not purchase any Securities of the Company unless they are prepared to rely on the Board, executive officers and the Manager.

Risks Associated with External Management Arrangements

The Management Agreement has an initial term of five years and, subject to earlier termination and, will automatically renew for an additional five-year term.

At the end of the initial five-year term and the five-year renewal terms, there could be circumstances whereby the fees payable to the Manager under the Management Agreement or indirectly under the Administration and Property Management Agreement to carry out its duties thereunder are in excess of those expenses that would be incurred by the Company on an annual basis if management of the Company was performed by individuals employed directly by the Company rather than by the Manager under such management agreements but the Management Agreement may not be terminated by the Company in accordance with the provisions of the agreement, except in certain circumstances. Furthermore, there is a risk that, because of the term and termination provisions of the Management Agreement, the termination of such agreements may be uneconomical for the Company and accordingly not in the best interest of the Company.

Accordingly, there can be no assurance that the Company will continue to have the benefit of the Manager's advisory services, including its executive officers, or that the Manager will continue to provide the services required under such agreement. If the Manager should cease for whatever reason to provide such services, the Company may be unable to engage a replacement manager on acceptable terms or the cost of obtaining substitute services, whether through an external manager or by internalizing its management, may be greater than the fees the Company pays the Manager, and this may adversely impact the Company's ability to meet its objectives and execute its strategy which could materially and adversely affect the Company's cash flow, operating results and financial condition.

Absence of Non-Competition Agreements

The named executive officers are not subject to any non-competition or non-solicitation provisions, and have no change of control benefits, defined severance benefits or specified terms with respective to constructive dismissal or termination. The Board believes the absence of such provisions is reasonable given the Chief Executive Officer, whose spouse is the Chief Financial Officer, as well as the Senior Consultant to the Company have significant equity positions in the Company creating natural alignment with holders of Common Shares. However, there is a risk that such persons could resign or otherwise depart from the Company and commence a competing business or solicit the customers or suppliers of the Company or utilize the Company's confidential information in a manner that is materially adverse to the Company and its subsidiaries.

Manager's Ability to Determine Compensation

Other than Awards issued under the long-term-incentive, the Manager (which is controlled by George Lawton) has the discretion to determine the compensation of the Chief Executive Officer, Chief Financial Officer, Senior Consultant and other employees of the Manager that provides services to the Company under the Management Agreement. The compensation policies and programs determined by the Manager may not be aligned with the goals of the Company and interests of Shareholders. This could cause such persons to take risks in performing their duties that such persons may not otherwise take if their compensation was structured differently and or to receive compensation at levels that is not commensurate with the performance or size of the Company.

Development Risk

One of the current focuses of the Company is to develop and sell homes at its Saanich Ridge Estates development. The Company may acquire additional land from time to time and initiate other residential real estate development projects. Any development commitments made by the Company will be subject to those risks customarily attributable to development projects, which include: (i) construction or other unforeseeable delays; (ii) cost overruns; (iii) poor market for sales and/or leasing; and/or (iv) the inability to sell and/or lease the residential real estate properties that are developed profitably. These risks could have a material adverse effect on the Company's business, cash flows, financial condition, and results of operation. There can be no assurance that the Company will be able to acquire assets on an accretive basis or that it will be able to successfully develop assets in the future.

Reliance on Development Partners

The Company relies on the management expertise of its development partners and their construction management relationships as well as the mortgage financing providers that have contracted with the Company and its subsidiaries and development partners for construction loans or term financing. Certain projects of the Company will be subject to a number of risks inherent in the Company's real estate projects, which may be increased by reliance on such development and other partners, including: (i) construction or development costs may exceed original estimates, possibly making a project less profitable than originally estimated, or unprofitable; (ii) the time required to complete the construction or development of a project may be greater than anticipated, thereby adversely affecting the Company's cash flow and liquidity projections; (iii) the cost and timely completion of construction (including risks beyond the Company's or its development partners' control, such as weather, labour conditions, labour and material shortages and increased labour and materials costs); (iv) contractor and subcontractor disputes, strikes, labour disputes or supply disruptions; (v) the failure to achieve expected occupancy levels within the projected time frame, if at all; (vi) delays with respect to obtaining additional required permits and governmental approvals; (vii) changes in real estate, tax, zoning, environmental and land use laws; (viii) environmental risks, including environmental conditions not identified in due diligence and future environmental concerns; (ix) the Company's ability to sell a project could be impacted by the ability of prospective buyers to obtain financing;

(x) the potential for undisclosed liabilities relating to a project; and (xi) the availability and pricing of financing to fund the Company's development activities on favourable terms or at all.

A project's viability and profitability are also dependent on a certain construction timeline being met. If there should be a significant delay in the provision of services to meet the construction timeline or construction of a project, the project's viability and/or profitability may be materially adversely affected.

The above risks could result in substantial unanticipated delays or increased costs and expenses and, under certain circumstances, could prevent the initiation of development activities or the completion of development activities once undertaken and affect the operation, profitability and viability of a project. In addition, development projects entail risks that investments may not perform in accordance with expectations and can carry an increased risk of litigation (and its attendant risks) with contractors, subcontractors, suppliers, partners and others, which may be increased by reliance on such development and other partners. Any of these risks could have an adverse effect on the Company's cash flows, financial condition or results of operations.

Liquidity and Capital Availability

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 is subject to the risks associated with the use of debt financing, which is included in liquidity risk. Revenues from the properties developed or owned by the Company may not be sufficient or may not increase sufficiently to meet increases in operating expenses or debt service payments under any loans, to fund changes in the variable rates of interest charged in respect of such loans or fund the repayment of such loans. If the Company is unable to meet interest payments and principal repayment obligations, it could be required to renegotiate such payments or issue additional equity or debt or obtain other financing. The failure of the Company to make or renegotiate interest or principal payments or issue additional equity or debt or obtain other financing could have a material adverse effect on the Company's business, cash flows, financial condition and results of operations.

The real estate industry is highly capital intensive. The Company requires access to capital to fund operating expenses, to maintain its properties, to fund its growth strategy and certain other capital expenditures from time to time, and to refinance indebtedness. Although the Company expects to have access to the existing revolving credit facilities, there can be no assurance that it will otherwise have access to sufficient capital or access to capital on favourable terms. Failure by the Company to access the required capital could have a material adverse effect on the Company's business, cash flows, financial condition and results of operations.

Liquidity and capital availability risks are mitigated by maintaining appropriate levels of liquidity, by diversifying the Company's sources of funding, by maintaining a well-diversified debt maturity profile and by actively monitoring market conditions.

Construction Delay Risk

An investment in the Company is exposed to construction cost delay that could cause profits to be substantially lower than projected or the loss of some or all of the amounts invested, as the housing income properties that the NAHF Limited Partnership is looking to acquire are still under development and construction. Construction times fluctuate and the commencement of development of housing income properties could experience unforeseen delays due to shortage in the supply of construction labour or materials or obtaining requisite regulatory approvals.

HomePlan Tenants May Not Qualify for Mortgage Financing

A HomePlan tenant seeking mortgage financing in connection with exercising its purchase option under a HomePlan Agreement may not have some or all of the credits it accrues under its HomePlan Agreement considered part of the tenant's down payment for purposes of mortgage stress tests required to be applied by lending institutions when underwriting residential mortgages in Canada, which will negatively impact the availability of mortgage financing for HomePlan tenants and their ability to exercise their purchase option and may negatively impact the marketability and adoption levels for HomePlan Agreements.

To the extent a HomePlan Agreement tenant receives securities of the Company in satisfaction of the Company's obligations to provide credits to such tenant under a HomePlan Agreement, the tenant may be required by a lender to sell all such securities immediately on receipt to apply cash proceeds to completion of closing, and there may not be a market, liquidity or value for such shares to satisfy lender underwriting requirements, and, even if a market does exist, such securities may not be available for immediate sale if applicable hold periods apply under applicable securities law.

HomePlan Agreements are a New Product and may be subject to Regulation

To date, no tenants have purchased an underlying property under a HomePlan Agreement using the credit amassed under the HomePlan Agreement as a down-payment in connection with obtaining mortgage financing for the purchase of such property. No bank, trust company, financial institution, regulatory body or other lender has approved HomePlan Agreement tenants as purchasers based on the credits received, receivable or available under their HomePlan Agreements, and the Company has not inquired, investigated or discussed lending partnerships or arrangements with any financial institution or lender that may be available to HomePlan program tenants.

The Company has not sought approval, clearance, advance rulings or determinations of compliance from applicable banking and financial regulatory bodies including Office of the Superintendent of Financial Institutions, Canada Mortgage and Housing Corporation and BC Financial Services Authority respecting compliance of HomePlan and/or purchasers' credits thereunder with relevant banking regulations including, without limitation, Office of the Superintendent of Financial Institutions Guideline B-20.

These factors may (i) require changes to the terms and structure of HomePlan Agreements, (ii) negatively impact the availability of mortgage financing for HomePlan tenants and their ability to exercise their purchase option, (iii) negatively impact the marketability and adoption levels for HomePlan Agreements, and (iv) may subject the Company to program disruption, reputational harm and potential claims.

Risks Under Guarantees of Development Partner Debt

The Company and or its subsidiaries has guaranteed, and in the future may from time to time guarantee, debts of real estate developers to, among other things, assist such developers in obtaining financing to advance such projects in respect of which the Company and or its subsidiaries has advanced funds or intends to acquire underlying real estate upon completion. If any such real developers default under the credit facilities so guaranteed by the Company and or its subsidiaries, the Company and or its subsidiaries who are the guarantors may become liable for some or all of such debts, which may materially adversely affect the financial position of the Company and or its subsidiaries. See "Consolidated Capitalization – Other Commitments".

Reliance on Property Management

The Company or the Manager, through subcontractors, may rely upon independent asset mortgage and property management companies to perform the function of manager for the income properties that it owns. The employees of the management companies shall be expected to devote so much of their time to the management of such properties as in their judgment is reasonably required. However, they may have

conflicts in allocating their time, services and functions among other properties and their other development, investment and/or management activities.

Urban Real Estate Market Activity

The Company's business depends on the continued normal transaction volume and activity within each city or greater urban region in which properties are developed, financed or acquired. If employment levels or the general economy in any of these individual markets suffer the resulting value of the real estate assets in those locations could be detrimentally affected impeding the investment's chances for successful realization.

Sales and Marketing Expertise

The Company depends also on the expertise and active involvement of outside real estate sales and marketing professionals to sell the housing inventory developed or contracted for. If these professionals are not available to focus time on these sales or they are not effective in their roles the results of the investment could be compromised.

Supplier Bargaining Power

The Company is also affected by the bargaining power of suppliers, particularly construction sub-trades and material suppliers for housing development. When interest rates come down from current rates, housing development activity is expected to increase, at which time there will be more demand for construction resources and the Company's development partners will likely be exposed to rising construction pricing.

Interest Rate Volatility

The Company's business is dependent on the health of the residential real estate markets which are highly reliant on mortgage capital to finance development as well as ownership and purchase transactions. If interest rates change significantly in a short period of time the value of real estate of all types could be detrimentally affected and it could hurt the chance for success of the Company's investments. An increase in interest rates may cause a decrease in the value of rental properties and could also have a material adverse effect on the Company's ability to sell any of its properties. This could have an adverse effect on the trading price of the Company's securities and effect the Company's costs of borrowing. The Company's financial condition and results of operations could be adversely affected if it were unable to obtain adequate or cost-effective financing.

Future Property Acquisitions

The Company intends to acquire additional residential real estate properties from time to time. However, there can be no assurance that such properties will be acquired by the Company. Accordingly, there can be no assurance that the Company will be able to acquire any such properties at the rates of return that the Company is targeting. Acquired properties may not meet financial or operational expectations due to unexpected costs associated with acquiring the property, as well as the general investment risks inherent in any real estate investment or acquisition, including future financing risks. Acquired properties may also be subject to unexpected or undisclosed liabilities which could have a material adverse impact on the business, cash flows, financial condition and results of operations of the Company. Representations and warranties given by third parties to the Company by way of contract or otherwise may not adequately protect against these liabilities and any recourse against third parties may be limited by the financial capacity of such third parties. Moreover, newly acquired properties may require significant management attention or property capital investments that would otherwise be allocated to other properties. No forecast has been made for the acquisition of properties under review.

Zoning and Approval

Future acquisitions and development projects may require zoning and other approvals from local government agencies. The process of obtaining such approvals may take months or years, and there can be no assurance that the necessary approvals for any particular project will be obtained. Holding costs accrue while regulatory approvals are being sought, and delays could render future acquisitions and developments uneconomical and may have a material adverse effect on the Company's business, cashflows, financial condition and results of operations.

Mortgage Financing Risks

There is no assurance that any mortgage loan provided to the Company to finance its property acquisitions shall be available or renewed when it matures or, if renewed, renewed on the same or commercially reasonable terms and conditions (including the rate of interest). In the absence of mortgage financing, the projected return from the ownership of residential real estate properties owned by the Company shall be reduced. There is a risk that the Company may not be able to generate sufficient funds through the operation of its residential real estate properties to service future mortgage loans. If a default occurs under any mortgage, the mortgage lenders could exercise their rights including, without limitation, foreclosure or sale of the Company's properties.

Reliance on Appraisals

An appraisal is an estimate of market value and caution should be used in evaluating the appraisals. Appraisals are not precise measures of value but are based on a subjective comparison of related activity taking place in the real estate market and on various assumptions of future expectations of property performance. Some of these assumptions may not materialize or may differ materially from actual experience in the future. The Common Shares, warrants and Housing Shares may not necessarily trade at values determined solely by reference to the underlying value of the Company's real estate assets. Accordingly, the Common Shares, warrants and Housing Shares may trade at a premium or a discount to values implied by appraisals.

Risks Related to Mortgage Extensions and Mortgage Defaults

The Company intends to provide mortgage financing to home buyers from time to time. The Company may from time to time deem it appropriate to extend or renew the term of a mortgage past its maturity, or to accrue the interest on a mortgage, in order to provide the borrower with increased repayment flexibility. The Company generally will do so if it believes that there is a very low risk to the Company of not being repaid the full principal and interest owing on the mortgage. In these circumstances, however, the Company is subject to the risk that the principal and/or accrued interest of such mortgage may not be repaid in a timely manner or at all, which could impact the cash flows of the Company during and after the period in which it is granting this accommodation. Further, in the event that the valuation of the asset has fluctuated substantially due to market conditions, there is a risk that the Company may not recover all or substantially all of the principal and interest owed to it in respect of such mortgage.

When a mortgage is extended past its maturity, the loan can either be held over on a month-to-month basis or renewed for an additional term at the time of its maturity. Notwithstanding any such extension or renewal, if the borrower subsequently defaults under any terms of the loan, the mortgage administrator has the ability to exercise its mortgage enforcement remedies in respect of the extended or renewed mortgage. Exercising mortgage enforcement remedies is a process that requires a significant amount of time to complete, which could adversely impact the business, cash flows, financial condition and results of operations of the Company during the period of enforcement. In addition, as a result of potential declines in residential real estate property values, the priority ranking of the mortgage and other factors, there is no assurance that the Company will be able to recover all or substantially all of the outstanding principal and interest owed to it in respect of such mortgage by the exercise of mortgage enforcement remedies for the benefit of the Company.

Should the Company be unable to recover all or substantially all of the principal and interest owed to it in respect of such mortgage loans, the assets of the Company would be reduced, and the business, cash flows, financial condition and results of operations of the Company could be adversely impacted.

Risks Related to Demand Loans

The Company and its subsidiaries may from time to time have loans that are structured as demand loans, such as the Five Crossings vendor take back promissory note, that may be called on little or no notice by the applicable lender. If such loans are called by the lender, and the Company and or its subsidiaries do not have sufficient resources to satisfy its liabilities under the demand loan or are unable to refinance such amounts, the Company may have to sell assets to cover such liabilities or may be subject to legal action by the lender, all of which may have a material adverse effect on the business, cash flows, financial condition and results of operations of the Company.

Credit Risk

The Trust intends to enter into lease agreements with respect to prospective tenants from time to time. The income stream generated by tenants paying rent can be affected by general and local economic conditions and by a change in the credit and financial stability of tenants. Examples of local conditions that could adversely affect income include oversupply of space or reduced demand for rental space, the attractiveness of the Company's properties compared to other residential properties and fluctuation in real estate taxes, insurance and other operating costs. The Company may be adversely affected if tenants become unable to meet their financial obligations under their leases.

Risk Related to the Trust's Tax Status

Management has determined that the Trust qualifies as a "mutual fund trust" as defined under the Tax Act and is not a SIFT trust for the purposes of the specified investment flow through trust ("SIFT") rules in the Tax Act (as investments in the Trust are not listed or publicly traded). There are no plans for investments in the Trust to become publicly traded. Management believes that in the event investments in the Trust were to become listed or publicly traded it should be eligible for an exemption from the SIFT rules affecting the tax treatment of real estate investment trusts ("REITs") under the Tax Act (the "REIT Exemption"). Accordingly, the Trust is not taxable on any income that is distributed or made payable to unitholders. If the Trust does not qualify or ceases to qualify as a mutual fund trust under the Tax Act or is or becomes a SIFT trust that does not qualify for the REIT Exemption, adverse consequences could arise including a non-deductible distribution amount being taxable to the Trust (with the result that the amount of cash available for distribution by the Trust would be reduced) and such amount also being included in the income of unitholders (which include the Company) for purposes of the Tax Act as taxable dividends.

There can be no assurances that Canadian federal income tax laws respecting the definition or treatment of mutual fund trusts and of REITs under the Tax Act will not be changed, or that administrative and assessing practices of the CRA will not develop in a manner which adversely affects the Trust or its unitholders, and indirectly the Company and holders of Common Shares, Warrants and Housing Shares.

IP License Agreement

The IP License Agreement has an indefinite term and does not contain any prescribed termination provisions. However, the IP License Agreement could still be terminated under common law in the event of a breach of the agreement by the Company. If the IP License Agreement was terminated and the Company ceased to have the right to utilize the intellectual property that is the subject of the license (including without limitation HomePlan Agreements), the Company could be materially adversely affected as the Company's long term strategies are predicated upon the ongoing right of use of the intellectual property subject of the IP License Agreement.

The Intellectual Property Subject of the IP License Agreement is not Registered

The intellectual property subject of the IP License Agreement is not registered in any jurisdiction. Accordingly, the intellectual property subject of the IP License Agreement may be subject to challenge by other parties and/or may not be able to be protected against infringement or use by other parties, which may erode the value of such intellectual property, which would negatively impact the Company's financial position, earnings and results of operations and may negatively impact the Company's prospects as the Company's long term strategies are predicated upon the ongoing right of use of the intellectual property subject of the IP License.

Potential Liability under Environmental Protection Legislation

Environmental and ecological legislation and policies have become increasingly important in recent years. Under various laws, the Company could become liable for the costs of removal or remediation of certain hazardous or toxic substances located on properties owned by the Company, released from properties owned by the Company, or removed from properties owned by the Company and disposed of at other locations. The failure to remove or remediate such substances, if any, may adversely affect the Company's ability to sell the properties it owns, or to borrow using such properties as collateral, and could potentially also result in claims against the Company by private parties.

Climate Change Risk

Climate-related risks refer to the potential for climate change to create adverse consequences for human or ecological systems, including impacts on people, livelihoods, health and well-being, economic, social and cultural assets and investments, infrastructure, services provision, ecosystems and species. An increase in the frequency and magnitude of climate-related risks such as floods, fires, windstorms, ice storms and wildfires in certain locales can lead to a surge in capital expenditure and interruptions to business operations. Any of these events might have a material adverse effect on the Company's business, cash flows, financial condition and results of operations. Ongoing operating expenses such as energy costs can potentially be impacted more by extreme weather, and anticipation of more frequent and severe weather events may have an adverse effect on insurance premiums. Investment properties located in areas with higher climate-related vulnerabilities could experience negative pressure on their valuations.

Competition

The Company competes for suitable residential real estate investments with individuals, corporations and institutions (both Canadian and foreign) and other institutional real estate investors which are presently seeking, or which may seek in the future, residential real estate investments similar to those desired by the Company. A number of these investors may have greater financial resources than those of the Company or operate without the investment or operating guidelines of the Company or according to more flexible conditions. An increase in the availability of investment funds, and an increase in interest in residential real estate investments, may tend to increase competition for residential real estate investments, which may increase the cost of acquiring such investments and may result in such investments being acquired by the Company at prices or on terms that are comparatively less favourable to the Company or may result in such assets being acquired by competitors of the Company. Additionally, this competition could cause a reduction in rental rates or sale prices, or both.

The Company may own a variety of residential property types, including apartment buildings, condominiums, single detached homes, etc. The relative demand for each such housing type may change by changes in mortgage interest rates, government programs that promote home ownership or other events or initiatives that increase the affordability of certain housing types. Such changes could materially adversely affect certain holdings of the Company and the ability of the Company to retain tenants, lease suites and increase

or maintain rental rates, reduce occupancy rates and rental revenues, and could have a material effect on the Company's business, cash flows, financial condition and results of operations.

Uninsured Losses

The Company intends to arrange for comprehensive insurance, including fire, liability and extended coverage, of the type and in the amounts customarily obtained for properties similar to those to be owned by the Company, and shall endeavour to obtain coverage where warranted and if available against earthquakes and floods. However, in many cases certain types of losses (generally of a catastrophic nature) are either uninsurable or not economically insurable. Additionally, there may be situations where losses are not adequately covered by insurance. Should such a disaster occur with respect to a property owned by the Company, the Company could suffer a loss of capital invested and not realize any profits, which might be anticipated from the disposition of the property. Although the Company intends to obtain insurance which is adequate, assurance cannot be provided that the Company will not incur losses in excess of insurance coverage. Claims against the Company, regardless of their merit or eventual outcome, will require the Company's management to devote time to matters unrelated to the operation of the business.

Risk Related to Insurance Renewals

Certain events could make it more difficult and expensive to obtain insurance. When the Company's insurance policies expire, the Company may encounter difficulty in obtaining or renewing insurance on its properties at the same levels of coverage and under similar terms, including limits and deductibles customarily carried for similar properties. Such insurance may be more limited and, for catastrophic risks (for example, earthquake, hurricane, flood and terrorism), may not be generally available to fully cover potential losses. Even if the Company were able to renew its policies at levels and with limitations consistent with its current policies, the Company cannot be sure that it will be able to obtain such insurance at premium rates that are commercially reasonable. If the Company were unable to obtain adequate insurance on its properties for certain risks, it could cause the Company to be in default under specific covenants on certain of its indebtedness or other contractual commitments it has that require the Company to maintain adequate insurance on its properties to protect against the risk of loss. If this were to occur or if the Company were unable to obtain adequate insurance and its properties experienced damages that would otherwise have been covered by insurance, it could adversely affect the Company's business, cash flows, financial condition and results of operations.

Litigation Risks

The Company may, from time to time, become involved in legal proceedings in the course of its business. The costs of litigation and settlement can be substantial and there is no assurance that such costs will be recovered in whole or at all. During litigation involving a borrower in respect of a mortgage provided by the Company, the Company may not be receiving payments of interest on the mortgage that is the subject of litigation, thereby impacting cash flows. The unfavourable resolution of any legal proceedings could have an adverse effect on the Company and its business, cash flows, financial condition and results of operations that could be material. Even if the Company prevails in any such legal proceeding, the proceedings could be costly and time-consuming and may divert the attention of management and key personnel from the Company's business operations, which could have a material adverse effect on the Company's business, cash flows, financial condition and results of operations.

General Economic Conditions

The Company is affected by general economic conditions, local real estate markets, competition from other available rental premises or housing purchase options, including new developments, and various other factors. The value of real property and any improvements thereto depend on the credit and financial stability of residents and the vacancy rates of such properties. The Company is affected by changes in general

economic conditions (such as the availability and cost of financing, inflation, unemployment), local real estate markets (such as an oversupply of space or a reduction in demand for real estate in the area), government regulations, changing demographics, competition from other available rental premises, including new developments, and various other factors. As properties may generate revenue through rental payments made by residents, the inability of residents to pay rent may impact the rent receivables the Company anticipates to receive on its properties The current rate of inflation and increases in interest rates may adversely affect consumer spending and debt levels, and as a result, the Company's financial performance (including, but not limited to, in connection with potential increases in tenant activism related to the foregoing). If, as a result of the foregoing, a significant number of residents are unable to meet their obligations under their leases or if a significant amount of available space in the properties becomes vacant and cannot be leased on economically favourable lease terms, cash available for distribution may be adversely affected. In addition, there is no guarantee that rental rates on renewals of existing rental agreements with residents, or market rents for available suites, will grow at levels similar to increasing rates of inflation, which may cause growth of operating expenditures to outpace growth in revenues.

The global economy may face increasing uncertainty due to trade protectionism, an increase in interest rates, disputes, international conflict and other political and economic events around the world, which could potentially impact international and domestic supply chains, trade, and the global economy at large. This could have an impact on employment in the markets in which the Company operates and in turn have an adverse effect on the Company. In addition, the Company's operating costs could increase further due to inflationary pressures, equipment limitations or other input cost escalations. The Company's inability to control these costs could have an adverse effect on the Company's business, cash flows, financial condition and results of operations.

Reputational Risk

Reputational damage can result from the actual or perceived occurrence of any number of events, and could include any negative publicity, whether true or not. The increased usage of social media and other web-based tools used to generate, publish and discuss user-generated content and to connect with other users has made it increasingly easier for individuals and groups to communicate and share opinions and views, whether true or not. Reputation loss may result in decreased stakeholder confidence and an impediment to the Company's overall ability to advance its business and projects, thereby having a material adverse impact on its financial performance, financial condition, cash flows and growth prospects.

Difficulty in Forecasting

Market opportunity estimates and growth forecasts, whether obtained from third-party sources or developed internally, are subject to significant uncertainty and are based on assumptions and estimates that may not prove to be accurate. The Company's estimates and forecasts relating to the size and expected growth of certain real estate markets and projects, and its target market, market demand, sales forecasts, capacity to address this demand, and pricing, may prove to be inaccurate. The Company must rely largely on its and its development partners' own market research to forecast sales and tenancy as detailed forecasts are not generally obtainable from other sources. A failure in the demand for the Company's products and services to materialize as a result of competition, market changes or other factors could have a material adverse effect on the business, results of operations and financial condition of the Company.

Failure to Manage Growth

The Company anticipates growing demand for the Company's services, including the HomePlan, and such anticipated demand could place significant challenges on the Company's management and resources. The scalability of the Company's business will depend on the Manager's ability to scale its resources, including hiring and retaining qualified personnel. Moreover, as the Company's business grows, the Manager will need

to devote additional resources to improving its internal processes and project management and to continue to enhance its scalability in order to maintain its performance in current markets and to expand into new markets.

As the Company grows, it will be required to continue to improve its operational and financial controls and reporting procedures, and the Manager may not be able to do so effectively. In managing the Company's growing operations, the Manager is also subject to the risks of over-hiring and/or overcompensating its employees and over-committing to its projects. As a result, the Manager may be unable to manage its expenses effectively in the future, which may negatively impact its profit or operating expenses.

As the Company continues to grow and develop, the Company and the Manager must effectively integrate, develop and motivate a growing number of new employees and stakeholders, some of whom may be based in other provinces. In addition, the Company must maintain and adapt its business to these new jurisdictions. As a result, the Company may find it difficult to maintain its vision for growth in homeownership in North America, which could limit the Company's ability to operate effectively.

Illiquidity of Real Estate & Reinvestment Risk

Real estate investments are relatively illiquid and, therefore, tend to limit the Company's ability to adjust its portfolio in response to changes in economic or other investment conditions. To affect the Company's operating strategy, the Company will seek to raise additional funds from time to time, both through outside financing and through the orderly disposition of assets that no longer meet the Company's investment criteria. Depending upon interest rates, current development and acquisition opportunities and other factors, generally the Company will reinvest the proceeds in additional residential real estate investments, although such funds may be employed in other uses. In the markets the Company has targeted for future acquisition of residential real estate investments, there is considerable buying competition from other real estate companies, some of which may have greater resources, experience or expertise than the Company has. In some cases, this competition for acquisition properties will result in an increase in property prices and a decrease in property yields.

Adverse Changes in Laws

Increases in real estate taxes and income, service and transfer taxes, or introductions of new taxes such as a carbon taxes, cannot always be passed through to residential real estate purchasers or tenants in the form of higher sale prices or rents, and may adversely affect the Company's operating results. Similarly, changes or interpretations of existing laws increasing the potential liability for environmental conditions existing on properties or increasing the restrictions on discharges or other conditions, as well as changes in laws affecting development, construction and safety requirements, may result in significant unanticipated expenditures, which could have a material adverse effect on the Company and its business, cash flows, financial condition and results of operations. In addition, rent control or rent stabilization laws or other laws regulating residential real estate leasing, and any changes thereto, limit and may reduce rental revenues or increase operating costs.

Residential tenancy legislation can impose, among other things, rent control guidelines that limit the Company's ability to raise rental rates at its properties. Limits on the Company's ability to raise rental rates at its properties may adversely affect the Company's ability to increase income from its properties. Additionally, residential tenancy legislation, such as in British Columbia, can prescribe certain stringent procedures which must be followed by a landlord in order to terminate a residential tenancy. As certain proceedings may need to be brought before the applicable administrative body governing residential tenancies as appointed under relevant residential tenancy legislation, it may take several months to terminate a residential lease, even where the tenant's rent is in arrears.

Further, residential tenancy legislation may provide the tenant with the right to bring certain claims to the respective administrative body seeking an order to, among other things, compel the landlord to comply with health, safety, housing and maintenance standards. As a result, the Company may, in the future, incur capital expenditures that may not be fully recoverable from tenants. The inability to fully recover substantial capital expenditures from tenants may have a material adverse effect on the Company's business, cash flows, financial condition and results of operations.

Residential tenancy legislation may be subject to further regulations or may be amended, repealed or enforced, or new legislation may be enacted, in a manner that will materially adversely affect the level of earnings of the Company's properties.

Foreign Operations Exchange Risk

In addition to operating in Canada, the Company intends to purchase investment properties and operate in the United States. As a result, the Company could be exposed to foreign currency exchange rate risk with respect to future cash flows derived from the properties located in the United States. The Company's exposure to exchange rate risk could increase if the proportion of income from properties located in the United States increases as a result of property acquisitions.

The United States real estate markets differ from the Canadian environment and experience and expertise in management of one may not apply perfectly to the other. Additionally, the United States market may differ from Canadian markets with respect to laws and regulations, economic conditions and market norms. Operating success in the United States will depend on the Company's ability to recognize these differences and adapt its business model accordingly.

The Company's growth in foreign jurisdictions also requires management oversight and resources that may have been otherwise focused on its Canadian properties.

Geographic Concentration and Local Economic Conditions

The Company's projects are all currently located in British Columbia, in particular Kelowna, British Columbia and southern Vancouver Island, British Columbia. As such, the Company is susceptible to local economic conditions, which impact the supply of and demand for residential properties in this area. If there is a downturn in the local economy, the Company's projects could be materially adversely affected to a greater extent than if the Company's projects were in a more geographically diversified portfolio. An important part of the Company's business plan is based on the belief that property values for residential properties in such markets will improve over the next several years. There can be no assurance as to the extent property values in such markets will remain high or grow. If these markets experience economic downturns in the future, the value of the Company's projects could decline and the Company's ability to execute its business plan may be adversely affected, which could adversely affect the Company's financial condition and operating results.

Lack of Diversification of Investment Assets

By specializing in a particular type of real estate, the Company is exposed to adverse effects on that segment of the real estate market and does not benefit from a broader diversification of its portfolio by property class.

Income Tax Risk

The Company intends to file all required income tax returns and believes that it will be in full compliance with the provisions of the Tax Act and all applicable provincial tax legislation. However, such returns are subject to reassessment by the applicable taxation authority. In the event of a successful reassessment of the Company, whether by re-characterization and development expenditures or otherwise, such reassessment may have an impact on current and future taxes payable.

Public Health Crises

Public health crises relating to any virus, flu, epidemic, pandemic or any other similar disease or illness (each a "Health Crisis") could adversely impact the Company, including through: a general or acute decline in economic activity in the countries and regions in which the Company's properties and investments are located; increased unemployment, reduced immigration, closure of college and university campuses, household consolidation (young adults moving back in with their parents), supply shortages, temporary service disruptions due to illness, the Company or government-imposed isolation programs and restrictions on the movement of personnel, and other mobility restrictions and quarantine measures; increased government regulation, inability to access governmental programs or processes on a timely basis, efficacy of governmental relief efforts; and the quarantine or contamination of one or more of the Company's properties. Contagion in a property or market in which the Company operates could negatively impact its occupancy, reputation or attractiveness of that market. Furthermore, increased government regulation relating to a Health Crisis could result in legislation or regulations that may restrict the Company's ability to enforce material provisions under its leases among other potential adverse impacts. All of these occurrences may have a material adverse effect on the business, cash flows, financial condition and results of operations of the Company, including, but not limited to: the ability to implement rent increases; rent collection and receivables; vacancy levels; mortgage renewals and refinancings on attractive terms; submission and processing of various applications and approvals; deferral of certain capital expenditures and repair and maintenance expenditures; valuation of investment properties; and the Company's ability to meet its debt covenants.

Global Economy Risk

The volatility of global capital markets over the past several years has generally made the raising of capital by equity or debt financing more difficult. The Company may be dependent upon capital markets to raise additional financing in the future. As such, the Company is subject to liquidity risks in meeting its operating expenditure requirements and future cost requirements in instances where adequate cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact the ability to raise equity or obtain loans and other credit facilities in the future and on terms favourable to the Company and its management. If these levels of volatility persist or if there is a further economic slowdown the Company's ability to raise capital and the trading price of the Company's securities could be adversely impacted.

Cybersecurity Risk

The Company uses information technology for general business operations, the effective achievement of strategic business objectives, and to streamline operations. Consequently, the Company faces information technology risk from its continuous adoption and use of information technology. The risk consists of information technology-related events such as cybersecurity incidents that could potentially have an adverse impact on the Company's business, cash flows, financial condition and results of operations, IT systems, operations and tenants. Although the Company makes efforts to maintain the security and integrity of its IT networks and related systems and has implemented various measures to manage the risk of a security breach or disruption, there can be no assurance that these security efforts will be effective or that attempted security breaches or disruptions will not be successful or damaging.

A cyber incident is considered to be any adverse event that threatens the confidentiality, integrity or availability of the Company's information resources. More specifically, a cyber-incident is an intentional attack or an unintentional event that can include gaining unauthorized access to information systems to disrupt operations, corrupt data or steal confidential information. As the Company's reliance on technology increases over time, so will the risks posed to its systems. The Company's primary risks that could directly result from the occurrence of a cyber-incident include operational interruption, damage to its reputation, damage to the Company's business relationships and disclosure of confidential information regarding the

purchaser or tenants of its properties. The Company has implemented processes, procedures and controls to help mitigate these risks, but these measures, as well as its increased awareness of a risk of a cyber-incident, do not guarantee that its financial results will not be negatively impacted by such an incident.

Non-GAAP Measures

The Company's financial statements are prepared in accordance with IFRS Accounting Standards. Throughout this MD&A, we refer to terms known as non-GAAP financial measures and supplementary financial measures that are not specifically defined in IFRS Accounting Standards. These non-GAAP financial measures and supplementary financial measures may not be comparable to similar measures presented by other companies.

We believe that these non-GAAP financial measures and supplementary financial measures are useful in assisting investors in understanding components of our financial results. The non-GAAP financial measures and supplementary financial measures that we refer to in this MD&A are defined below.

Calculations and definitions

Average annualized contractual recurring cash flow from income-producing housing assets

Management uses average annualized contractual recurring cash flow from income-producing housing assets as a key performance measure to evaluate the Company's ability to generate recurring cash flows from its rental portfolio. Average Annualized contractual recurring cash flow from income-producing housing assets is a supplementary financial measure that indicates recurring cash inflows for the Company, including rental income and sub-lease income based on a run rate as of a particular date. Specifically, average annualized contractual recurring cash flow is calculated as the sum of (i) the average annual rental rate per square foot for occupied units as of the applicable period end date multiplied by the aggregate square footage rented as of such date, plus (ii) the average monthly sub-lease per unit as of the period end date annualized and multiplied by the number of units subject to a sub-lease as of such date. Average annualized contractual recurring cash flow does not have a standardized meaning under IFRS and may not be comparable to similar measures presented by other companies.

As of:	June 30, 2026	March 31, 2026	December 31, 2025	September 30, 2025	June 30, 2025
Square feet rented	**98,118**	**84,235**	90,717	96,890	97,543
Average annual rent per square foot	**$33.28**	**$33.47**	$34.04	$35.57	$35.46
Annualized recurring rent cash flow	**3,265,367**	**2,819,345**	3,088,007	3,446,377	3,458,875
Units sublet	**27**	**27**	28	27	28
Average monthly sub-lease per unit	**$460**	**$460**	$460	$460	$460
Number of months	**12**	**12**	12	12	12
Annualized recurring sub-lease cash flow	**149,040**	**149,040**	154,560	149,040	154,560
Average Annualized contractual recurring cash flow	**3,414,407**	**2,968,385**	3,242,567	3,595,417	3,613,435

At June 30, 2026, the Company increased square feet rented, increasing average annualized contractual recurring cash flow from rental income producing housing assets by $0.45 million since March 31, 2026.

In the year ended June 30, 2026, while the Company had increased overall square feet rented, the competitive Kelowna market necessitated a different approach to marketing homes for rent. The Company provided incentives which decreased the overall rent per square from $35.46 to $33.28. Overall average annualized contractual recurring cash flow decreased $0.20 million.

The Company expects its average annualized contractual recurring cash flow to increase later in 2026 as additional rental community housing units are completed and tenanted.