

LP RRSP LIMITED PARTNERSHIP #1 **CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

LP RRSP LIMITED PARTNERSHIP #1
NOTICE OF NO AUDITOR REVIEW OF FINANCIAL STATEMENTS
For the Years Ended December 31, 2014 and 2013

The accompanying unaudited consolidated financial statements of LP RRSP Limited Partnership #1 (the “Partnership”) have been prepared by and are the sole responsibility of the Partnership’s management. These financial statements have not been independently reviewed or audited.

LP RRSP LIMITED PARTNERSHIP #1**CONSOLIDATED BALANCE SHEETS***(In Canadian dollars)**(Unaudited)*

	Notes	December 31,	
		2014	2013
Assets			
Investment in Limited Partnership Land Pool (2007)		686,826	581,620
Total assets		686,826	581,620
Liabilities			
Accounts payable and accrued liabilities		3,730	-
Amounts due to related parties		55,659	45,255
Total liabilities		59,389	45,255
Equity			
General partner		10	10
Limited partners		627,427	536,355
Total equity		627,437	536,365
Total liabilities and equity		686,826	581,620

See accompanying notes to the consolidated financial statements.

LP RRSP LIMITED PARTNERSHIP #1**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)***(In Canadian dollars)**(Unaudited)*

	Notes	Year ended December 31,	
		2014	2013
Revenues			
Gain on investments		105,206	
Miscellaneous income	3	-	316,600
		105,206	316,600
Expenses			
Loss on investments		-	1,930,525
General and administrative		14,134	6,745
		14,134	1,937,270
Earnings being comprehensive income (loss)		91,072	(1,620,670)

See accompanying notes to the consolidated financial statements.

LP RRSP LIMITED PARTNERSHIP #1
CONSOLIDATED STATEMENTS OF PARTNERS' EQUITY
For the years ended December 31, 2014 and 2013
(In Canadian dollars)
(Unaudited)

	Net Partners' Contributions	Deficit	Partners' Equity
At December 31, 2012	9,834,553	(7,677,518)	2,157,035
Loss being comprehensive loss for the year	-	(1,620,670)	(1,620,670)
At December 31, 2013	9,834,553	(9,298,188)	536,365
Earnings being comprehensive income	-	91,072	91,072
At December 31, 2014	9,834,553	(9,207,116)	627,437

See accompanying notes to the consolidated financial statements.

LP RRSP LIMITED PARTNERSHIP #1
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2014 and 2013
(In Canadian dollars)
(Unaudited)

1. ORGANIZATION AND OPERATION OF THE PARTNERSHIP

LP RRSP Limited Partnership #1 (the "Partnership") is a limited partnership formed under the laws of the Province of Alberta on July 25, 2007 pursuant to the Partnership Act (Alberta). It commenced operations by raising funds through an offering memorandum dated July 27, 2007 for limited partnership units ("Units"). As at December 31, 2014, the Partnership had 9,903,100 Units outstanding (December 31, 2013- 9,903,100 Units).

The Partnership was established to participate in the development of raw (primarily agricultural) land in Airdrie and Delacour (the "Properties") through an indirect interest in Limited Partnership Land Pool (2007) ("LPLP").

The affairs of the Partnership are managed by the General Partner, GP RRSP 2007 Inc.

2. BASIS OF CONSOLIDATION

The consolidated financial statements include the accounts of the Partnership and its wholly-owned subsidiary, LPLP 2007 Subco Inc. All intra-group transactions and balances are eliminated on consolidation.

3. MISCELLANEOUS INCOME

Pursuant to a sales agreement dated July 27, 2007 with LPLP, LPLP agreed to market 10,000 Units for the Partnership. The Partnership incurred marketing administration fees of \$208,622 in 2007 and \$128,187 in 2008 which were recorded as an amount due to related parties. In 2013 it was determined that, as 94% of the proceeds raised by the Partnership were used to acquire units in LPLP, resulting in the issuance of 9,903,100 LPLP units, LPLP was responsible for 94% of the marketing administration fees paid, or \$316,600.

Accordingly, the Partnership recognized miscellaneous income of \$316,600 for the year ended December 31, 2013 representing a recovery of issuance costs previously expensed.

LP RRSP LIMITED PARTNERSHIP #1
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(In Canadian dollars)

(Unaudited)

4. NON-IFRS PRESENTATION OF COMPREHENSIVE INCOME

Under International Financial Reporting Standards (IFRS), the Partnership's earnings from its 22.6% indirect ownership interest in Limited Partnership Land Pool (2007) are presented as a single line item: "gain (loss) on investments". The following table presents the operating results for the Partnership and its indirect investment in Limited Partnership Land Pool (2007) using the proportionate consolidation method:

	Year Ended December 31,				
	2014	2013	2012	2011	2010
Revenues					
Recovery of development land	530,293	-	-	36,820	768,929
Rental income	17,712	19,410	28,111	16,468	15,196
Miscellaneous income	-	195,885	-	-	-
	548,005	215,295	28,111	53,288	784,125
Expenses					
Write-down of development land	-	1,397,970	3,046,816	-	-
Interest	432,399	399,084	390,235	401,947	172,743
General and administrative expense	23,381	37,767	36,122	11,167	43,340
Development costs	1,153	1,144	6,668	-	-
	456,933	1,835,965	3,479,841	413,114	216,083
Earnings (loss)	91,072	(1,620,670)	(3,451,730)	(359,826)	568,042

Earnings (loss) per unit	\$ 0.009	\$ (0.164)	\$ (0.349)	\$ (0.036)	\$ 0.057
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5. LIMITED PARTNERS' EQUITY PER UNIT

The following table presents the book value of limited partners' equity per unit:

	Year Ended December 31,				
	2014	2013	2012	2011	2010
Limited partners' equity	627,427	536,355	2,157,025	5,608,755	5,968,581
Limited partners' equity/ Unit	\$0.063	\$0.054	\$0.218	\$0.566	\$0.603