Management Discussion & Analysis

Year ended December 31, 2025

April 21, 2026

General and Forward-Looking Statements Disclaimer

General

The following Management's Discussion and Analysis ("MD&A") provides an explanation of the financial position, operating results, performance and outlook of Yorkton Equity Group Inc. (the "Company" or "Yorkton") as at and for the fiscal year ended December 31, 2025.

This MD&A should be read in conjunction with the Company's audited consolidated financial statements and the accompanying notes for the fiscal years ended December 31, 2025 and 2024 (the "Financial Statements"). The Financial Statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board (the "IASB"). All amounts are expressed in Canadian dollars.

This MD&A has been reviewed and approved by the Audit Committee and the Board of Director's of the Company and is effective as of April 21, 2026.

The Financial Statements and additional information about the Company can be found on SEDAR+ at www.sedarplus.ca. Such additional information is not incorporated by reference herein, unless otherwise specified, and should not be deemed to be part of this MD&A.

Unless indicated otherwise, references herein to 2025 and 2024 refers to the fiscal years ended December 31, 2025 and 2024, respectively and references herein to Q4 2025 and Q4 2024 refers to the three months ended December 31, 2025 and 2024, respectively. References to Q3 2025 refers to the three months ended September 30, 2025.

Forward-Looking Statements Disclaimer

Certain information included in this MD&A contains forward-looking statements and information (collectively "forward-looking statements") within the meaning of applicable securities laws. These forward-looking statements include, but are not limited to, statements made concerning Yorkton's objectives, including, but not limited to, the outlook, increasing its occupancy rates, and future acquisition opportunities, and its long-term secure and aggressive growth strategy, its strategies to achieve those objectives, the anticipated impact of inflation and rising interest rates, as well as statements with respect to management of the Company's beliefs, plans, estimates, assumptions, intentions, and similar statements concerning anticipated future events, results, circumstances, performance, or expectations that are not historical facts. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "outlook", "objective", "may", "will", "would", "expect", "intend", "estimate", "anticipate", "believe", "should", "plan", "continue", or similar expressions suggesting future outcomes or events. Such forward-looking statements reflect management of the Company's current beliefs and are based on information currently available to management of the Company at the time such statements are made. Management of the Company's estimates, beliefs, and assumptions are inherently subject to significant business, economic, competitive, and other uncertainties and contingencies regarding future events and as such, are subject to change. All forward-looking statements in this MD&A are qualified by these cautionary statements.

Forward-looking statements are not guarantees of future events or performance and, by their nature, are based on the Company's current estimates and assumptions, which are subject to risks and uncertainties, including those described under the heading "Risks and Uncertainties", which could cause actual events or results to differ materially from the forward-looking statements contained in this MD&A. Those risks and uncertainties include, but are not limited to, those related to liquidity in the global marketplace associated with current economic conditions, tenant terminations and financial stability, competition for tenants, competition for real estate investments, changes to current government regulations, occupancy levels, access to debt and equity capital, changes to Canada Mortgage and Housing Corporation ("CMHC") rules regarding mortgage insurance, interest rates, the relative illiquidity of real property, unexpected costs or liabilities related to acquisitions, environmental matters, uninsured perils, legal matters, the duration and severity of future pandemics, and reliance on key personnel. This is not an exhaustive list of the factors that may affect the Company's forward-looking statements. Other risks and uncertainties not presently known to the Company could also cause actual results or events to differ materially from those expressed in its forward-looking statements. Material factors or assumptions that were applied in drawing a conclusion or making an estimate set out in the forward-looking statements may include, but are not limited to, the impact of economic conditions in Canada and globally, the Company's future growth potential, prospects and opportunities, the general rental environment, relatively stable interest costs, access to equity and debt capital markets to fund (at acceptable costs), the future growth program to enable the Company to refinance debts as they mature, the availability of purchase opportunities for growth in Canada, the impact of accounting principles under IFRS, general industry conditions and trends, changes in laws and regulations including, without limitation, changes in mortgage rules, increased competition, the availability of qualified personnel, fluctuations in interest rates, and stock market volatility. Although the forward-looking statements contained in this MD&A are based upon what management of the Company believes are reasonable assumptions, there can be no assurance actual results will be consistent with these forward-looking statements and no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur at all, or if any of them do so, what benefits that the Company will derive from them. As such, undue reliance should not be placed on forward-looking statements.

Except as required by applicable law, the Company undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

Business Overview

Based in Edmonton, Alberta, Yorkton is a Canadian growth-oriented real estate company which primarily owns a portfolio of multi-family rental properties in Alberta and British Columbia. Yorkton's current geographical focus is in markets in Western Canada with diversified, growing economies, and strong population in-migration. The Company continues to monitor economic trends across Canada and may expand its property acquisitions into other provinces in the future as opportunities align with its strategic objectives.

The Company's common shares are publicly traded and listed on the TSX Venture Exchange ("TSXV") under the symbol "YEG".

Strategy and Objectives

Yorkton is committed to meeting the needs of its customers which the Company believes will provide the Company's shareholders with long-term growing assets and stable income.

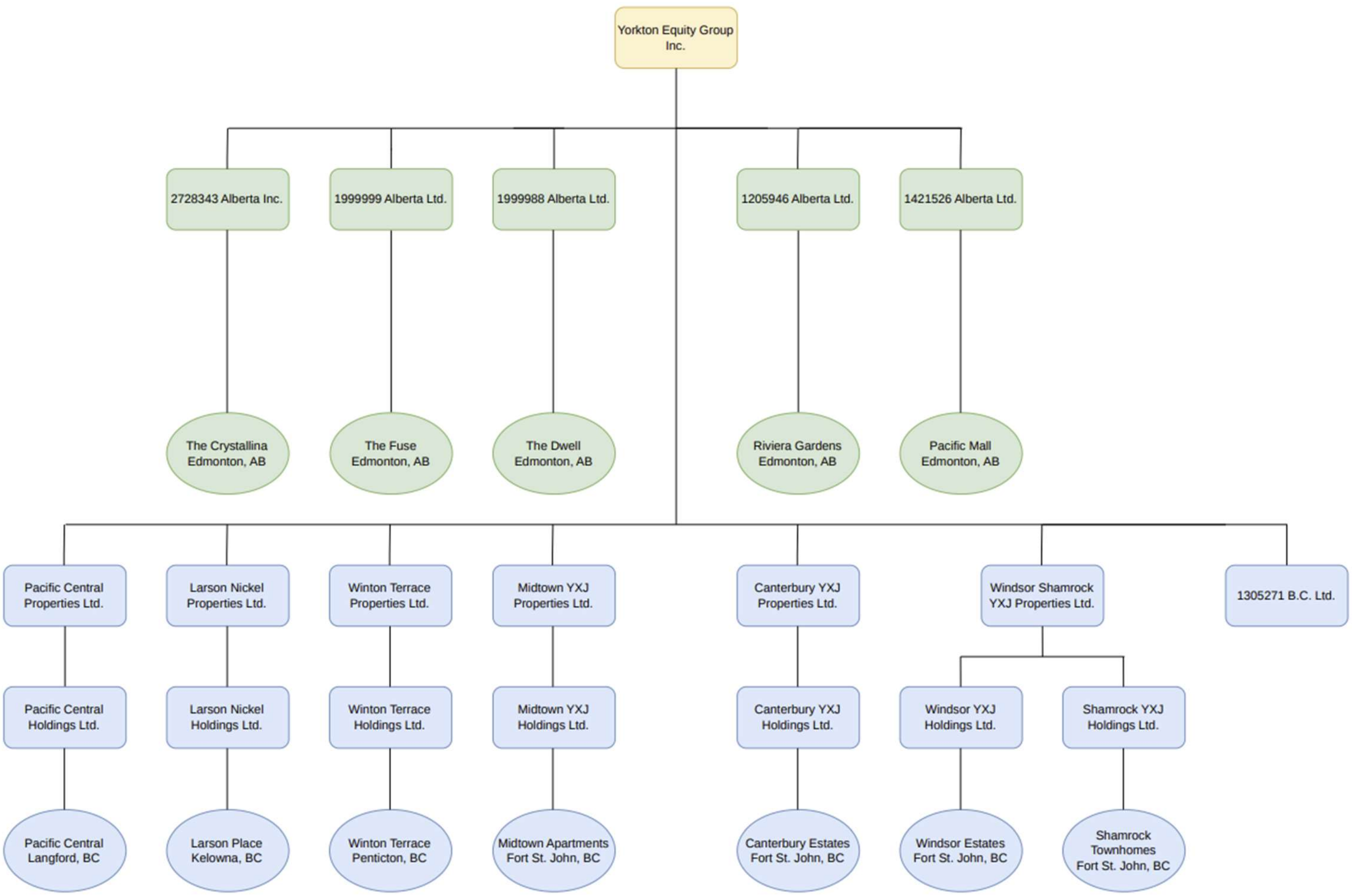
Yorkton's business objective is to create a portfolio of high-quality, multi-family rental properties that generate strong cash flow and appreciation for our shareholders, while offering attractive and comfortable housing options for our valued residents, guided by a customer-focused philosophy. To achieve this, the Company targets high quality and affordable residential rental properties in Canadian markets characterized by strong growth potential, diverse and expanding economies, significant population in-migration, high housing demand and low vacancy rates. The Company's current focus is in Alberta, due to its affordable housing, low cost of living, fewer regulations around rent control, and strong job market, with the highest median income among all provinces and second only to the northern territories. The Company finances these acquisitions with long-term mortgage loans insured by CMHC, which provides access to stable, low-cost financing at favourable interest rates.

Company Formation and Structure

The Company was incorporated on March 4, 2016 under the Business Corporations Act (Alberta). The Company completed a reverse acquisition of 1421526 Alberta Ltd. ("Yorkton Pacific Mall") on November 17, 2020.

The principal office of the Company is located at 3165 Manulife Place, 10180 – 101 Street NW Edmonton, Alberta, T5J 3S4 and its registered office is located at 1700, 10175 – 101 Street NW Edmonton, Alberta, T5J 0H3.

The following diagram illustrates the corporate structure as at the date of this MD&A:



Overview of 2025

The Company's focus is to create a portfolio of high-quality, multi-family rental properties that generate strong cash flow and appreciation. For these residential properties, during 2025, as compared to 2024, Yorkton reported:

- an increase in total rental revenue of 4%;
- an increase in net operating income 3%;
- a consistently high average occupancy rate of 96% in 2025 and 98% in 2024; and
- an increase in the average monthly rental rate of 6%.

During the year ended December 31, 2025, management implemented operational efficiency improvements across its residential portfolio to improve the performance of existing operations. These improvements focused on the residential properties in Edmonton, Alberta where there are fewer regulations around rent control. As tenant leases came up for renewal, rents were adjusted to align with prevailing market rates. This strategic adjustment led to higher tenant turnover, initially resulting in increased vacancy losses and elevated maintenance costs associated with unit repairs and refreshes. Management expects these effects will stabilize as the portfolio benefits from the increased rental rates and occupancy improves.

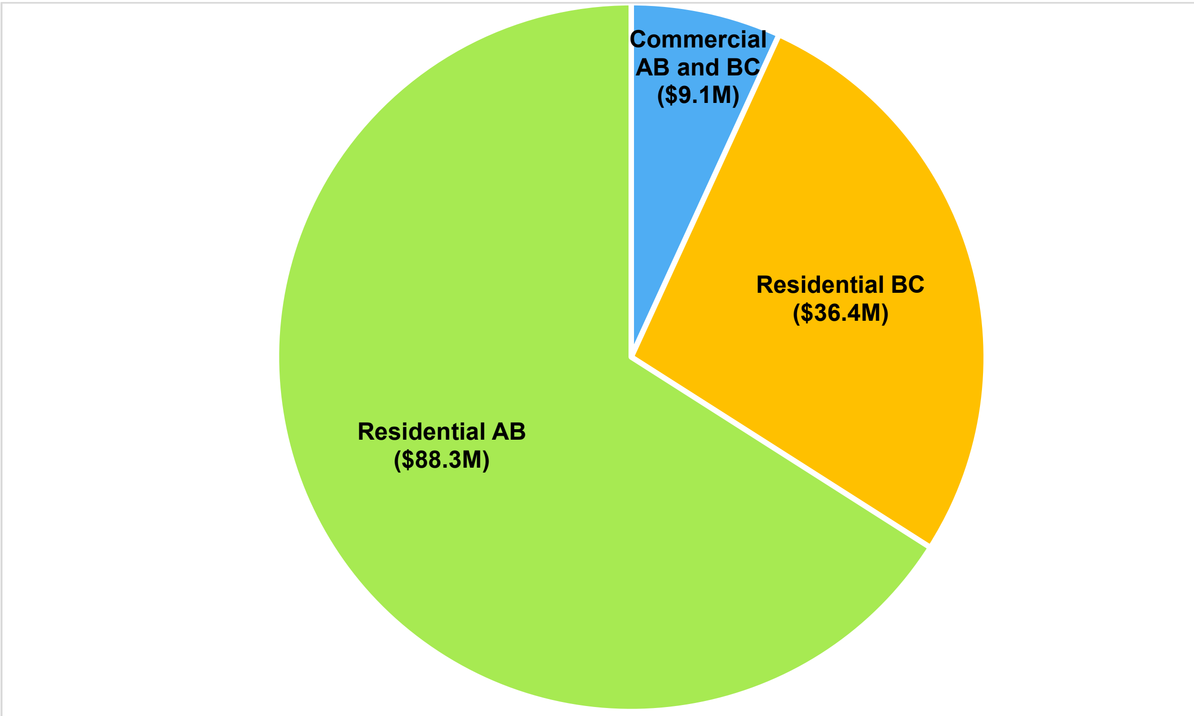
In Q1 2025, management focused on optimizing operations at the recently acquired FUSE property, which had been acquired at an attractive valuation due to historical underperformance and below-market rental rates. Management saw potential to improve the property's performance through focused operational optimization and disciplined execution. This strategy has proven effective, with the FUSE achieving an increase in annual average monthly rental income per unit of approximately 7% in 2025, as compared to 2024. The FUSE has also maintained a strong average occupancy level of 98% from April to December 2025.

Building on this success, similar optimization initiatives were implemented at the Riviera Gardens and The Dwell properties beginning in Q2 2025. These initiatives further reflect the effectiveness of the Company's management team and its focus on operational efficiencies. Riviera Gardens achieved an increase in annual average monthly rental income per unit of 13% in 2025, as compared to 2024. In addition, the property's average occupancy improved to 92% from July to December 2025. The Dwell achieved an increase in annual average monthly rental income per unit of 5% in 2025, as compared to 2024, and its average occupancy improved to 96% from July to December 2025.

For the Company's Alberta commercial property, rental revenue and net operating income was not significant during 2025 and 2024. Management is currently assessing the performance of this property and exploring alternatives to optimize its potential.

Overall, the Company reported a net loss and comprehensive loss of $1,520,967 for 2025. This loss was primarily driven by a decrease in the fair value of land held for development of $870,000 and commercial property of $2,404,490, partially offset by an increase in the fair value of residential properties of $1,871,321. The decrease in the fair value of land held for development was due to lower recent comparable market transactions. The decline in the fair value of the commercial property was primarily attributable to higher estimated future operating costs as the property ages, as well as changes in tenant rental rates during the year. The increase in the fair value of the residential properties was mainly driven by the operational improvements discussed above, along with continued strength in rental demand and associated increases in market rents, particularly in Edmonton, Alberta.

The below chart illustrates the allocation of the value of Yorkton's investment properties as at December 31, 2025:



As at December 31, 2025, the total value of Yorkton's residential units is $124,636,000 ($88,260,000 in Alberta and $36,376,000 in British Columbia, which excludes a commercial unit located within a residential property in British Columbia) and the total value of Yorkton's land held for development and commercial property located in Alberta, and commercial unit located within a residential property in British Columbia is $9,154,000 ($8,730,000 in Alberta and $424,000 in British Columbia).

As at December 31, 2025, the Company wholly-owned ten (10) multi-family rental properties, comprising 518 residential units and one (1) commercial unit, in the Provinces of Alberta and British Columbia. The Company's residential properties include townhouses and low and mid-rise apartments located in Alberta (Edmonton) and British Columbia (Kelowna, Langford (Metro Victoria), Penticton, and Fort St. John). As at December 31, 2025, 95% of the Company's residential units were rented and the remaining 5% were vacant due to normal tenant turnover, and the Company's one (1) commercial unit located within a residential property was occupied with a commercial lease.

As at December 31, 2025, the Company wholly-owned one (1) commercial rental property with an adjacent parking lot held for development located in Edmonton, Alberta, comprising net leasable area of 28,026 square feet, which is a retail and commercial mall, with an approved mixed-use development of 296 apartment units on two high-rise towers on the adjacent parking lot. As at December 31, 2025, 86% of the Company's commercial space was rented and the remaining 14% is available for lease.

On January 3, 2025, the Company entered into an asset purchase agreement (the "Asset Purchase Agreement") to sell certain restaurant assets to an arm's-length party (the "Purchaser") for total consideration of $483,030. In connection with the Asset Purchase Agreement, on January 10, 2025, the Company entered into a new five (5) year lease agreement with the Purchaser for the restaurant premises located within the Company's commercial property. In addition, effective January 31, 2025, the Company and the existing tenant of the restaurant (the "Former Tenant") entered into a lease surrender agreement (the "Lease Surrender Agreement"), pursuant to which the Former Tenant surrendered the lease and vacated the restaurant premises prior to the original lease expiry date.

On February 7, 2025, the Company entered into a loan agreement with Lui Holdings Corp. ("Lui Holdings"), a company directly controlled by Ben Lui, to borrow $1,400,000. The loan bears interest at an annual rate of 3.05%, with interest payable monthly. The principal is repayable on demand. The loan proceeds were primarily used to fund the deposit required for the acquisition of The Crystallina (see Subsequent events section below for further details).

During the year ended December 31, 2025, the Company entered into a credit agreement establishing a demand operating loan facility of up to $700,000 and an investment margin facility which permits borrowings of up to 90% of certain guaranteed investment certificates included in restricted cash. Amounts drawn on the facilities were fully repaid during the year, and the demand operating loan facility was closed on October 20, 2025.

On June 6, 2025, the Company received acceptance from the TSX Venture Exchange to commence a normal course issuer bid (the "NCIB") to repurchase, for cancellation, up to an aggregate of 5,634,028 common shares of the Company. The funds used to repurchase the common shares of the Company pursuant to the NCIB will only come from cash provided by operating activities of the Company. The NCIB will expire on June 5, 2026.

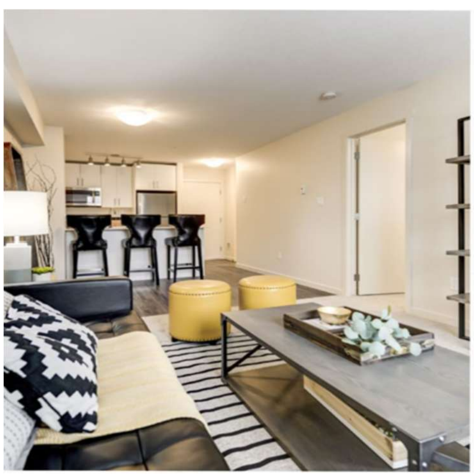
During the year ended December 31, 2025, the Company repurchased and cancelled 52,500 of its common shares under the NCIB at a weighted average price of $0.20 per common share, for total consideration of $10,817, including commissions.

On November 18, 2025, 559,905 common share purchase options with an exercise price of $0.20 per common share expired unexercised.

During 2025, one (1) new commercial tenant was secured in the Company's commercial property in Edmonton on a five (5) year lease, for 1,000 square feet of space. The tenant has substantially completed the renovation and is currently awaiting the necessary business license. Rent is expected to commence upon receipt of the required license.

Subsequent events

On January 15, 2026, the Company closed on the acquisition of "The Crystallina".



The Crystallina is a one hundred and eighty-four (184) unit multi-family residential complex constructed in 2016 and comprising of three condominium quality buildings and a free standing amenity building, situated on approximately 3.81 acres of land located in the Crystallina Nera East neighborhood of Edmonton, Alberta with a purchase price of $46,000,000. As part of the financing of the acquisition of the property, the Company obtained a CMHC insured mortgage on The Crystallina of $44,348,786, inclusive of financing costs, that bears interest at a fixed rate of 3.692% for a 5-year term and is amortized over fifty (50) years. The mortgage is secured by the property, general assignment of rent, specific assignment of present and future leases of the property, and general security agreement. In connection with the acquisition, the Company incorporated 2728343 Alberta Inc. to hold the property. As a condition on its mortgage payable, 2728343 Alberta Inc. is required to maintain a minimum of 80% of the units in The Crystallina as "affordable units", as defined by the CMHC, with residential rents at or below 30% of the median renter income in Edmonton, Alberta at the time of the issuance of the COI and with allowable annual increases according to the CPI as stipulated by Statistics Canada for Alberta.

Subsequent to December 31, 2025, the Company completed a refinancing of certain investment properties, resulting in an equity take-out and new mortgage financing. The mortgage payable has a principal balance of $2,274,949, bears interest at a fixed annual rate of 3.830%, is amortized over 35 years, and matures on June 1, 2027. The lender, at its sole discretion, may extend the term by up to one (1) additional year for the purpose of aligning the mortgage payable with its securitization requirements. The mortgage is secured by the property, general assignment of rent, specific assignment of present and future leases of the property, site specific general security agreement, and a personal guarantee from the CEO of the Company equal to 100% of the loan. In addition, as a condition on the mortgage payable, Windsor YXJ Holdings Ltd. and Shamrock YXJ Holdings Ltd. are required to maintain a minimum of 40% of the units in the property as "affordable units", as defined by the CMHC, with residential rents at or below 30% of the median renter income in Fort St. John, British Columbia at the time of the issuance of the COI and with allowable annual increases according to the CPI as stipulated by Statistics Canada for British Columbia.

Subsequent to December 31, 2025, the Company initiated an active program to sell a residential investment property, which represents approximately 4% of the Company's total investment property portfolio. The Company expects the transaction to complete within 12 months, and the property is expected to meet the criteria for classification as an asset held for sale under IFRS 5.

Outlook

Management believes the continued population growth in Alberta supports a positive outlook for the Company. Yorkton remains focused on the disciplined acquisition of multi-family rental properties in Alberta, a market that continues to benefit from in-migration driven by relative affordability and lower cost of living compared to other major Canadian markets, an increasingly diversified and resilient economy, and favourable labour market conditions. Alberta household incomes also remain among the highest in Canada.

Alberta has recently experienced one of the strongest population growth rates in Canada, with Edmonton (the capital of Alberta) in particular benefiting from sustained in-migration. Management expects that these demographic trends will continue to support demand for rental housing, and believes the Company is well positioned to capitalize on these conditions, supported by established lender relationships and access to CMHC funding programs.

Rental market conditions in Alberta have been supported in recent years by population growth outpacing new housing supply, contributing to elevated rental growth. More recently, increasing development activity has begun to add new supply in certain markets and is expected to moderate the rate of rent growth from prior elevated levels.

In response to evolving market conditions, the Company continues to emphasize disciplined tenant selection through established screening procedures (including background checks and credit checks), to support tenant quality and mitigate credit risk. The Company also continues to invest in the upgrading of its property portfolio, with a focus on maintaining a competitive offering through newer and more desirable rental properties, as evidenced by the acquisition of The Crystallina in January 2026 (see "Subsequent events" in "Overview of 2025" section above for additional details). In addition, the Company has recently upgraded its property management system to help automate tenant service requests and streamline leasing processes, which management expects will improve operational efficiency, tenant satisfaction, and leasing activity in a more competitive environment.

Alberta remains a non-rent-controlled jurisdiction. The only restriction is that a landlord may only increase rents for existing tenants once every twelve months, with no restriction on the amount of the increase. As a result, the Company has greater flexibility to align rents with market conditions. Certain "affordable units" remain subject to CPI-based rent increase limitations under CMHC-insured mortgage terms. See "Financing" in the "Liquidity & Capital Resources" section below for additional details.

The Company is managing operating cost pressures, which may moderate net operating income ("NOI") growth, through ongoing streamlining of property operations and investment in cost-saving measures and technologies, consistent with its broader focus on operational efficiency and the initiatives described above.

Further, management continues to evaluate potential new acquisitions to grow its portfolio, performing a careful and thorough due diligence process that considers not only the financial strength of the individual properties but also their integration with the Company's overall investment property portfolio and business model. The acquisition of The Crystallina, discussed above, reflects this strategy and is expected to contribute to improved operational performance and NOI growth over time.

Management continues to monitor macroeconomic and industry developments, including CMHC program changes, geopolitical and trade-related risks, government policy developments, and interest rate trends. While the operating environment remains uncertain, management believes that the multi-family rental sector remains resilient and is supported by strong fundamentals, and that Yorkton is well positioned to navigate evolving risks and execute on its long-term strategy.

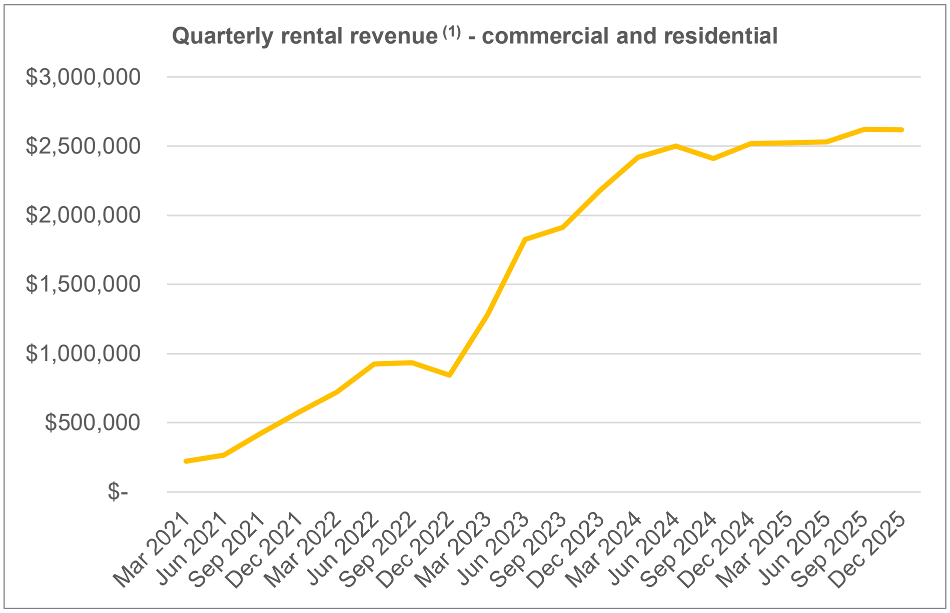
Selected Annual Information and Discussion of Operations

As at December 31	**2025** **$**	2024 $	2023 (1) $
Net operating income	**6,074,571**	5,773,276	4,280,837
Loss before other income	**(10,381)**	(150,981)	(18,009)
Loss per share, before other income (basic and diluted)	**(0.00)**	(0.00)	(0.00)
Fair value adjustment on investment property	**(1,403,169)**	7,947,369	4,161,301
Interest income	**65,984**	13,667	18,241
Income tax expense	**(173,401)**	(1,242,774)	(723,573)
Net and comprehensive (loss) income	**(1,520,967)**	6,567,281	3,437,960
Net (loss) income per share (basic and diluted)	**(0.01)**	0.06	0.03
Cash provided by operating activities	**5,131,572**	4,827,999	3,630,554
Cash (used in) provided by financing activities	**(3,502,623)**	(4,777,257)	62,339,747
Cash used in investing activities	**(1,603,683)**	(466,976)	(68,145,932)
Total assets	**137,373,976**	137,076,628	129,051,683
Working capital deficit	**(14,812,169)**	(3,297,950)	(2,859,582)
Total non-current liabilities	**90,379,829**	100,167,784	99,033,610
Weighted average number of common shares outstanding (basic and diluted)	**112,662,796**	112,680,574	112,698,769

Note:

(1) The prior period amounts have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect the net and comprehensive income.

Rental revenue



Note:

(1) The prior period amounts have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect the net and comprehensive income.

Total rental revenue increased by $445,211 or 4.5% to $10,292,647 in 2025 compared to $9,847,436 in 2024.

The increase was driven primarily by higher average monthly residential rents, which rose by 6% during the year ended December 31, 2025. The rent increase reflects the effectiveness of management in optimizing operations during 2025 and was supported by strong rental demand in Edmonton, Alberta, where there has been a rapidly expanding population from interprovincial and international immigration, a resilient economy, a robust labor market, affordable housing costs and fewer regulations around rent controls compared to other markets in Canada.

In addition, there was an increase in rental revenue from the Commercial Property as a result of new leases signed during the year ended December 31, 2025.

Net Operating Income

	Residential Properties		
For the year ended December 31,	**2025**	**2024**	**% change**
Rental revenue	**$ 9,486,562**	$ 9,152,101	4%
Direct operating costs	**(3,634,005)**	(3,478,004)	5%
Net operating income	**$ 5,852,557**	$ 5,674,097	3%
Operating margin	**62%**	62%	-
Average occupancy rate	**96%**	98%	(2%)
Weighted average number of units	**518**	518	-
Average rental revenue per unit/per month(1)	**$ 1,586**	$ 1,501	6%
Average direct operating costs per unit/per month(2)	**$ 585**	$ 560	5%

Notes:

(1) The average rental revenue per month per occupied weighted average number of units.

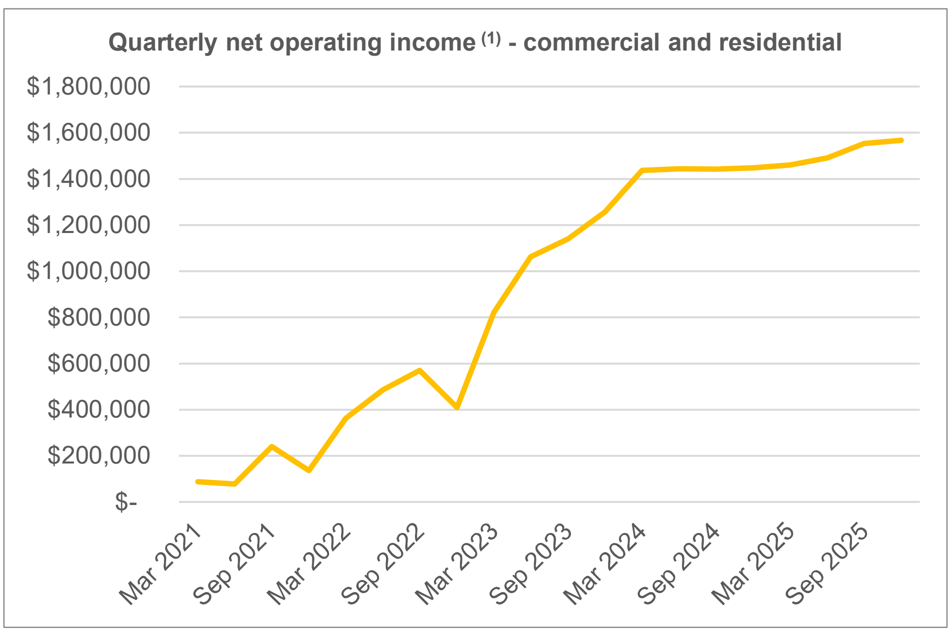
(2) The average direct operating costs per month per weighted average number of units.

For the year ended December 31,	Commercial Property 2025	2024	% change
Rental revenue	**$ 375,927**	$ 240,555	56%
Recovery of operating expenses	**430,158**	454,780	(5%)
Direct operating costs	**(584,071)**	(596,156)	(2%)
Net operating income	**$ 222,014**	$ 99,179	124%
Operating margin	**28%**	14%	93%
Average occupancy rate	**88%**	86%	2%
Weighted average number of sq feet	**28,026**	28,026	-
Average rental revenue per sq foot per month(1)	**$ 1.27**	$ 0.83	53%
Average direct operating costs per sq foot per month(2)	**$ 1.74**	$ 1.77	(2%)

Notes:

(1) The average rental revenue excludes the recovery of operating expenses and is calculated as the average rental revenue per month per occupied weighted average number of square feet.

(2) The average direct operating costs are substantially recovered, other than for vacant units, from the tenants of the Commercial Property and are calculated as the average direct operating costs per month per weighted average number of square feet.



Note:

(1) The prior period amounts have been reclassified, where applicable, to conform to the presentation used in the current period. The changes do not affect the net and comprehensive income.

Net operating income increased by $301,295 or 5.2% to $6,074,571 in 2025 as compared to $5,773,276 in 2024. The increase is primarily a result of the improvements in the results of the Residential Properties in 2025

In 2025, the net operating income from the Residential Properties was $5,852,557 as compared to $5,674,097 in 2024. This was primarily driven by increases in average monthly rent of 6%. During 2025, the increases in rental revenue were partially offset by higher direct operating costs, arising from maintenance costs associated with unit repairs and refreshes during tenant turnover at The FUSE and Riviera Gardens, as the Company focused on improving the properties' operations and rental rates (discussed in the "Overview of 2025" section above). Net operating income from the Residential Properties is expected to continue improving. This is due to management's successful efforts to stabilize rental rates in line with current market levels, the anticipated continued increases in rental rates in Alberta and British Columbia driven by strong demand, and the expected further streamlining of property operations.

In 2025, the net operating income from the Commercial Property was $222,014 as compared to $99,179 in 2024. Rental revenue increased due to new tenant leases, including the recent change of tenant in the restaurant premises related to the Asset Purchase Agreement (discussed in the "Overview of 2025" section above). There was no significant change in operating expenses.

Financing costs

Financing costs were consistent and were $4,930,367 in 2025 compared to $4,896,239 in 2024.

The Company did not take on any additional mortgage financing in 2025 and continues to paydown the mortgage principal with the net operating income generated by the investment properties. There was no change in the principal outstanding on the convertible debentures in 2025 and certain convertible debentures, which bear interest at a variable rate (as discussed in the "Liquidity & Capital Resources" section below), have seen a decrease in their interest rate due to decreases in the prime rate in 2025.

On February 7, 2025, the Company received a $1,400,000 loan from Lui Holdings, as discussed in the "Overview of 2025" section above. The loan bears interest at a favourable rate of 3.05%. During 2025, the Company incurred interest expense of $38,138 (2024 - $Nil) on the loan payable.

During the year ended December 31, 2025, the Company entered into a credit agreement establishing a demand operating loan facility of up to $700,000 and an investment margin facility which permits borrowings of up to 90% of certain guaranteed investment certificates included in restricted cash. Amounts drawn on the facilities were fully repaid during the year, and the demand operating loan facility was closed on October 20, 2025. During the year ended December 31, 2025, the Company incurred interest expense of $7,171 (2024 - $Nil), on the facilities.

The Company finances the purchase of its Residential Properties with long-term mortgage loans insured by CMHC, which provides access to stable, low-cost financing at favourable interest rates, and finances its Commercial Property with a short term mortgage loan, which gives it additional flexibility to manage the debt.

General and administration

General and administration expense increased to $1,136,904 in 2025 as compared to $1,009,775 in 2024, an increase of $127,129 or 12.6%. As a percentage of rental revenue, general and administration expense was higher at 11.0% in 2025 as compared to 10.3% in 2024.

The changes in 2025 as compared to 2024 was primarily a result of:

- an increase of $71,776 in professional fees, primarily from legal services;
- an increase of $265,265 in the administration and accounting fee, related to an agreement, renewed effective January 1, 2025, between the Company and Lui International Group Inc., to provide administrative and accounting services necessary to manage the operations of Yorkton;
- a decrease of $34,108 in share-based compensation, as no new stock options were granted during 2025; and
- a net recovery of bad debt of $222,558 related to the transactions described in the "Overview of 2025" section above for the restaurant premises lease and the Asset Purchase Agreement. The Company has accounted for these transactions based on their economic substance, which is the repayment of outstanding accounts receivable.

Depreciation

Depreciation is not significant and was $17,681 in 2025 as compared to $18,243 in 2024. Depreciation is taken on the Company's equipment and intangible asset. In 2025, the Company acquired equipment with a cost of $Nil (2024 - $10,000) and an intangible asset with a cost of $22,768 (2024 - $20,364).

Fair value adjustment on investment properties

The fair value adjustment on investment properties reflects the changes in the fair market values of the Company's investment properties. During 2025, the Company recognized an overall net decrease of $1,403,169 in the fair market value of its investment properties (2024 – net increase of $7,947,369).

This was comprised of:

- an overall increase in the fair market value of the residential investment properties of $1,871,321 (2024 - $7,895,943), primarily driven by continued strength in rental demand and associated increases in market rents;
- a decrease in the fair market value of the land held for development of $870,000 (2024 - $Nil) reflecting recent comparable market transactions; and
- a decrease in the fair market value of the commercial investment property of $2,404,490 (2024 – increase of $51,426) due primarily to higher estimated operating costs and changes in tenant rental rates during the year.

Deferred income tax expense

Deferred income tax expense was $173,401 in 2025 (2024 – $1,242,774). Deferred income tax expense arises from temporary differences between the accounting carrying values and tax bases of the Company's assets and liabilities.

During 2025, deferred tax expense was primarily driven by differences related to the Company's investment properties, including the ongoing impact of capital cost allowance claimed for tax purposes in excess of accounting depreciation, partially offset by changes in the fair value of investment properties recognized during the year. In 2024, deferred tax expense was primarily attributable to the increase in the fair value of the Company's residential investment properties.

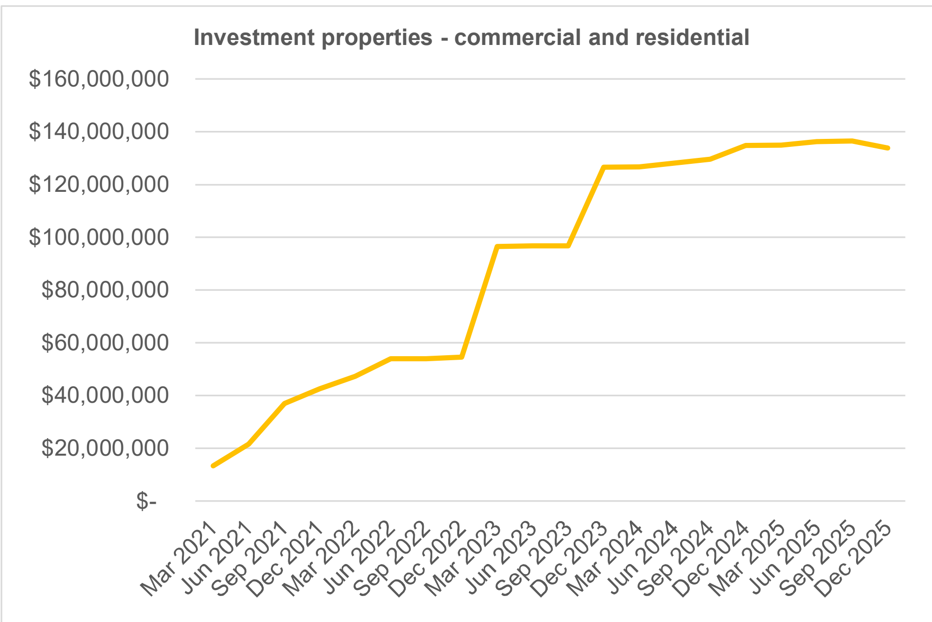
Interest income

Interest income is not significant and was $65,984 in 2025 as compared to $13,667 in 2024. Interest income primarily relates to interest earned on cash and cash equivalents held at a financial institution.

Total Assets

Total assets did not significantly change and were $137,373,976 at December 31, 2025, as compared to $137,076,628 at December 31, 2024. There was an increase of $1,395,914 from the deposit paid for the acquisition of The Crystallina (see "Subsequent events" in "Overview of 2025" section above for further details), partially offset by a decrease of $1,050,000 in the fair market value of the investment properties in 2025.

The aggregate value of the Residential Properties and Commercial Property as at December 31, 2025 was $133,790,000 compared to $134,840,000 on December 31, 2024.



Summary of Quarterly Results

Quarter ended	December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025
Net operating income	$ 1,568,053	$ 1,553,452	$ 1,492,151	$ 1,460,915
(Loss) income before other income	(26,093)	(53,477)	(141,058)	210,247
(Loss) income per share, before other income (basic and diluted)	(0.00)	(0.00)	(0.00)	0.00
Fair value adjustment on investment properties	(2,827,726)	100,000	1,324,557	-
Interest income	20,693	16,377	25,333	3,581
Income tax recovery (expense)	331,290	-	(504,691)	-
Net and comprehensive (loss) income	(2,501,836)	62,900	704,141	213,828
Net (loss) income per share (basic and diluted)	(0.02)	0.00	0.01	0.00
Total assets	$ 137,373,976	$ 140,167,643	$ 139,791,342	$ 138,496,747
Weighted average number of common shares outstanding (basic and diluted)	112,633,944	112,657,020	112,680,574	112,680,574

Quarter ended	December 31, 2024	September 30, 2024 (1)	June 30, 2024 (1)	March 31, 2024 (1)
Net operating income	$ 1,448,412	$ 1,442,609	$ 1,444,170	$ 1,438,085
Loss before other income	(36,523)	(56,603)	(56,913)	(942)
Loss per share, before other income (basic and diluted)	(0.00)	(0.00)	(0.00)	(0.00)
Fair value adjustment on investment properties	5,078,433	1,470,918	1,398,018	-
Interest income	1,306	96	10,285	1,980
Income tax expense	(709,134)	(228,615)	(305,025)	-
Net and comprehensive income	4,334,082	1,185,796	1,046,365	1,038
Net income per share (basic and diluted)	0.04	0.01	0.01	0.00
Total assets	$ 137,076,628	$ 131,934,398	$130,238,194	$ 128,981,722
Weighted average number of common shares outstanding (basic and diluted)	112,680,574	112,680,574	112,680,574	112,680,574

Note:

(1) The prior period amounts have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect the net and comprehensive income.

Highlights of the Company's financial results for the fourth quarter ended December 31, 2025:

- Rental revenue was $2,618,328 in Q4 2025 as compared to $2,619,863 in Q3 2025 and $2,518,627 in Q4 2024. The increase between Q4 2025 and Q4 2024 is due primarily to higher average monthly residential rents, supported by strong rental demand in Edmonton, Alberta. The change between Q4 2025 and Q3 2025 is due to normal tenant turnover.
- Net operating income was $1,568,053 in Q4 2025 as compared to $1,553,452 in Q3 2025 and $1,448,412 in Q4 2024, for the same reasons as mentioned above. Direct operating costs were relatively stable during these periods.
- Financing costs were $1,233,822 in Q4 2025 as compared to $1,240,638 in Q3 2025 and $1,221,965 in Q4 2024. There was no significant change in financing costs and the Company did not take on any additional mortgage financing in 2025 or issue any new convertible debentures in 2025. The Company did received a loan of $1,400,000 from Lui Holdings and established a demand operating loan in 2025 but the interest expense associated with these borrowings was not significant during Q4 2025 and Q3 2025.

- General and administration costs were $355,233 in Q4 2025 as compared to $361,557 in Q3 2025 and $256,306 in Q4 2024. The increase in general and administration costs in Q4 2025 and Q3 2025, as compared to Q4 2024 is primarily due to increases in the administration and accounting fee, related to an agreement, renewed effective January 1, 2025, between the Company and Lui International Group Inc., to provide administrative and accounting services necessary to manage the operations of Yorkton.
- The fair value adjustment on investment properties was a decrease of $2,827,726 in Q4 2025 as compared to an increase of $100,000 in Q3 2025 and $5,078,433 in Q4 2024. This reflects the changes in the fair market value of the Company's investment properties. In Q4 2025 the decrease is primarily related to decreases in the fair value of the land held for development, due to recent comparable market transactions, and commercial property, due primarily to higher estimated operating costs and changes in tenant rental rates. The increase in Q4 2024 was primarily attributable to a net increase in the fair value of the Company's residential investment property portfolio, driven by strong rental demand and associated increases in market rents, particularly in Edmonton, Alberta.
- The deferred income tax recovery was $331,290 in Q4 2025 as compared to $Nil in Q3 2025 and deferred income tax expense of $709,134 in Q4 2024. Deferred income tax recovery and expense primarily arises from temporary differences between the accounting carrying values and tax bases of the Company's investment properties.

Liquidity & Capital Resources

Liquidity is important as it allows the Company to implement its overall secure and aggressive growth strategy. Liquidity is a measure of the availability of cash to fund ongoing business activities and capital and liability commitments and is defined by the Company to include unrestricted cash and any unused committed credit facility. As at December 31, 2025, the Company had unrestricted cash and cash equivalents of $384,037 (2024 - $358,771) and an investment margin facility which permits borrowings of up to 90% of certain guaranteed investment certificates included in restricted cash. No amounts were drawn on the investment margin facility at December 31, 2025 (2024 - none).

Working capital

As at December 31, 2025, the Company had a working capital deficiency of $14,812,169 (2024 - $3,297,950), primarily due to the following:

- A short-term mortgage payable of $3,069,550 on the Commercial Property (2024 – $3,135,871). The Company has mortgaged the Commercial Property on a short-term basis to to manage interest rate risk and preserve financing flexibility. Interest rates have stabilized following declines in 2024 and 2025, and management is closely watching rates as the mortgage comes up for renewal. Management expects to refinance this mortgage payable upon maturity for an additional term of one (1) year or longer.
- Mortgages payable on certain Residential Properties of $10,043,097 (2024 - $Nil). These mortgages have long-term amortization periods of over 30 years and are subject to periodic renewal terms of five (5) years. The current terms mature in August 2026, and management is in the process of evaluating renewal options.

During the year ended December 31, 2025, the Company generated cash from operating activities totalling $5,131,572, as compared to $4,827,999 in 2024. Management expects cash generated from operating activities to improve in 2026 due to the increases in rental rates from the optimization initiatives in Q1 and Q2 2025 (see Overview of 2025 section above for further details). In addition, regular residential tenant turnover in British Columbia will provide an opportunity for the Company to increase rents to re-align with current market rates.

In addition, the Company may increase rental rates on units designated as "affordable units" pursuant to certain mortgage covenants (see below "Mortgages payable" under "Financing" in the "Liquidity & Capital

Resources" section for additional details). During 2025, rent increases for "affordable units" was limited to 12.2%. The Company has generally been increasing the residential rent in its Edmonton portfolio in line with prevailing market rents and pursuant to the CPI index, as required, upon tenant turnover and lease renewals.

Financing

The Company has the option of obtaining any required additional financing from equity and debt instruments, including mortgage financing and equity take-out re-financing on the Company's investment properties, as well as the issuance of common shares and/or convertible debentures in private placements, or from the disposition of its investment properties.

There is no guarantee that additional financing will be available to the Company, and if available, may not be on terms that are favourable or acceptable to the Company.

Convertible debentures

No convertible debentures were issued during 2025 or 2024. See further analysis of the contractual obligations arising from convertible debentures in the "Contractual obligations" section below.

Mortgages payable

Where possible, the Company seeks to finance its property acquisitions with long-term mortgage loans insured by CMHC, which provides access to stable, low-cost financing at favourable interest rates, to achieve a strong positive cash flow and NOI from the properties.

On February 21, 2024, and as amended on June 3, 2024, the Company consolidated three (3) mortgages payable held by a wholly-owned subsidiary, 1421526 Alberta Ltd., into one (1) demand non-revolving mortgage with an initial principal balance of $3,252,300, and which bears interest at a fixed rate of 7.24% per annum, is repayable in equal blended monthly payments based on an amortization of 264 months, and has a term of one (1) year. The consolidated mortgage payable is secured by specific charges against the commercial property and land held for development, general assignment of rent, general security agreement and a personal guarantee from the CEO of the Company equal to 100% of the loan. In addition, 1421526 Alberta Ltd. is required to maintain an annual debt service coverage ratio ("DSCR") of 1.25:1 on the consolidated mortgage payable, which is measured and tested at December 31st of each year, during the term of the consolidated mortgage payable, based on the financial results of the previous twelve (12) month period. As at December 31, 2025, this mortgage payable had a principal balance of $3,069,550 and for the year ended December 31, 2025, the actual DSCR was 0.80. 1421526 Alberta Ltd. was not in compliance with the DSCR covenant, reflecting current operating and leasing conditions during the year. The mortgage payable has a term of one (1) year and therefore has been presented as a current liability in the consolidated statement of financial position.

In addition, the following wholly-owned subsidiaries are required to maintain a certain number of "affordable units", as defined by CMHC, with residential rents at or below 30% of the median renter income in Edmonton, Alberta at the time of the issuance of the Certificate of Insurance ("COI") and with allowable annual increases according to the Consumer Price Index ("CPI") as stipulated by Statistics Canada for Alberta.

Investment property holding company	Mortgage balance as at December 31, 2025	Required minimum affordable units	Actual affordable units at December 31, 2025
1999988 Alberta Ltd.	$38,948,721	25%	25%
1999999 Alberta Ltd.	$23,564,008	80%	80%

The Company monitors its compliance with the mortgages payable covenants through the continuous monitoring of rental rates and the Alberta CPI published by Statistics Canada, and the preparation of an annual budget and quarterly reviews of actual results. The annual budget and quarterly results, including the calculation and tracking of compliance with mortgage covenants, are prepared by management and reviewed with the Board of Directors.

The Company continuously monitors the market interest rate and the general interest rate environment and its impact on its mortgages payable and convertible debentures. When obtaining new mortgage financing the Company seeks to obtain the most beneficial rates by getting quotes from multiple lenders, obtaining CMHC insurance (when possible), and monitoring fluctuations in the interest rate market. The Company also continuously assesses if it is advantageous to refinance existing mortgages based on market interest rates and mortgage loan terms.

Other loan facilities

During the year ended December 31, 2025, the Company entered into a credit agreement establishing a demand operating loan facility of up to $700,000 and an investment margin facility which permits borrowings of up to 90% of certain guaranteed investment certificates included in restricted cash. Amounts drawn on the facilities were fully repaid during the year, and the demand operating loan facility was closed on October 20, 2025.

Amount due to related parties

On February 7, 2025, the Company entered into a loan agreement with Lui Holdings to borrow $1,400,000. The loan bears interest at an annual rate of 3.05% and is repayable on demand. See the "Transactions with Related Parties" section below for additional details.

For the other amounts due to related party of $497,153 (2024 - $284,733), $38,138 is overdue (2024 - $Nil) and $459,015 has no formal terms of repayment (2024 - $284,733). See the "Transactions with Related Parties" section below for additional details.

Contractual obligations

The Company monitors its contractual obligations in order to plan for the allocation of sufficient funds to meet the obligations as they come due. This includes preparing an annual budget and monitoring the specific dates of interest and principal repayments on the mortgages payable and convertible debentures.

As at December 31, 2025, the Company had the following contractual obligations, other than the loan payable to related party which bears interest at a fixed rate of 3.05% and is repayable on demand. These obligations are anticipated to be funded by operations, proceeds from the refinancing of maturing mortgages and, if required, future fundraising.

<u>Payments due by period</u>

Estimated future principal payments required to meet convertible debenture obligations as at December 31, 2025 are as follows:

Years ending December 31st		**Amounts**
2027	$	3,005,000
2028		3,244,000
Total principal outstanding		6,249,000
Allocated to equity		(1,541,802)
Interest accretion		791,772
Deferred financing costs		(70,361)
	$	**5,428,609**

Estimated future principal payments required to meet mortgage obligations as at December 31, 2025 are as follows:

Years ending December 31st		**Amounts**
2026	$	14,024,859
2027		19,490,585
2028		62,406,024
Total principal outstanding		95,921,468
Deferred financing costs		(1,346,474)
	$	**94,574,994**

<u>Composition of convertible debentures</u>

As at December 31, 2025		**Amount**	**% of Convertible debentures**	**Weighted average interest rate**
Variable rate convertible debentures	$	196,000	3.14%	8.95%
Fixed rate convertible debentures		6,053,000	96.86%	7.54%
Total principal outstanding		6,249,000	100.00%	7.58%
Allocated to equity		(1,541,802)		
Interest accretion		791,772		
Deferred financing costs		(70,361)		
	$	**5,428,609**		

The Company is exposed to minimal interest rate risk on its convertible debentures. As at December 31, 2025, more than 96% of the convertible debentures are at a fixed interest rate.

Composition of mortgages

As at December 31, 2025		Amount	% of Mortgages	Weighted average interest rate
Fixed rate mortgages:				
Non-CMHC insured	$	3,069,550	3.20%	7.24%
CMHC insured		92,851,918	96.80%	3.39%
Total principal outstanding		95,921,468	100.00%	3.51%
Deferred financing costs		(1,346,474)		
	$	**94,574,994**		

Yorkton's mortgages consist of both short-term non-CMHC insured and long-term CMHC insured fixed rate mortgages. The Company maintains the short term non-CMHC mortgage on the Commercial Property and the long-term CMHC insured mortgages on the Residential Properties, and closely monitors interest rates.

Individual mortgages are secured with their respective real estate assets, general assignment of rent, general security agreement and on certain mortgages a personal guarantee from Ben Lui equal to between 40% to 100% of the mortgage and a guarantee and postponement of claim from the Company.

Convertible debenture maturity schedule

As at December 31, 2025, the convertible debentures mature in the following years:

Maturing during the year ended December 31st		Balance maturing	% of convertible debentures	Weighted average interest rate
2027	$	3,005,000	48.09%	7.13%
2028		3,244,000	51.91%	8.00%
Total principal outstanding		6,249,000	100.00%	7.58%
Allocated to equity		(1,541,802)		
Interest accretion		791,772		
Deferred financing costs		(70,361)		
	$	**5,428,609**		

Mortgage maturity schedule

As at December 31, 2025, the mortgages payable matured in the following years:

Maturing during the year ended December 31st		Balance maturing	% of Mortgages	Weighted average interest rate
2026	$	13,112,647	13.67%	3.15%
2027		19,394,304	20.22%	2.95%
2028		63,414,517	66.11%	3.59%
Total principal outstanding		95,921,468	100.00%	3.51%
Deferred financing costs		(1,346,474)		
	$	**94,574,994**		

Application of New and Revised IFRS

The following standard is effective for year-ends starting on or after January 1, 2027 and has not been adopted by the Company:

IFRS 18 Presentation and disclosure in the financial statements (replacement of IAS 1)

This new standard maintains many of the current requirements for the presentation of financial statements and adds new requirements concerning the statement of profit or loss, management-defined performance measures, and the principles of aggregation and disaggregation of information. The new requirements concerning the statement of income and comprehensive income include requiring entities to classify income and expenses included in the statement of income and comprehensive income in one of five categories (operating, investing, financing, income taxes, discontinued operations), and prescribing that subtotals for operating profit or loss and profit or loss before financing and income taxes are presented. Management is assessing the impact of the standard. Management-defined performance measures are defined as a subtotal of income and expenses used in public communications by entities outside of the financial statements that are not a measure specifically required to be presented or disclosed by an IFRS accounting standard.

Financial Instruments and Risk Management

Financial instruments include cash and cash equivalents, restricted cash, accounts receivable, promissory notes receivable, due from related party, investment, accounts payable and accrued liabilities, due to related party, loan payable to related party, refundable security deposits, mortgages payable, and convertible debentures.

The following provides an analysis of financial instruments that are measured at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is observable:
- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets and liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the assets or liabilities that are not based on observable market data.

The fair values of the Company's financial instruments are presented in the table below:

		2025		2024
Financial Assets Measured at Amortized Cost:				
Cash and cash equivalents	**$**	**384,037**	$	358,771
Restricted cash	**$**	**445,361**	$	413,491
Accounts receivable	**$**	**201,051**	$	205,929
Promissory notes receivable	**$**	**107,182**	$	151,569
Due from related party	**$**	**283,435**	$	434,755
Investment	**$**	**46,081**	$	43,166
Financial Liabilities Measured at Amortized Cost:				
Accounts payable and accrued liabilities	**$**	**972,562**	$	856,499
Due to related party		**497,153**		284,733
Loan payable to related party	**$**	**1,400,000**	$	-
Refundable security deposits	**$**	**639,152**	$	577,232
Mortgages payable	**$**	**95,921,468**	$	97,093,137
Convertible debentures	**$**	**6,249,000**	$	6,249,000

The fair value of cash and cash equivalents, restricted cash, accounts receivable, promissory notes receivable, due from related party, investment, accounts payable and accrued liabilities, due to related party, loan payable to related party, and refundable security deposits approximate their carrying amounts due to the relatively short periods to maturity of these financial instruments.

The fair values of mortgages payable and convertible debentures are determined using level 2 measurements, is determined by discounting the future contractual cash flows under the current financing arrangements at a discount rate that represents an approximation to the borrowing rates presently available to the Company for debts with similar terms to maturity.

See also the notes to the Company's Financial Statements for additional information regarding the Company's financial instruments and associated risks. The Company is exposed to risks arising from the nature of its financial instruments. These risks include interest rate risk, credit risk, and liquidity risk. For detailed explanations of these risks, refer to the section "Risk Assessment".

Transactions with Related Parties

The Company's related parties are its Board of Directors (Bill Smith, Jason Theiss, Mark Wilbert, Ben Lui, Tony Barlott – appointed on June 7, 2024 and resigned on March 19, 2025, and Josephine Pon – appointed on September 3, 2025), key management personnel include the Chief Executive Officer "CEO" (Ben Lui) and Chief Financial Officer "CFO" (William Harper), as well as any companies controlled by key management personnel or directors. Transactions conducted with related parties took place in the normal course of operations and are measured at the amount of consideration established and agreed to by the related parties.

Parent and ultimate controlling party

The parent and ultimate controlling party of the Company is Lui Holdings Corporation, a company controlled by the CEO of the Company.

Key management personnel and director remuneration

The remuneration of key management personnel and directors is as follows:

		2025		2024
Director fees	**$**	**38,500**	$	40,800
Professional fees		**75,495**		67,902
Share-based compensation		**-**		34,108
	$	**113,995**	$	142,810

Related party transactions

During the year ended December 31, 2025, the Company made advances to Yorkton Group International Ltd. ("YGI"), a company directly controlled by Ben Lui, of $Nil (2024 - $152,485) and received repayments of $Nil (2024 - $436,466). As at December 31, 2025 and 2024, no amounts were due to or due from YGI. The amounts were primarily for working capital purposes.

During the year ended December 31, 2025, the Company made advances to Lui International Group Inc. ("Lui International"), a company directly controlled by Ben Lui, of $680,923 (2024 - $890,491), and received repayments of $832,242 (2024 - $509,355). As at December 31, 2025, $283,435 was receivable from Lui International (2024 – $434,755). The amounts are short-term, have no specific terms of repayment and were made in connection with the provision of property management services.

During the year ended December 31, 2025, the Company received advances from Lui Holdings of $1,338,479 (2024 – $296,733) and made repayments of $1,164,197 (2024 - $15,904). As at December 31, 2025, $497,153 was payable to Lui Holdings (2024 – $284,733). The amounts are short-term, have no specific terms of repayment and were for working capital purposes.

On February 7, 2025, the Company entered into a loan agreement with Lui Holdings to borrow $1,400,000. The loan bears interest at an annual rate of 3.05%, with interest payable monthly. The principal is repayable on demand. During the year ended December 31, 2025, the Company incurred interest expense of $38,138 (2024 - $Nil), on the loan payable, which remains payable at December 31, 2025 and is included in the amount payable to Lui Holdings above.

As at December 31, 2025, Ben Lui and his family members, directly and indirectly, owned 2,176 convertible debentures with an aggregate principal amount of $2,176,000. These debentures bear a weighted average interest rate of 8% per annum and mature between April and December 2028. During the year ended December 31, 2025, the Company recognized $175,430 in interest expense (2024 – $174,664) and $97,848 in accretion expense (2024 – $85,682) related to these convertible debentures.

During the year ended December 31, 2025, the Company incurred property management fees of $500,920 (2024 - $425,446) and maintenance charges of $220,381 (2024 - $143,832), included in direct operating costs, incurred under property management contracts with Lui International.

During the year ended December 31, 2025, the Company incurred administrative and accounting fees of $591,327 (2024 - $332,857), included in general and administration expense, from Lui International. The comparative amount has been reclassified to conform with the current period presentation.

Outstanding Share Data

As at the date of this MD&A, the Company has common shares issued and outstanding of 112,628,074 and fully diluted common share capital of 134,762,541.

Common shares

Authorized: Unlimited number of common shares without nominal or par value
Unlimited number of preferred shares without nominal or par value

Shares issued:

	Common Shares		
	Number		Amount
Balance, December 31, 2024 and 2023	112,680,574	$	14,234,263
Repurchase of common shares for cancellation	(52,500)		(6,641)
Balance, December 31, 2025	**112,628,074**	**$**	**14,227,622**

See the notes to the Company's Financial Statements for additional information regarding the Company's common shares.

Common Share Purchase Options

The Company has implemented an omnibus security-based compensation plan, most recently approved at the annual general and special meeting of shareholders held on June 26, 2025, which includes a ten percent (10%) rolling stock option plan (the "Stock Option Plan") together with a ten percent (10%) fixed security-based compensation plan (other than stock options) (the "Equity Compensation Plan").

The Stock Option Plan provides that the Board of Directors of the Company may, from time to time, in its discretion, grant to directors, officers, employees, management company employees, and consultants of the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance under the Stock Option Plan shall not exceed ten percent (10%) of the issued and outstanding common shares at that time, exercisable for the period of up to ten (10) years. As the Stock Option Plan is considered a "rolling" plan, the Company must obtain shareholder approval of the Stock Option Plan at each annual meeting of shareholders in accordance with the policies of the TSXV.

The Equity Compensation Plan provides that the Board of Directors of the Company may, from time to time, in its discretion, grant to directors, officers, employees, management company employees, and consultants of the Company, non-transferrable stock appreciation rights, deferred share units, restricted share units, performance share units, and any other compensation or incentive mechanism involving the issuance or potential issuance of securities of the Company from treasury, provided that the number of common shares reserved for issuance under the Equity Compensation Plan shall not exceed ten percent (10%) of the issued and outstanding common shares at its implementation.

In addition, the number of common shares reserved for issuance to any one person and to insiders, as a group, shall not exceed five percent (5%) and ten percent (10%), respectively, of the issued and outstanding common shares. The Board of Directors determines the price per common share and the number of common shares which may be allocated to each director, officer, employee, management company employee, and consultant and all other terms and conditions of the award, subject to the rules of the TSXV.

The continuity of the Company's outstanding and exercisable common share purchase options is as follows:

	2025		2024	
	Number of options	**Weighted average exercise price**	**Number of options**	**Weighted average exercise price**
Outstanding, December 31, 2024	**809,905**	**$0.20**	559,905	$0.20
Granted	**-**	**-**	250,000	0.20
Cancelled	**(50,000)**	**0.20**	-	-
Expired	**(559,905)**	**0.20**	-	-
Outstanding, December 31, 2025	**200,000**	**$0.20**	809,905	$0.20
Exercisable, December 31, 2025	**200,000**	**$0.20**	809,905	$0.20

As at December 31, 2025, 200,000 common share purchase options outstanding and exercisable expire on June 10, 2029, and have an exercise price of $0.20 per common share.

See the notes to the Company's Financial Statements for additional information regarding the Company's common share purchase options.

Common Share Purchase Warrants

The following common share purchase warrants are outstanding as at December 31, 2025 and 2024:

Expiry date	**Exercise Price**	**Warrants exercisable**
January 17, 2027	$0.60	1,488,000
January 25, 2027	$0.60	64,800
		1,552,800

See the notes to the Company's Financial Statements for additional information regarding the Company's common share purchase warrants.

Other convertible securities

The Company issued convertible debentures to help finance its development. The convertible debentures have a five (5) year life with interest paid in cash annually. Thirty-six (36) months after the closing date, the Company has the right, but not the obligation, to redeem the principal amount and any unpaid interest. The principal amount of the convertible debenture may, at the option of the convertible debenture holder, be converted, in whole or in part, into common shares at the conversion price included in convertible debenture agreement.

In addition, for a period of thirty (30) calendar days following the 3rd and 4th anniversary after the closing date, the holders of certain convertible debentures with an aggregate principal amount of $508,000 may request the Company to repurchase the convertible debenture subject to the discretion of management of the Company, acting reasonably, and other certain conditions.

The following table shows the maximum quantity of common shares that would be issued if all convertible debentures outstanding were converted:

Issue date	Gross proceeds	Conversion price	Max. quantity of common shares on conversion	Maturity date
January 17, 2022	$ 2,480,000	$0.60	4,133,333	January 16, 2027
January 25, 2022	108,000	0.60	180,000	January 24, 2027
March 31, 2022	221,000	0.60	368,333	March 30, 2027
June 3, 2022	196,000	0.60	326,666	June 2, 2027
January 26, 2023	258,000	0.30	860,000	January 25, 2028
April 20, 2023	250,000	0.30	833,333	April 19, 2028
October 17, 2023	2,000,000	0.20	10,000,000	October 16, 2028
December 19, 2023	736,000	0.20	3,680,000	December 18, 2028
	$ 6,249,000	**$0.40**	**20,381,667**	

Off-Balance Sheet Arrangements

No off-balance sheet arrangements have been entered into by the Company for 2025.

Risk Assessment

The following section describes specific and general risks that could affect the Company. The actual effect of any risk on the business of the Company could be materially different than anticipated. Readers are cautioned that the following is a summary only of certain risk factors and is not exhaustive and is qualified in its entirety by reference to and must be read in conjunction with the additional information on these and other factors that could affect the Company's operations and financial results that may be accessed through the Company's profile on SEDAR+ (www.sedarplus.ca). Please also see the risks which are summarized in the Corporation's Annual Information Form ("AIF") for the year ended December 31, 2025.

Real Estate Ownership

All real estate investments are subject to elements of risk. Such investments are affected by general economic conditions, local real estate markets, demand for residential rental premises, competition from other available residential premises and various other factors.

Certain significant expenditures, including property taxes, utility and maintenance costs, mortgage and leasehold payments, insurance costs and related charges, must be made throughout the period of ownership of real estate, regardless of whether the property is producing sufficient income to pay such expenses. In order to retain desirable rentable space and to generate adequate revenue over the long term, the Company must maintain or, in some cases, improve the condition of properties it currently owns and may acquire in the future to meet market demand. Maintaining a rental property in accordance with market standards can entail significant capital costs, which the Company may not be able to pass on to its tenants. Although the Company performs building inspections when purchasing new properties and has developed a budget to plan for ongoing maintenance and renovation costs, numerous factors, including the age of the relevant building structure, the material and substances used at the time of construction or currently unknown building code violations, could result in substantial unbudgeted costs for refurbishment or modernization. If the actual costs of maintaining or upgrading the Company's properties exceed estimates of the Company, or if hidden defects are discovered during maintenance or upgrading, which are not covered by insurance or contractual warranties, or if the Company is not permitted to raise the rents due to legal constraints, the Company will incur additional and unexpected costs.

If the Company is unable to refinance the existing mortgage indebtedness on a property at the end of the mortgage term or the terms of such refinancing are not as favourable or it cannot meet mortgage payments on any property, due to unforeseen circumstances such as higher than normal vacancy rates or unexpected significant increases in financing costs, losses could be sustained as a result of the mortgagee's exercise of its right of foreclosure or sale.

Real estate investments tend to be relatively illiquid, with the degree of liquidity generally fluctuating in relation to demand for and the perceived desirability of such investments. Such illiquidity may tend to limit the Company's ability to vary its portfolio promptly in response to changing economic or investment conditions. If the Company was required to liquidate its real estate investments in an unfavourable market, the proceeds to the Company might be significantly less than the aggregate value of its properties on a going-concern basis.

Tenant Terminations and Financial Stability

The Company's revenues would be adversely affected if a significant number of tenants were to become unable to meet their obligations under their leases or if a significant amount of available space in the Company's properties were not able to be leased on economically favourable lease terms. Upon the expiry of any lease, there can be no assurance that the 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.

In the event of default by a tenant, delays or limitations in enforcing rights as lessor may be experienced and substantial costs in protecting the Company's investment may be incurred. Furthermore, at any time, a tenant of any of the Company's properties may seek the protection of bankruptcy, insolvency or similar laws that could result in the rejection and termination of such tenant's lease and thereby cause a reduction in the cash flow available to the Company. The ability to rent unleased space in the properties in which the Company will have an interest will be affected by many factors. Costs may be incurred in making improvements or repairs to property required by a new tenant. The failure to rent unleased space on a timely basis or at all would likely have an adverse effect on the Company's financial condition.

Fair Value Risk

Real estate markets are in a constant state of flux and prices and values can vary in a short timeframe due to such factors as economic conditions, general desirability of real estate investments, number and nature of potential purchasers in the market, availability of comparable investment opportunities, motivation of vendors, availability and cost of financing, and other market factors. Changes in fair value will result in gains or losses in earnings being recorded in the consolidated financial statements, although these would be non-cash gains or losses until such time as a property is sold. Upon sale, there is a risk that the Company may realize sale proceeds of less, or even significantly less, than the fair value recorded in its real estate investments. In addition, transaction costs are not included in the fair value of investment properties which will reduce fair value gain (or increase the loss) on disposal of investment properties.

Government Regulation

The Company currently has interests in properties located in the provinces of Alberta and British Columbia. The nature of real estate construction and operation is such that refurbishment and structural repairs are required periodically, in addition to regular ongoing maintenance. In addition, legislation relating to, among other things, environmental, health and fire safety standards is continually evolving, and changes thereto may give rise to ongoing financial and other obligations of the Company, the costs of which may not be fully recoverable from tenants.

Residential rental properties are subject to rent control legislation in most provinces in Canada, including British Columbia. However, neither Alberta nor Saskatchewan is currently subject to rent control legislation. Each province in which the Company operates maintains distinct regulations with respect to tenants' and landlords' rights and obligations. The legislation in various degrees provides restrictions on the ability of a landlord to increase rents above an annually prescribed guideline or require the landlord to give tenants sufficient notice prior to an increase in rent or restricts the frequency of rent increases permitted during the year. Under Alberta rent legislation, a landlord is restricted to increase rents once every twelve months. In British Columbia, the annual rent increase guidelines as per applicable legislation attempts to link the annual rent increases to some measure of changes in the cost-of-living index over the previous year. The legislation also, in most cases, provides for a mechanism to ensure rents can be increased above the guideline increases for extraordinary costs. As a result of rent controls the Company may incur property capital investments in the future that will not be fully recoverable from rents charged to the tenants. Applicable legislation may be further amended in a manner that may adversely affect the ability of the Company to sustain the historical level of rent increases or maintain the historical level of cash flow from its properties.

In addition, applicable legislation provides for compliance with several regulatory matters involving tenant evictions, work orders, health and safety issues, fire and maintenance standards, and other such related matters.

Competition for Tenants

Vacancy rates can be impacted negatively by increased supply of multi-family units in the geographical regions that the Company operates. The real estate business is competitive. Many other developers, managers and owners of properties compete with the Company in seeking high quality tenants. Although the Company works to maintain attractive and updated units, some of the units of its competitors may be newer, better located or offer lower rents. The existence of this competition for tenants could have an adverse effect on the Company's ability to lease units in its properties and on the rents charged. New supply may also increase lease-up periods and place temporary pressure on occupancy rates.

Although the Company continues to maintain and upgrade the properties to attract high quality tenants, its performance will be affected by the supply and demand for multi-family rental real estate in Alberta, British Columbia and any other provinces in which it may operate. The potential for increased capital upgrade expenses and rent incentives, as well as reduced rental revenue exists in order to maintain its properties at a high level of occupancy or current rental rates.

The competition for tenants also comes from opportunities for individual home ownership, including condominiums, which can be particularly attractive when home mortgage loans are available at relatively low interest rates; in such a case, although the Company has contingency plans to convert the rental units into market condominium units for sale, there is no guarantee the conversion will be successful or the units can be sold for a profit.

Competition for Real Estate Investments

The Company competes for suitable real estate investments with individuals, corporations and institutions (both Canadian and foreign) and real estate investment trusts which are presently seeking, or which may seek in the future, 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 may 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 real estate investments, may tend to increase competition for real estate investments, thereby increasing purchase prices and/or reducing the yield on them.

Future Property Acquisitions

While the Company's strategy is to acquire additional investment properties, and the Company may enter into conditional purchase and sale agreements with respect to properties under buyer due diligence, there can be no assurance that such properties will be acquired. Further, there can be no assurance that the Company will be able to acquire properties at the rates of return that the Company is targeting.

Appraisals of Properties

An appraisal is an estimate of market value and caution should be used in evaluating data with respect to appraisals. It is a measure of value based on information gathered in the investigation, appraisal techniques employed and quantitative and qualitative reasoning, leading to an opinion of value. The analysis, opinions and conclusions in an appraisal are typically developed based on and in conformity with, interpretations of the guidelines and recommendations set forth in the Canadian Uniform Standards of Professional Appraisal Practice. Appraisals are based on recent sales history of comparable properties and future expectations of their financial performance and while the appraiser's internal forecast of net income for the properties appraised are considered to be reasonable and indicative of the market conditions at that time, some of the assumptions may not materialize or may differ materially from actual experience in the future.

Credit Risk

The Company is exposed to credit risk due to unexpected losses that could occur if a tenant fails to satisfy its lease obligations, if a borrower fails to repay on the promissory note receivable or if the related parties fail to repay on the amount due from related parties. Credit risk for the Company primarily arises from the accounts receivable from tenants and the promissory note receivable. The Company's maximum exposure to credit risk is equal to the carrying value of the financial asset.

Residential investment properties

The Company attempts to minimize possible risks by attracting tenants with good credit, limiting exposure to any one tenant and collecting security deposits from tenants. As at December 31, 2025, total rent due from residential tenants was $72,597 (2024 - $45,518) of which rent due from current tenants amounted to $60,597 (2024 - $45,518).

The aging of accounts receivable for the residential investment properties is as follows:

		2025		2024
Current	**$**	**54,217**	$	15,678
31-90 days		**5,619**		10,035
90 + days		**12,761**		19,805
		72,597		45,518
Allowance for doubtful accounts		**-**		-
	$	**72,597**	$	45,518

Commercial investment property

For the commercial investment property, approximately 82% (2024 – 80%) of accounts receivable is from two (2) tenants (2024 – two (2) tenants) and 83% (2024 – 83%) of commercial rental revenue is from three (3) tenants (2024 – two (2) tenants).

The aging of accounts receivable for the commercial investment property is as follows:

		2025		2024
Current	$	**14,323**	$	51,625
31-90 days		**7,778**		577,614
90 + days		**106,353**		62,511
		128,454		691,750
Allowance for doubtful accounts		**-**		(531,339)
	$	**128,454**	$	160,411

As at December 31, 2024, the previous promissory note, due from the Former Tenant, was in default and the Company had not demanded on its repayment rights. A cumulative provision for bad debts of $98,431 had been taken on the promissory note.

On January 3, 2025, the Company entered into the Asset Purchase Agreement and a new lease with the Purchaser for the restaurant premises in the commercial investment property, and the Former Tenant surrendered its lease, see the "Overview of 2025" section above for additional details. As part of these transactions, the previous promissory note was settled and new promissory notes receivable were issued by the Purchaser which are personally guaranteed by a shareholder of the Purchaser.

As at December 31, 2025, the following promissory notes receivable are outstanding:

- $50,000 – Due February 28, 2025. This promissory note is in default; however, the Company has not yet demanded on its repayment rights.
- $93,030 – Due November 30, 2025. This promissory note is in default; however, the Company has not yet demanded on its repayment rights.
- $14,152 – Due July 31, 2025. This promissory note is in default; however, the Company has not yet demanded on its repayment rights.

The Company recorded an impairment allowance of $50,000 on promissory notes receivable during the year ended December 31, 2025.

Other

The amount due from related party is due from Lui International, and the credit risk is considered to be minimal.

In relation to cash and cash equivalents and restricted cash, the Company believes that its exposure to credit risk is minimal as the Company only places its cash and cash equivalents and restricted cash with reputable Canadian financial institutions.

The movement in the allowance for doubtful accounts in respect of accounts receivable and promissory notes receivable above, during the year ended December 31, 2025 was as follows:

		Promissory notes receivable		Accounts receivable		Total
Balance at December 31, 2024	$	**98,431**	$	**531,339**	$	**629,770**
Recoveries of previously impaired receivables [(1)]		**(98,431)**		**(124,127)**		**(222,558)**
Write-offs		**-**		**(407,212)**		**(407,212)**
Provision for expected credit losses		**50,000**		**-**		**50,000**
Balance at December 31, 2025	$	**50,000**	$	**-**	$	**50,000**

Note:

(1) Recoveries relate to transactions involving the Asset Purchase Agreement, the execution of a new lease with the Purchaser for the restaurant premises in the Company's commercial investment property, and the surrender of the lease by the Former Tenant. See "Overview of 2025" section above for further information.

Interest Rate Risk

The Company is exposed to interest rate risk to the extent of any upward or downward revisions in the prime lending rates. Increases in the interest rate, such as those seen in the first half of 2023, have the potential to adversely affect the profitability of the Company. The majority of Yorkton's mortgages are fixed-rate mortgages insured by CMHC, which allows the Company to receive favourable financing and interest rates, and reduces the potential for a lender to call a loan prematurely. However, there is no guarantee that the Company will be able to obtain new mortgage financing, refinance its existing mortgage indebtedness at the end of the mortgage term or that CMHC will continue to offer the same or similar mortgage programs in the future. If any changes are made by the Government of Canada to the CMHC mortgage programs in the future, such changes could have an impact on the Company. The Company continuously monitors the market interest rate and the general interest rate environment and available CMHC mortgage programs to determine its impact on its current mortgages payable.

As at December 31, 2025, the interest rate profile of the Company's interest-bearing financial instruments are as follows:

		2025		2024
Fixed-rate instruments				
Loan payable to related party	**$**	**1,400,000**	$	-
Mortgages payable		**95,921,468**		97,093,137
Convertible debentures		**6,053,000**		6,053,000
	$	**103,374,468**	$	103,146,137
Variable-rate instruments				
Convertible debentures	**$**	**196,000**	$	196,000

The Company does not account for any fixed-rate financial instruments at FVTPL. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

The Company is susceptible to interest rate cash flow risk on variable-rate financial instruments. A reasonably possible change of 1% in market interest rates would, all else being equal, increase or decrease net earnings for the year ended December 31, 2025 by approximately $2,000 (2024 – $2,000).

Liquidity Risk

The Company's exposure to liquidity risk is dependent on generating rental revenue to sustain operations. The Company controls liquidity risk by managing working capital and cash flows.

The Company's contractual obligations for its non-derivative financial liabilities consists of accounts payable and accrued liabilities of $972,562 (2024 - $856,499) and refundable security deposits of $639,152 (2024 - $577,232) that have a contractual maturity in the fiscal 2025 year.

For the amounts due to related party of $497,153 (2024 - $284,733), $38,138 is overdue and $459,015 has no formal terms of repayment (2024 - $284,733), as disclosed in the "Transactions with Related Parties" section above. The loan payable to related party is due on demand as disclosed in the "Transactions with Related Parties" section above. The mortgages payable and convertible debentures have terms maturing as disclosed in the "Liquidity & Capital Resources" section above.

During 2025, the Company entered into a credit agreement establishing a demand operating loan facility of up to $700,000 and an investment margin facility which permits borrowings of up to 90% of certain guaranteed investment certificates included in restricted cash. Amounts drawn on the facilities were fully repaid during the year, and the demand operating loan facility was closed on October 20, 2025.

The Company may also seek to sell its investment properties or obtain additional financing from equity and debt instruments, including equity take out mortgage re-financing on the Company's investment properties, if necessary, to meet its contractual obligations.

Geographic Concentration Risk

The Company's investment properties are located in Alberta and British Columbia, with a significant concentration in Alberta, which represents 72.5% of the total investment property portfolio by value. As a result, the Company's financial performance, including the fair value of its investment properties and the income generated therefrom, is more exposed to changes in local and regional economic, regulatory, and real estate market conditions in Alberta.

While the Company believes its properties benefit from strong underlying demand fundamentals in its core markets, there can be no assurance that such conditions will continue or that the Company will be able to mitigate the impact of adverse regional developments.

The Alberta economy has historically been influenced by the energy sector and, although it has become increasingly diversified, fluctuations in commodity prices may indirectly impact employment levels, migration trends, and housing demand in the region.

Debt Financing

The Company is subject to the risks associated with debt financing, including the risk that the Company may be unable to make interest or principal payments or meet loan covenants, the risk that defaults under a loan could result in cross defaults or other lender rights or remedies under other loans, and the risk that existing indebtedness may not be able to be refinanced or that the terms of such refinancing may not be as favourable as the terms of existing indebtedness.

The Company may incur additional debt financing in the future that bears interest at a variable rate or properties may be required to be refinanced at higher rates. Accordingly, interest rates, as described above, may increase more than anticipated and could adversely affect the Company's cash flows.

Further, continuing changes to CMHC programs, particularly within the MLI Select framework, have introduced increased complexity in securing insured financing for multi-unit residential investment properties. In order to access higher loan-to-value ("LTV") financing, properties must meet strict affordability, accessibility, and energy-efficiency criteria. Many existing multi-residential assets may not meet these thresholds, particularly in higher-rent or older building segments, thereby reducing eligible loan amounts and requiring greater equity contributions at acquisition. In addition, CMHC has adopted more conservative underwriting assumptions, including higher vacancy rate allowances and stricter treatment of operating expenses, which can reduce the underwritten net operating income and consequently the size of the loan available for financing. These changes may adversely affect Yorkton's ability to execute acquisitions on favorable terms and meet its growth objectives.

In addition, the Company is subject to loan covenants on certain mortgages payable, including the need to maintain an annual DSCR and a certain number of "affordable units" (as defined by the CMHC), which may restrict rental revenue on affected units. There is a risk that the Company may not be able to maintain these covenants or may inadvertently breach a covenant, which could result in a default on the respective loan or other lender rights or remedies under the loan. The Company prepares an annual budget and reviews actual results on a regular basis to monitor its compliance with its DSCR loan covenant and continuously monitors rental rates and the Alberta CPI published by Statistics Canada for compliance with its "affordable units" covenants.

Access to Capital

The real estate industry is highly capital intensive. The Company will require access to capital to maintain its properties, as well as to fund its growth strategy and significant capital expenditures from time to time. There is no assurance that capital will be available when needed or on favourable terms.

Inflation, Labour Shortages and Supply Chain Risk

There is a risk that the Company could be adversely affected due to market changes particularly in supply disruptions, inflation and interest rates. Canada experienced significant inflation in the latter part of 2022 and in 2023, the effects of which have continued to be felt in 2024. In addition, increased interest rates, supply constraints and geopolitical conflicts have resulted in persistent labour and material shortages and higher construction costs. If labour and material shortages persist, the expected onset of new supply of rental housing may take longer as construction completion times are extended. This increases the supply risk to the Company.

General Economic Conditions

The Company is affected by general economic conditions, local real estate markets, competition from other available rental premises, including new developments, and various other factors. Capital market uncertainty, international political, trade or credit crisis or economic slowdown could adversely impact the business and the future profitability of the Company.

During periods of economic uncertainty, tenants may experience financial hardship, which could result in an increase in rent payment defaults or a shift in demand toward more affordable housing alternatives. These factors may exert downward pressure on rental rates and lead to higher vacancy levels, with potential long-term implications for the Company's financial performance. In addition, the Company's ability to obtain new financing or renegotiate existing financing arrangements may be adversely affected by tightening credit conditions or increased risk aversion in capital markets.

Ongoing geopolitical tensions have further exacerbated global economic instability, contributing to supply chain disruptions and heightened market volatility. Economic actions implemented by foreign governments, such as the introduction of tariffs or other trade restrictions on Canadian goods, may negatively impact the Canadian economy, including in Alberta and British Columbia, where the Company operates. Such developments could dampen housing and rental demand, slow net migration, and ultimately result in adverse effects on the Company's rental revenue and occupancy levels.

Further, the political environment across North America remains uncertain. The full impact of recently enacted or proposed government initiatives aimed at addressing housing development and affordability cannot yet be determined. However, such measures have the potential to materially influence market dynamics and, by extension, the Company's operational and financial outlook.

General Uninsured Losses

The Company carries commercial property and general liability insurance and crime, employee dishonesty, fire, sewer backup, flood, water damage and equipment breakdown insurance on its properties. There are, however, certain types of risks (generally of a catastrophic nature such as from wars) which are either uninsurable or not insurable on an economically viable basis. The Company has insurance for earthquake risks, subject to certain policy limits, deductibles, and self- insurance arrangements, and will continue to carry such insurance if economical to do so. Should an uninsured or underinsured loss occur, the Company could lose its investment in, and anticipated profits and cash flows from, one or more of its properties, but the Company would continue to be obligated to repay any recourse mortgage indebtedness on such properties.

Dependence on Key Personnel

The Company will depend on the good faith, experience and judgment of the directors and officers of the Company to manage the business and affairs of the Company. The management of the Company depends on the services of certain key personnel, including in particular Ben Lui, as Chief Executive Officer. There can be no assurance that the Company will be able to retain its existing key personnel, attract qualified executives or adequately fill new or replace existing senior management positions or vacancies created by expansion, turnover or otherwise. The loss of the services of any one or more of the Company's key personnel or the inability to retain, attract or fill any such personnel or positions or vacancies could have an adverse effect on the Company.

Reliance on Key Service Providers

The Company is dependent on third-party service providers for the operation of its investment properties, including property management, leasing support, and maintenance coordination.

The Company relies on a single property management provider for all of its Alberta investment properties, resulting in a concentration of operational responsibility. Any interruption in services, failure to perform, or deterioration in service quality could have an adverse effect on the Company's operations, tenant satisfaction, and financial performance.

While management believes its current service provider arrangements are efficient and support effective property operations, there can be no assurance that these arrangements will continue on similar terms or remain beneficial to the Company.

Failure or Unavailability of Computer and Data Processing Systems and Software

The Company is dependent upon the successful and uninterrupted functioning of its computer and data processing systems and software. The failure or unavailability of these systems could interrupt operations or materially impact the Company's ability to collect revenues and make payments. If sustained or repeated, a system failure or loss of data could negatively and materially adversely affect the ability of the Company to discharge its duties and the impact on the Company may be material.

The Company has retained a third-party IT company to monitor and maintain its computer and data processing systems, ensuring they remain up to date and operating properly. In addition, the Company performs backups of its data on a regular basis.

Cyber Security Risk

Cyber security is an increasingly important aspect of business operations. A cyber-attack is an intentional attack which can include gaining unauthored access to information systems to steal confidential information, maliciously encrypt files in order to extract a ransom, disrupt business operations, or corrupt data. Such an attack could compromise the Company, its employees and tenants’ confidential information and may result in negative consequences, including remediation costs, loss of revenue, data corruption, additional regulatory scrutiny, litigations and reputational damages.

The Company has implemented controls to help mitigate cyber security risks and has retained a third party IT company to monitor its security but these measures do not guarantee that a cyber attack will not occur or may not be successful due to the ever changing and increased sophistication of these types of attacks.

Climate Change Risk

There is a growing risk that a sustained increase in global average temperatures will cause significant changes in weather patterns and increase the frequency and severity of extreme weather events. Climate change, including the impact of global warming, creates both physical and economic risk. Physical risks from climate change include changes in weather conditions, such as an increase in the severity and duration of wildfires, intense precipitation and extreme heat events, as well as storms. The Company owns buildings in locations that may be susceptible to such physical risks. The occurrence of such events could cause considerable damage to its properties, disrupt operations and negatively impact the Company’s financial performance.

In recent years, certain areas of Alberta and British Columbia have been negatively impacted by wildfires. To the extent these events result in significant damage to or closure of one or more of the Company’s buildings, its operations and financial performance could be adversely affected through lost tenants and an inability to lease or re-lease units. In addition, these events could result in significant expenses to restore or remediate a property and increases in the costs of insurance if they result in significant loss of property or other insurable damage.

Environmental Matters

Environmental and ecological legislation and policies have become increasingly important, and generally restrictive. Under various laws, the Company could become liable for the costs of removal or remediation of certain hazardous or toxic substances released on or in its properties or disposed of at other locations. The failure to remove or remediate such substances, if any, may adversely affect an owner’s ability to sell such real estate or to borrow using such real estate as collateral, and could potentially also result in claims against the owner by private plaintiffs. Where a property is purchased and new financing is obtained, Phase I Environmental Assessments are performed by an independent and experienced environmental consultant. In the case of mortgage assumption, the vendor will be asked to provide a satisfactory Phase I and/or Phase II Environmental Assessment that the Company will rely upon and/or determine whether an update is necessary.

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. The unfavorable resolution of any legal proceedings could have an adverse effect on the Company and its financial position and results of operations that could be material.

Additional Information

Additional information on the Company, including its AIF, can be found on SEDAR+ at www.sedarplus.ca.

Shareholder communications information may be obtained here:

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Email: investors@yorktonequitygroup.com

The Company's shares are listed for trading on the TSXV under the symbol "YEG".

The Company's registered office is located at Suite 3165, 10180 – 101 Street, Edmonton, Alberta, T5J 3S4.