

January 24, 2023

Dear Valued Shareholder:

Re: December 31, 2022 Quarter-End Results and Dividend Distribution

Results for our first fiscal quarter of 2023 ended December 31, 2022 are summarized below, with comparative figures provided for the previous quarter ended September 30, 2022 in brackets:

Net Income (3 months):	\$192,732	(\$168,104)
Net Annualized Yield:	7.25%	(6.37%)
Share Capital:	\$10,545,550	(\$10,476,910)
Mortgage Loan Portfolio:	\$7,767,831 (28 loans)	(\$9,755,070) (34 loans)
Cash on-hand:	\$2,942,960	(\$928,421)

Though pleasing these results are largely as a result of a carryover of the activity experienced in the previous two quarters, during which we funded a total of \$4,917,783 between 14 new loans.

In those two quarters we also received back a total of \$2,491,782 on 10 loans, the net effect of all of this activity still increased our portfolio by \$2,443,555 from March 31 to September 30, 2022.

Since the Bank of Canada began to aggressively increase the overnight rate, new loan inquiries began to slow considerably to the point where they've become almost nonexistent.

In this past quarter we funded a total of \$1,467,421 between 5 existing construction loans and only 2 new loans. Conversely however, we received back a total of \$3,462,634 from the repayment of 7 loans, 5 of which occurred in the last month of the quarter.

Out of the 28 loans in the portfolio at the end of this past quarter we now have one classed as non-performing and against which we have commenced foreclosure. The amount owing under this loan was \$266,523 as of December 31, 2022.

This loan is secured as a first mortgage over a duplex zoned 19,715 sq.ft., building lot in Oliver with 75 feet of frontage on Tucelnuit Lake. The funds were provided to subdivide a 3,218 sq.ft., single-family building lot off the property along the road frontage, leaving a panhandle access to the remainder of the lot with the lake frontage, which is not yet completed.

The current assessed value for this lot is \$744,000 and there remains an amount of roughly \$48,637 of the loan amount to cover the subdivision costs held in trust by lawyers.

Of the \$2,942,960 held in cash at the past quarter's end, \$2,000,000 was invested into redeemable term-deposits with Interior Savings Credit Union at the end of the quarter, on which we are earning 2.0% per annum until we can secure some deals to put these funds to work on.

There were 3-partial redemption requests totaling 29,669 Shares (\$296,690) eligible for the December 31, 2022 Redemption Date, of which 10,000 Shares (\$100,000) were purchased by 4 existing Shareholders and 19,669 Shares (\$196,690) redeemed by the Company earlier this month.
