GENESIS LAND DEVELOPMENT CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three and nine months ended September 30, 2018 and 2017
(Unaudited)

THIRD QUARTER

GENESIS LAND DEVELOPMENT CORP.
CONDENSED CONSOLIDATED INTERIM BALANCE SHEET
(Unaudited)
(In thousands of Canadian dollars)

	Notes	September 30, 2018	December 31, 2017
Assets			
Real estate held for development and sale	4	**212,707**	200,757
Amounts receivable		**17,767**	30,820
Vendor-take-back mortgage receivable		**21,555**	20,558
Other operating assets		**5,700**	18,083
Deferred tax assets		**9,385**	7,622
Income tax recoverable		**2,645**	-
Cash and cash equivalents		**14,704**	23,585
Total assets		**284,463**	301,425
Liabilities			
Loans and credit facilities	5	**26,605**	30,135
Dividend payable		**-**	10,813
Customer deposits		**3,513**	4,629
Accounts payable and accrued liabilities		**21,682**	8,938
Income tax payable		**-**	2,785
Provision for future development costs		**22,420**	24,584
Total liabilities		**74,220**	81,884
Commitments and contingencies	8		
Subsequent events	14		
Equity			
Share capital		**53,878**	54,260
Contributed surplus	7a	**21**	-
Retained earnings		**137,875**	147,137
Shareholders' equity		**191,774**	201,397
Non-controlling interest		**18,469**	18,144
Total equity		**210,243**	219,541
Total liabilities and equity		**284,463**	301,425

See accompanying notes to the condensed consolidated interim financial statements

GENESIS LAND DEVELOPMENT CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)
For the three and nine months ended September 30, 2018 and 2017
(In thousands of Canadian dollars except per share amounts)

		Three months ended September 30,		Nine months ended September 30,	
	Notes	2018	2017	2018	2017
Revenues					
Sales revenue		**27,163**	31,063	**60,434**	85,091
Other revenue		**15**	65	**68**	198
		27,178	31,128	**60,502**	85,289
Direct cost of sales		**(22,468)**	(22,227)	**(45,793)**	(59,776)
Write-down of real estate held for development and sale	4	**-**	-	**(920)**	(1,095)
		(22,468)	(22,227)	**(46,713)**	(60,871)
Gross margin		**4,710**	8,901	**13,789**	24,418
General and administrative		**(2,365)**	(2,422)	**(7,667)**	(8,588)
Selling and marketing		**(1,443)**	(1,218)	**(3,295)**	(3,071)
		(3,808)	(3,640)	**(10,962)**	(11,659)
Earnings from operations		**902**	5,261	**2,827**	12,759
Finance income		**371**	27	**1,145**	46
Finance expense		**(398)**	(654)	**(1,085)**	(1,894)
Earnings before income taxes		**875**	4,634	**2,887**	10,911
Income tax expense		**(211)**	(1,262)	**(796)**	(2,620)
Net earnings being comprehensive earnings		**664**	3,372	**2,091**	8,291
Attributable to non-controlling interest		**125**	-	**325**	6
Attributable to equity shareholders		**539**	3,372	**1,766**	8,285
Net earnings per share – basic		**0.01**	0.08	**0.04**	0.19

See accompanying notes to the condensed consolidated interim financial statements

GENESIS LAND DEVELOPMENT CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
(Unaudited)
For the nine months ended September 30, 2018 and 2017
(In thousands of Canadian dollars except number of shares)

	Equity attributable to Corporation's shareholders						
	Common shares - Issued						
	Number of Shares	Amount	Contributed Surplus	Retained Earnings	Total Shareholders' Equity	Non-Controlling Interest	Total Equity
At December 31, 2016	43,745,806	54,888	-	150,863	205,751	5,914	211,665
Normal course issuer bid ("NCIB") (Note 6c)	(493,085)	(628)	-	(828)	(1,456)	-	(1,456)
Dividends (Note 6d)	-	-	-	(9,083)	(9,083)	-	(9,083)
Net earnings being comprehensive earnings	-	-	-	8,285	8,285	6	8,291
At September 30, 2017	43,252,721	54,260	-	149,237	203,497	5,920	209,417

At December 31, 2017	43,252,721	54,260	-	147,137	201,397	18,144	219,541
Share-based payments (Note 7a)	-	-	21	-	21	-	21
NCIB (Note 6c)	(300,000)	(382)	-	(719)	(1,101)	-	(1,101)
Dividends (Note 6d)	-	-	-	(10,309)	(10,309)	-	(10,309)
Net earnings being comprehensive earnings	-	-	-	1,766	1,766	325	2,091
At September 30, 2018	**42,952,721**	**53,878**	**21**	**137,875**	**191,774**	**18,469**	**210,243**

See accompanying notes to the condensed consolidated interim financial statements

GENESIS LAND DEVELOPMENT CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited)
For the three and nine months ended September 30, 2018 and 2017
(In thousands of Canadian dollars)

		Three months ended September 30,		Nine months ended September 30,	
	Notes	2018	2017	2018	2017
Operating activities					
Receipts from residential lot and development land sales		14,491	6,584	31,670	25,273
Receipts from residential home sales		14,146	22,789	38,369	49,047
Other payments (receipts)		3,003	1,936	380	(804)
Paid for land development		(6,678)	(6,836)	(11,230)	(12,616)
Paid for land acquisition		-	-	(5,124)	-
Paid for residential home construction		(12,228)	(11,130)	(28,519)	(27,777)
Paid to suppliers and employees		(3,353)	(3,608)	(10,152)	(10,538)
Interest received		35	27	148	46
Income taxes paid		(1,722)	(874)	(7,987)	(3,021)
Cash flows from operating activities		7,694	8,888	7,555	19,610
Investing activities					
Acquisition of equipment		(108)	(34)	(209)	(187)
Change in restricted cash		10	-	(16)	-
Proceeds on disposal of property and equipment		5	-	5	-
Cash flows (used in) investing activities		(93)	(34)	(220)	(187)
Financing activities					
Advances from loans and credit facilities	5	11,361	10,973	23,809	28,373
Repayments of loans and credit facilities		(6,039)	(8,337)	(20,029)	(30,214)
Payment on vendor-take-back mortgage payable		-	-	(8,000)	(8,000)
Interest and fees paid on loans and credit facilities		(378)	(288)	(586)	(405)
Repurchase and cancellation of shares under NCIB	6c	-	(63)	(1,101)	(1,456)
Dividends paid	6d	(10,309)	(9,083)	(10,309)	(9,083)
Cash flows (used in) financing activities		(5,365)	(6,798)	(16,216)	(20,785)
Change in cash and cash equivalents		2,236	2,056	(8,881)	(1,362)
Cash and cash equivalents, beginning of period		12,468	10,900	23,585	14,318
Cash and cash equivalents, end of period		14,704	12,956	14,704	12,956

See accompanying notes to the condensed consolidated interim financial statements

1. DESCRIPTION OF BUSINESS

Genesis Land Development Corp. (the "Corporation" or "Genesis") was incorporated as Genesis Capital Corp. under the Business Corporation Act (Alberta) on December 2, 1997.

The Corporation is engaged in the acquisition, development, and sale of land, residential lots and homes primarily in the greater Calgary area. The Corporation reports its activities as two business segments: land development and home building.

The Corporation is listed for trading on the Toronto Stock Exchange under the symbol "GDC". Genesis' head office and registered office are located at 7315 - 8th Street N.E., Calgary, Alberta T2E 8A2.

The condensed consolidated interim financial statements of Genesis were approved for issuance by the Board of Directors on November 13, 2018.

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies of the Corporation are the same as those applied in the Corporation's annual audited consolidated financial statements for the years ended December 31, 2017 and 2016 except as described in note 3. These policies have been consistently applied to each of the periods presented, unless otherwise indicated.

The unaudited condensed consolidated interim financial statements ("Statements") of the Corporation are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These Statements are unaudited and have been prepared in accordance with IAS 34 "Interim Financial Reporting".

These Statements do not include all of the information required for annual audited consolidated financial statements and should be read in conjunction with the annual audited consolidated financial statements for the years ended December 31, 2017 and 2016.

Share based compensation

On September 20, 2018, the Corporation's Board of Directors adopted a new long-term incentive plan comprised of a stock option plan and a deferred share unit ("DSU") plan. The Corporation made stock option grants under this plan. No DSUs have been granted. The adoption of the stock option plan and the vesting and exercise of any initial grants made under this plan are conditional upon and subject to the approval by Genesis' shareholders, which is intended to be sought at the Corporation's next annual general meeting in May 2019.

The Corporation's stock option plan allows for the recipients to purchase common shares. Vesting provisions and exercise prices are set at the time of issuance by the Board of Directors. Options vest over a number of years on various anniversary dates from the date of the original grant. Options are issued at not less than the fair market value of the common shares at the date of grant and with terms not exceeding ten years from the date of grant.

The cost of share-based payments related to the stock options granted is calculated using the fair value of the stock options at the grant date using the Black-Scholes Option-Pricing Model. The costs of the share-based payments are recognized on a proportionate basis over the related vesting period of each tranche of the grant as an expense with recognition of the corresponding increase in contributed surplus. Any consideration paid on the exercise of stock options, together with any related contributed surplus, is credited to the share capital account.

Share-based payments may be settled in cash or equity at the sole discretion of the Corporation and are accounted for as equity-settled plans.

The dilutive effect of outstanding options will be reflected in the computation of earnings per share.

3. NEW STANDARDS EFFECTIVE JANUARY 1, 2018

The Corporation adopted new IFRSs and interpretations as of January 1, 2018, as noted below:

i) IFRS 15, "Revenue from contracts with customers"

ii) IFRS 9, "Financial instruments"

Refer to note 3 in the condensed consolidated interim financial statements for the three months ended March 31, 2018 and 2017 which discusses these new IFRS and the impact of the application of IFRS 15 and IFRS 9.

In addition, refer to note 9 in the condensed consolidated interim financial statements for the three months ended March 31, 2018 and 2017 which shows the pre-transition IAS 39 and the post-transition IFRS 9 classification and measurement categories, and reconciles the IAS 39 and IFRS 9 carrying amounts as at January 1, 2018, as a result of adopting IFRS 9.

NEW ACCOUNTING PRONOUNCEMENTS

IFRS 16, "Leases"

On January 13, 2016, the IASB published a new standard, IFRS 16, "Leases". The new standard brings most leases for lessees onto the balance sheet under a single model, eliminating the distinction between operating and finance leases. The standard is effective for annual periods beginning on or after January 1, 2019, with early application permitted but only if the entity is also applying IFRS 15, "Revenue from contracts with customers". Under the new standard, a lessee recognizes a right-of-use ("ROU") asset and a lease liability. The right-of-use asset is treated similarly to other non-financial assets and depreciated accordingly. The liability accrues interest.

The Corporation completed the assessment of the impact of IFRS 16 on its financial statements and has opted to use the modified retrospective approach in its adoption of IFRS 16. The modified retrospective method does not require restatement of prior period financial information as it may recognize the cumulative effect as an adjustment to opening retained earnings and applies the standard prospectively.

On adoption of IFRS 16, the Corporation will recognize lease liabilities at the present value of the remaining lease payments, discounted using the Corporation's incremental borrowing rate as of January 1, 2019. The associated ROU assets will also be measured at an amount equal to the lease liability on January 1, 2019 therefore having no impact on retained earnings. Adoption of the standard will result in the recognition of ROU assets and lease liabilities of approximately $233 as at January 1, 2019.

(All tabular amounts and amounts in footnotes to tables are in thousands of Canadian dollars except number of shares)

4. REAL ESTATE HELD FOR DEVELOPMENT AND SALE

	Lots, Multi-family & Commercial Parcels	Land Held for Development	Home Building	Total	Limited Partnerships	Intra-segment Elimination	Consolidated Total
Gross book value							
As at December 31, 2017	38,530	143,884	20,156	202,570	15,253	(4,194)	213,629
Development activities	1,578	16,703	27,537	45,818	90	-	45,908
Transfer	6,576	(6,576)	-	-	-	-	-
Reclass from amounts receivable	3,710	-	-	3,710	-	-	3,710
Acquisition	5,200	-	-	5,200	-	-	5,200
Sold	(21,327)	-	(20,621)	(41,948)	-	-	(41,948)
As at September 30, 2018	34,267	154,011	27,072	215,350	15,343	(4,194)	226,499
Provision for write-downs							
As at December 31, 2017	-	8,744	-	8,744	4,128	-	12,872
Write-down of real estate held for development	-	920	-	920	-	-	920
As at September 30, 2018	-	9,664	-	9,664	4,128	-	13,792
Net book value							
As at December 31, 2017	38,530	135,140	20,156	193,826	11,125	(4,194)	200,757
As at September 30, 2018	34,267	144,347	27,072	205,686	11,215	(4,194)	212,707

During the three and nine months ended September 30, 2018, interest of $39 and $191 (2017 - $60 and $283) was capitalized as a component of development activities.

During the nine months ended September 30, 2018, the Corporation recorded a write-down of $920 (2017 - $1,095) due to costs capitalized during the period (mainly property taxes and interest) relating to a parcel of land held for development that is carried at net realizable value.

The Corporation closed the sale of a 1.8 acre commercial parcel of land and a 7.8 acre multi-family parcel of land in the Calgary Metropolitan Area during the three and nine months ended September 30, 2018 for gross proceeds of $2,688 and $7,810 respectively.

During the nine months ended September 30, 2018 Genesis had entered into an agreement with the receiver of a third-party builder in a Genesis community, which was approved by the Alberta Court of Queen's Bench. In accordance with this agreement, (1) the agreements to sell 23 lots to the builder, with amounts receivable of $3,710, were cancelled and the lots were returned to Genesis, (2) Genesis re-purchased from the builder 31 lots for $5,200 for which it had received full payment, and acquired that builder's work in progress on these lots and on the 23 returned lots. Genesis acquired all assets free and clear of any liabilities including any builders' liens obligations. The transaction closed in May 2018.

(All tabular amounts and amounts in footnotes to tables are in thousands of Canadian dollars except number of shares)

5. LOANS AND CREDIT FACILITIES

	September 30, 2018	December 31, 2017
Secured by agreements receivable and real estate held for development and sale		
(a) Demand land project servicing loans from major Canadian chartered banks, payable on collection of agreements receivable, bearing interest of prime +0.75% per annum, secured by real estate held for development and sale with a carrying value of $54,932, due between December 30, 2020 and July 4, 2021.	**2,312**	6,164
Secured by real estate held for development and sale		
(b) Vendor-take-back mortgage payable ("VTB") at 0% per annum is measured at amortized cost and whose fair value is based on discounted future cash flows, using an 8% discount rate. The $40,000 VTB was entered into on January 6, 2015 in partial payment for the purchase of southeast Calgary lands and is secured by these lands which have a carrying value of $44,904. The VTB is to be paid in five annual installments of $8,000 each, commencing January 6, 2016 and ending January 6, 2020.	**16,000**	24,000
Unamortized portion of the discount on the VTB.	**(908)**	(1,792)
(c) Demand operating line of credit up to $10,000 from a major Canadian chartered bank, bearing interest at prime +1.00% per annum, secured by real estate held for development and sale with a carrying value of $14,328 due on March 31, 2019.	**-**	-
Secured by housing projects under development		
(d) Demand operating line of credit from a major Canadian chartered bank up to $6,500, bearing interest at prime +0.75% per annum, secured by a general security agreement over assets of the home building division.	**2,129**	-
(e) Demand project specific townhouse construction loans from a major Canadian chartered bank, payable on collection of sale and closing proceeds, bearing interest at prime +0.90% per annum, secured by the project with a carrying value of $9,005, due between March 28, 2020 and August 31, 2020.	**7,402**	1,896
	26,935	30,268
Deferred fees on loans and credit facilities	**(330)**	(133)
	26,605	30,135

A lender has a general security agreement on all property of the Corporation and its subsidiaries, in addition to specific security mentioned above.

The weighted average interest rate of loan agreements with financial institutions was 4.54% (December 31, 2017 - 3.99%) based on September 30, 2018 balances.

During the three and nine months ended September 30, 2018, the Corporation received advances of $11,361 and $23,809 (2017 - $10,973 and $28,373) relating to various existing loan facilities secured by agreements receivable, real estate held for development and sale and housing projects under development, bearing interest ranging from prime +0.75% to prime +1.00% per annum, with due dates ranging from March 31, 2019 to July 4, 2021.

The VTB at 0% per annum is measured at amortized cost and its fair value is based on discounted future cash flows using an 8% discount rate, resulting in interest expense of $295 and $884 (2017 - $425 and $1,276) for the three and nine months ended September 30, 2018 respectively.

(All tabular amounts and amounts in footnotes to tables are in thousands of Canadian dollars except number of shares)

5. LOANS AND CREDIT FACILITIES (continued)

Based on the contractual terms, the Corporation's loans and credit facilities are to be repaid within the following time periods (excluding deferred financing fees):

October 1, 2018 to September 30, 2019	9,963
October 1, 2019 to September 30, 2020	14,660
October 1, 2020 to September 30, 2021	2,312
	26,935

As at September 30, 2018 and at December 31, 2017, the Corporation and its controlled entities were in compliance with all loan covenants.

6. SHARE CAPITAL

a) Authorized

Unlimited number of common shares without par value.
Unlimited number of preferred shares without par value, none issued.

b) Weighted average number of shares

The following table sets forth the weighted average number of common shares outstanding for the three and nine months ended September 30, 2018 and 2017:

	Three months ended September 30,		Nine months ended September 30,	
	2018	**2017**	**2018**	**2017**
Basic weighted average number of common shares	**42,952,721**	43,259,707	**43,118,655**	43,428,842

c) Normal course issuer bid ("NCIB")

On October 5, 2018, the Corporation announced the renewal of its NCIB. The renewed NCIB commenced on October 10, 2018 and will terminate on the earlier of: (i) October 9, 2019; and (ii) the date on which the maximum number of common shares are purchased pursuant to the bid. The Corporation may purchase for cancellation up to 2,147,636 common shares under the renewed NCIB.

The prior NCIB, which expired on September 11, 2018, allowed the Corporation to purchase for cancellation up to 2,163,022 common shares. The Corporation purchased a total of 300,000 common shares at an average price of $3.67 per share under this NCIB.

The following table sets forth the number of common shares repurchased and cancelled during the three and nine months ended September 30, 2018 and 2017 under the NCIB.

	Three months ended September 30,		Nine months ended September 30,	
	2018	**2017**	**2018**	**2017**
Number of shares repurchased and cancelled	-	17,460	**300,000**	493,085
Reduction in share capital	-	22	**382**	628
Reduction in retained earnings	-	41	**719**	828
Reduction in shareholders' equity	-	63	**1,101**	1,456
Average purchase price per share	-	3.53	**3.67**	2.95

(All tabular amounts and amounts in footnotes to tables are in thousands of Canadian dollars except number of shares)

d) Dividends

Cash dividends of $10,309 ($0.24 per share) and $9,083 ($0.21 per share) were paid in September 2018 and 2017 respectively.

7. SHARE BASED COMPENSATION

On September 20, 2018, the Corporation's Board of Directors adopted a new long-term incentive plan comprised of a stock option plan and a DSU plan.

a) Stock Option Plan

The Corporation made stock option grants under this plan. The adoption of the stock option plan and the vesting and exercise of any initial grants made under this plan are conditional upon and subject to the approval by Genesis' shareholders, which is intended to be sought at the Corporation's next annual general meeting in May 2019. The Corporation's stock option plan allows for the recipients to purchase common shares. Vesting provisions and exercise prices are set at the time of issuance by the Board of Directors. Options vest over a number of years on various anniversary dates from the date of the original grant. Options are issued at not less than the fair market value of the common shares at the date of grant and with a term up to ten years from the date of grant.

The cost of share-based payments related to the stock options granted is calculated using the fair value of the stock options at the grant date using the Black-Scholes Option-Pricing Model. The costs of the share-based payments are recognized on a proportionate basis over the related vesting period of each tranche of the grant as an expense with recognition of the corresponding increase in contributed surplus. Any consideration paid on the exercise of stock options, together with any related contributed surplus, is credited to the share capital account.

Share-based payments may be settled in cash or equity at the sole discretion of the Corporation and are accounted for as equity-settled plans. In the third quarter stock option expense of $21 was recorded and this is included in general and administrative expense.

The dilutive effect of outstanding options will be reflected in the computation of earnings per share.

Details of stock options were as follows:

	Nine months ended September 30,			
	2018		2017	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding – beginning of period	**-**	**-**	-	-
Options issued	**1,350,000**	**$3.48**	-	-
Outstanding – end of period	**1,350,000**	**$3.48**	-	-
Exercisable – end of period	**-**	**-**	-	-

	Outstanding		Exercisable		
Range of Exercise Prices ($)	Number at September 30, 2018	Weighted Average Exercise Price	Number at September 30, 2018	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life in Years
3.48 – 3.48	1,350,000	$3.48	-	-	7

b) Deferred Share Unit Plan for Directors and Designated Employees

No DSUs have been granted.

8. COMMITMENTS AND CONTINGENCIES

Other than the commitments and contingencies discussed below and in the notes to the annual audited consolidated financial statements for the years ended December 31, 2017 and 2016, there were no other material commitments or contingencies as at September 30, 2018.

a) The Corporation has issued letters of credit pursuant to servicing agreements with municipalities to indemnify them in the event that the Corporation does not perform its contractual obligations. As at September 30, 2018, the letters of credit amounted to $7,282 (December 31, 2017 - $5,491).

b) The Corporation has office and other operating leases with the following annual payments: not later than one year - $498; later than one year but not later than five years - $577; and later than five years - Nil.

9. PROVISION FOR LITIGATION

Two former employees filed a statement of claim against the Corporation and a director on May 27, 2016 alleging wrongful termination of their employment and seeking damages, legal costs and other relief arising out of the termination of their employment contracts with the Corporation. The aggregate amount of the claim is approximately $1,600 and the Corporation recorded this amount as a provision as at December 31, 2017. In 2017, the former employees brought a motion before a Master in Chambers of the Court of Queen's Bench of Alberta for summary judgment asking for awards of liquidated damages, being the amount of their severance entitlements set out in their employment contracts. On April 24, 2017, the Master granted the former employees' application for summary judgment. The Corporation filed a Notice of Appeal on April 28, 2017. The appeal was heard in August 2018 and judgement was reserved.

On March 8, 2018, the two former employees served an application for leave to amend their claim to add claims in the amount of $1,100 plus costs and interest in connection with a disputed purported exercise of stock options.

The Corporation is vigorously defending against these claims.

10. FINANCIAL INSTRUMENTS

The fair values of cash and cash equivalents, restricted cash, accounts payable and accrued liabilities approximate their carrying values as they are expected to be settled within twelve months. The fair value of deposits approximates their carrying value as the terms of deposits are comparable to the market terms for similar instruments. The fair value of the vendor-take-back mortgage receivable approximates its carrying value as the terms of vendor-take-back mortgage receivable is comparable to the market terms for similar instruments.

The fair values of the Corporation's loans and credit facilities and amounts receivable were estimated based on current market rates for loans of the same risk and maturities.

Fair value measurements recognized in the consolidated balance sheets are categorized using a fair value hierarchy that reflects the significance of inputs used in determining the fair values. The three fair value hierarchy levels are as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and,

Level 3: Inputs for the asset or liability that is not based on observable market data (unobservable inputs).

(All tabular amounts and amounts in footnotes to tables are in thousands of Canadian dollars except number of shares)

10. FINANCIAL INSTRUMENTS (continued)

The Corporation's current financial assets are measured at amortized cost or fair value through profit and loss ("FVTPL"). The estimated fair value of financial assets and liabilities as at September 30, 2018 and December 31, 2017 are presented in the following table:

		Carrying Value		**Fair Value**	
	Measurement Basis	**As at Sep. 30, 2018**	**As at Dec. 31, 2017**	**As at Sep. 30, 2018**	**As at Dec. 31, 2017**
Financial Assets					
Cash	FVTPL	14,704	23,585	14,704	23,585
Cash equivalents	Amortized cost	-	-	-	-
Deposits	Amortized cost	2,497	2,674	2,497	2,674
Restricted cash	FVTPL	2,412	3,773	2,412	3,773
Amounts receivable	Amortized cost	17,767	30,820	17,395	30,192
Vendor-take-back mortgage receivable	Amortized cost	21,555	20,558	21,555	20,558
Financial Liabilities					
Accounts payable and accrued liabilities	Amortized cost	21,682	8,938	21,682	8,938
Loans and credit facilities, excluding deferred loans and credit facilities fees	Amortized cost	26,935	30,268	26,935	30,268

During the three and nine months ended September 30, 2018 and 2017, no transfers were made between the levels in the fair value hierarchy.

Cash and cash equivalents, deposits and restricted cash are classified under Level 1 of the hierarchy.

The fair values of the Corporation's amounts receivable, vendor-take-back mortgage receivable, accounts payable and accrued liabilities and loans and credit facilities are classified as Level 2 of the hierarchy.

(All tabular amounts and amounts in footnotes to tables are in thousands of Canadian dollars except number of shares)

11. SEGMENTED INFORMATION

The income producing business units of the Corporation reported the following activities for the three and nine months ended September 30, 2018 and 2017:

Three months ended September 30, 2018	Land Development Segment Genesis	LP	Intrasegment Elimination	Total	Home Building Segment	Intersegment Elimination	Total
Revenues	18,064	8	-	18,072	13,816	(4,710)	27,178
Direct cost of sales	(15,428)	-	-	(15,428)	(11,750)	4,710	(22,468)
Write-down of real estate held for development and sale	-	-	-	-	-	-	-
Gross margin	2,636	8	-	2,644	2,066	-	4,710
G&A, selling & marketing and net finance expense or income	(1,638)	117	-	(1,521)	(2,314)	-	(3,835)
Earnings (loss) before income taxes and non-controlling interest	998	125	-	1,123	(248)	-	875

Three months ended September 30, 2017	Land Development Segment Genesis	LP	Intrasegment Elimination	Total	Home Building Segment	Intersegment Elimination	Total
Revenues	10,247	5,248	-	15,495	22,750	(7,117)	31,128
Direct cost of sales	(5,483)	(5,028)	-	(10,511)	(18,833)	7,117	(22,227)
Gross margin	4,764	220	-	4,984	3,917	-	8,901
G&A, selling & marketing and net finance expense or income	(1,324)	(792)	-	(2,116)	(2,151)	-	(4,267)
Earnings (loss) before income taxes and non-controlling interest	3,440	(572)	-	2,868	1,766	-	4,634

(All tabular amounts and amounts in footnotes to tables are in thousands of Canadian dollars except number of shares)

11. SEGMENTED INFORMATION (continued)

Nine months ended September 30, 2018	Land Development Segment Genesis	LP	Intrasegment Elimination	Total	Home Building Segment	Intersegment Elimination	Total
Revenues	35,645	19	-	35,664	38,080	(13,242)	60,502
Direct cost of sales	(26,543)	(18)	-	(26,561)	(32,474)	13,242	(45,793)
Write-down of real estate held for development and sale	(920)	-	-	(920)	-	-	(920)
Gross margin	8,182	1	-	8,183	5,606	-	13,789
G&A, selling & marketing and net finance expense or income	(4,562)	324	-	(4,238)	(6,664)	-	(10,902)
Earnings (loss) before income taxes and non-controlling interest	3,620	325	-	3,945	(1,058)	-	2,887
Segmented assets as at September 30, 2018	241,067	32,832	(18,584)	255,315	30,796	(1,648)	284,463
Segmented liabilities as at September 30, 2018(1),(2)	62,382	14,390	(14,390)	62,382	13,486	(1,648)	74,220
Segmented net assets as at September 30, 2018(1), (2)	178,685	18,442	(4,194)	192,933	17,310	-	210,243

Nine months ended September 30, 2017	Land Development Segment Genesis	LP	Intrasegment Elimination	Total	Home Building Segment	Intersegment Elimination	Total
Revenues	45,945	5,292	-	51,237	49,244	(15,192)	85,289
Direct cost of sales	(29,319)	(5,006)	-	(34,325)	(40,643)	15,192	(59,776)
Write-down of real estate held for development and sale	(1,075)	(20)	-	(1,095)	-	-	(1,095)
Gross margin	15,551	266	-	15,817	8,601	-	24,418
G&A, selling & marketing and net finance expense or income	(5,284)	(1,448)	-	(6,732)	(6,775)	-	(13,507)
Earnings (loss) before income taxes and non-controlling interest	10,267	(1,182)	-	9,085	1,826	-	10,911
Segmented assets as at December 31, 2017	264,021	31,743	(17,804)	277,960	26,531	(3,066)	301,425
Segmented liabilities as at December 31, 2017(1),(2)	76,638	13,625	(13,610)	76,653	8,297	(3,066)	81,884
Segmented net assets as at December 31, 2017(1),(2)	187,383	18,118	(4,194)	201,307	18,234	-	219,541

(1) Segmented liabilities under the Genesis land development segment include $450 due to the home building segment (December 31, 2017 – due from home building segment to land development segment - $878).

(2) Segmented liabilities under the LP segment is comprised of accounts payable and accrued liabilities and includes $14,390 (December 31, 2017 - $13,610) due to Genesis.

(All tabular amounts and amounts in footnotes to tables are in thousands of Canadian dollars except number of shares)

12. RELATED PARTY TRANSACTIONS

	Three months ended September 30,		Nine months ended September 30,	
	2018	**2017**	**2018**	**2017**
Fees for services provided by a corporation controlled by an officer and director	**81**	69	**251**	248

	Sep. 30, 2018	**Dec. 31, 2017**
Amounts in accounts payable and/or accrued liabilities	**27**	**22**

13. CONSOLIDATED ENTITIES

The consolidated financial statements include the accounts of the Corporation and its wholly-owned subsidiaries, as well as the consolidated revenues, expenses, assets, liabilities and cash flows of limited partnership entities that the Corporation controls. The Corporation has less than 50% equity ownership in these limited partnership entities; however, the Corporation has control over these entities' activities, projects, financial and operating policies due to contractual arrangements. As such, the relationship between the Corporation and the limited partnership entities indicates that they are controlled by the Corporation. Accordingly, the accounts of the limited partnerships have been consolidated in the Corporation's financial statements. Subsidiaries of the Corporation are general partners in three limited partnership group structures.

Limited Partnership Land Pool (2007) has a loan amounting to $12,923 (December 31, 2017 - $12,272) due to the Corporation, which is secured by a charge on a $20,500 vendor-take-back mortgage receivable.

14. SUBSEQUENT EVENTS

The Corporation announced the renewal of its NCIB on October 5, 2018. Refer to note 6c for additional details.