GENESIS LAND DEVELOPMENT CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and six months ended June 30, 2020

The Management's Discussion and Analysis ("**MD&A**") of the financial condition and results of operations of Genesis Land Development Corp. ("**Genesis**", "**the Corporation**", "**we**", "**us**", or "**our**") should be read in conjunction with our unaudited condensed consolidated interim financial statements and the notes thereto for the three and six months ended June 30, 2020 and 2019, prepared in accordance with International Financial Reporting Standards ("**IFRS**").

The unaudited condensed consolidated interim financial statements and comparative information have been reviewed by the Corporation's audit committee, consisting of three independent directors, and approved by the board of directors of the Corporation. Additional information, including the Corporation's Annual Information Form ("**AIF**") and the Corporation's MD&A for the year ended December 31, 2019 are available on SEDAR at www.sedar.com.

All amounts are in thousands of Canadian dollars, except per share amounts or unless otherwise noted. This MD&A is dated as of July 30, 2020.

STRATEGY AND 2020 BUSINESS PLAN

Strategy

Genesis Land Development Corp. ("Genesis" or the "Corporation") is an integrated land developer and residential home builder operating in the Calgary Metropolitan Area ("CMA"), owning and developing a portfolio of well-located, entitled and unentitled residential, commercial and mixed-use lands and serviced lots in the CMA.

As a land developer, Genesis acquires, plans, rezones, subdivides, services and sells residential lots and commercial and industrial lands to third-party developers and builders, and also sells lots and completed homes through its home building division. The land portfolio is planned, developed, serviced and sold as single-family lots and townhouse and commercial parcels at opportune times with the objective of maximizing the risk adjusted net present value of the land and to maximize net cash flow.

Through a wholly-owned subsidiary, Genesis Builders Group Inc. ("GBG"), Genesis also designs, builds and sells homes on a significant portion of its single-family lots and, in some cases, its townhouse land parcels. GBG also acquires single-family lots from other land developers to build and sell single-family homes in additional CMA communities.

As part of its overall strategy, Genesis continues to focus on minimizing overhead costs and long-term commitments, where possible, to preserve flexibility.

Genesis manages its financial position by prudently and opportunistically allocating its cash resources among the following:

- Maintaining a strong balance sheet as the first priority;
- Acquiring additional land either directly or through land development entities; and
- Paying dividends and/or buying back its common shares.

Market Overview

Beginning in March 2020, global economic conditions have been difficult as the COVID-19 pandemic has caused governments to shutdown large parts of the global economy, including in Alberta. In addition, the global demand for oil, the leading contributor to Alberta's GDP, dropped significantly. These factors continue to have a negative impact on the Alberta economy with Royal Bank of Canada estimating that Alberta's GDP will shrink by approximately 8% in 2020.

The impact of home sales activity was immediate. According to the Calgary Real Estate Board ("CREB"), in March 2020 sales fell by 11% compared to March 2019, the lowest levels recorded since 1995. This weakness continued in April 2020 as home sales were down 63% and in May 2020 home sales decreased by 44% as compared to the same months in 2019. This trend reversed in June 2020 with monthly June home sales down 2% over June 2019. Low interest rates continue to support home sales activity. As well, listings have declined and at June 30, 2020 inventory levels for detached homes were at 4.35 months which compares favorably to 4.58 months at June 2019.

To address this challenging market environment, Genesis has focused on preserving cash resources and protecting its balance sheet while executing its business plan. Through the first six months of 2020 ("YTD 2020") revenues of $54,377 have been recorded ($29,230 in the first six months of 2019, "YTD 2019"), 119 lots sold (70 in YTD 2019), 82 homes sold (59 in YTD 2019) and 83 new home orders have been executed (74 in YTD 2019). Cash balances as at June 30, 2020 increased to $23,989 ($16,248 as at December 31, 2019, "YE 2019") and the ratio of loans and credit facilities to total assets as at June 30, 2020 declined to 16% (17% as at December 31, 2019). Outstanding new home orders stood at 55 as at June 30, 2020 (49 as at June 30, 2019). Despite these strong results, Genesis remains cautious, as the extent and duration of the economic downturn is unpredictable and unknown.

2020 Business Plan

Focus on Liquidity and Cash Flow

Given these continuing market conditions, Genesis has preserved cash resources and protected its balance sheet. As of June 30, 2020, Genesis had $23,989 of cash and cash equivalents on hand (YE 2019 - $16,248), loans and credit facilities of $45,954 (YE 2019 - $51,546), real estate assets of $196,791 (YE 2019 – $222,269) and total assets of $283,330 (YE 2019 – $296,268). The ratio of loans and credit facilities to total assets was 16% as at June 30, 2020 compared to 17% as at December 31, 2019. During the first six months of 2020, the Corporation renewed its $10,000 corporate operating line and its $17,402 townhouse development credit facilities. The next loan maturity is in December 2020.

In Q2 2020, Genesis generated positive cash flows from operating activities of $7,044 compared to $7,061 over the same period in 2019. For the six months ended June 30, 2020, Genesis generated cash flows from operating activities of $15,232, an increase of 31% over the same period in 2019.

The Corporation is continually reviewing all expenditures to determine which capital and operating costs can be deferred, eliminated or reduced.

Progress on 2020 Business Plan

Genesis continued in Q2 2020 to execute on its business plan, while modifying it to reflect current and expected market conditions.

1) Obtaining Additional Zoning and Servicing Entitlements

Genesis continued to make progress in obtaining additional zoning and servicing entitlements for its land, with no material impact from the COIVD-19 economic restrictions to date. The projects include:

- Ricardo Ranch Area Structure Plan ("ASP"): Genesis owns 354 acres of undeveloped land in Calgary's southeast quadrant. An ASP for a new residential community on these lands was approved by the Calgary City Council in November 2019. There is a Growth Management Overlay ("GMO") restricting development of these lands and Genesis has applied for the GMO to be removed. Outline plan and land use applications have also been submitted. Development of these lands is slated to commence in 2021.
- OMNI ASP (in North Conrich): Genesis controls 610 acres of undeveloped land in Rocky View County bordering the northeast quadrant of the City of Calgary. Genesis has received ASP approval for a 185-acre commercial and retail project on a portion of these lands. Approval of the conceptual scheme for this project is expected to be received by the end of 2020. The remaining 425 acres are included in a special study area, with land use still to be determined.
- Lewiston: Genesis acquired 130 acres of residential development land in north Calgary in 2019. Genesis has applied for the GMO to be removed from this property and to have the outline plan and land use applications approved by the end of 2020. Development of these lands is slated to commence in 2021.

2) Planning for the Development and Sale of Land

Genesis continues to develop and implement detailed plans for each of its core land holdings, with the objective of maximizing the risk adjusted net present value of the land and to sell or develop the land at the most opportune time. Please see information provided under the heading *Real Estate Held for Development and Sale* in this MD&A.

The 8.17-acre multi-family parcel in Genesis' Sage Hill Crossing community contracted in early 2019 closed in the first quarter of 2020 for $8,987. Genesis also has a multi-family parcel of 4.9 acres in its Sage Meadows community under contract to sell for $6,546, with an expected closing date in the third quarter of 2020. Although all required conditions to date have been met, including deposits, there can be no assurances that this transaction will close within the described time periods or that it will close at all.

3) Servicing Additional Phases

The servicing of one new community is being commenced in 2020:

- Sage Hill Crossing: The servicing of the first phase of 20 acres in this 51-acre development with a total development cost of $19.5 million of which $8.8 million is anticipated to be expended in 2020. This community well located in northwest Calgary is an "infill development". When the first phase is completed it will provide 99 lots and 7.3 acres of multi-family and commercial parcels. The development will initially be funded by internal funds until a project facility is put in place.

The servicing of four new residential community phases that commenced in 2018 are in the final stages of completion and lots are available for sale and building:

- Saddlestone community: The final phase of Genesis' 160-acre Saddlestone community was fully serviced in late 2019, adding 121 single-family lots and two multi-family sites totaling 1.9 acres and a 3.2-acre park;

- Sage Meadows community: The final phase of the 80-acre Sage Meadows community was completed in late 2019, servicing 18.1 acres containing three multi-family sites (one of which was sold in Q4 2018 and another has been contracted for sale with an expected closing date in late 2020), 31 single-family lots on which Genesis is building on and selling houses and a school site; and

- Bayside and Bayview communities: The servicing of two new phases in this 720-acre Airdrie development was completed in late 2019, including the 108 lot Bayside phase 10 and the 102 lot Bayview phase 1. Servicing of a 6-acre park, a key amenity in the Bayview community, is expected to be completed in 2020.

4) Investing in additional lands

Genesis continues to assess suitable acquisition opportunities as they arise.

In 2019 Genesis invested $29,333 through investments in three new land development opportunities. These acquisitions will provide an inventory of additional lots in three new communities upon which Genesis plans to build and sell new homes beginning in 2021. During the six months ended June 30, 2020 GBG contracted to acquire 70 lots in the first phase of one of these developments. In addition, during Q2 2020 GBG contracted to acquire 33 lots from another land developer.

5) Adding Select Third-party Builders in Genesis Communities

To diversify offerings and increase velocity of sales within its residential communities, Genesis holds regular discussions with reputable third-party builders interested in acquiring lots in future phases in Genesis' communities. Genesis currently has three third-party builders building in its communities. An existing third-party builder partner in one of the Corporation's Calgary communities acquired 30 lots from Genesis in Airdrie (Bayview) in Q2 2020.

6) Maintaining and when possible increasing the velocity of homes sold by GBG

During Q2 2020, Genesis entered into 44 new home sales contracts, a decrease of 4% from 46 new home sales contracts in Q2 2019. As of June 30, 2020, Genesis had 55 outstanding new home orders, an increase of 12% compared to 49 at June 30, 2019. To maintain home sales velocity and margins and to manage inventory during the current economic downturn Genesis has:

- reduced pricing on select models and completed spec homes;

- managed the construction of any new spec homes with the amount of spec home work-in-progress declining to $6,164 at June 30, 2020, from $13,183 at December 31, 2019;

- refocused marketing with improved on-line sales and marketing tools; and

- continued pursuing construction cost reductions.

7) Return of capital to shareholders

No dividends were paid during the six months ended June 30, 2020, while 89,040 common shares were repurchased and cancelled by Genesis, at a cost of $154, under its normal course issuer bid.

Outlook

The Calgary Metropolitan Area economy has seen materially lower economic activity and increased unemployment levels due to the COVID-19 pandemic and historically low oil prices. The duration and impact of the COVID-19 pandemic remains unknown and as a result, it is not possible to reliably estimate the impact on the financial results and condition of the Corporation in future periods.

Genesis has adapted its operations, capital investments and marketing approaches to address current conditions. The Company has, focused on preserving cash, protecting the value of its assets and limiting financing risk while ensuring that all health and safety recommendations of regulatory authorities are being followed and, when feasible, exceeded.

Genesis is committed to implementing its strategy to develop and realize the value of its land holdings, while prudently managing its financial and other resources and controlling costs.

OPERATING HIGHLIGHTS

Key financial results and operating data for Genesis were as follows:

($000s, except for per share items or unless otherwise noted)	**Three months ended June 30,** [1]		**Six months ended June 30,** [2]	
	2020	**2019**	**2020**	**2019**
Key Financial Data				
Total revenues	**30,725**	16,533	**54,377**	29,230
Direct cost of sales	**(22,003)**	(11,210)	**(40,831)**	(19,809)
Gross margin before write-down [3]	**8,722**	5,323	**13,546**	9,421
Gross margin before write-down (%) [3]	**28.4%**	32.2%	**24.9%**	32.2%
Write-down of real estate held for development and sale	**-**	(800)	**(10,815)**	(800)
Gross margin	**8,722**	4,523	**2,731**	8,621
Net earnings (loss) attributable to equity shareholders	**3,644**	(357)	**(3,739)**	(283)
Net earnings (loss) per share - basic and diluted	**0.09**	(0.01)	**(0.09)**	(0.01)
Cash flows from operating activities	**7,044**	7,061	**15,232**	11,644
Cash flows from operating activities per share - basic and diluted	**0.17**	0.17	**0.36**	0.28
Key Operating Data				
Land Development				
Total residential lots sold (units)	**87**	37	**119**	70
Residential lot revenues	**14,739**	6,554	**20,491**	11,930
Gross margin on residential lots sold	**5,629**	3,229	**8,277**	5,989
Gross margin on residential lots sold (%)	**38.2%**	49.3%	**40.4%**	50.2%
Average revenue per lot sold	**169**	177	**172**	170
Development land revenues	**175**	-	**9,162**	-
Home Building				
Homes sold (units)	**52**	33	**82**	59
Revenues [4]	**23,901**	15,486	**37,989**	26,572
Gross margin before write-down [3]	**3,165**	2,094	**5,052**	3,432
Gross margin before write-down (%) [3]	**13.2%**	13.5%	**13.3%**	12.9%
Gross margin on homes sold	**3,165**	2,094	**4,237**	3,432
Average revenue per home sold	**455**	469	**460**	450
New home orders (units)	**44**	46	**83**	74
Outstanding new home orders at period end (units)			**55**	49

Key Balance Sheet Data	**As at Jun. 30, 2020**	**As at Dec. 31, 2019** [5]
Cash and cash equivalents	**23,989**	16,248
Total assets	**283,330**	296,268
Loans and credit facilities	**45,954**	51,546
Total liabilities	**80,137**	83,373
Shareholders' equity	**190,208**	193,957
Total equity	**203,193**	212,895
Loans and credit facilities (debt) to total assets	**16%**	17%

[1] Three months ended June 30, 2020 and 2019 ("Q2 2020" and "Q2 2019")
[2] Six months ended June 30, 2020 and 2019 ("YTD 2020" and "YTD 2019")
[3] Non-GAAP financial measure. Refer to heading "Non-GAAP Measures" in this MD&A
[4] Includes Other revenues and revenues of $8,090 for 52 lots in Q2 2020 and $13,265 for 82 lots in YTD 2020 purchased by the Home Building division from the Land Development division ($5,507 and 33 in Q2 2019; $9,272 and 59 in YTD 2019) and sold with the home. These amounts are eliminated on consolidation
[5] Year ended December 31, 2019 ("YE 2019")

Results from operations, including earnings and cash flows, vary considerably between periods for the reasons explained under the heading *Factors Affecting Results of Operations* in this MD&A.

Genesis sold 52 homes (39 single-family and 13 townhouses) in Q2 2020 compared to 33 homes (30 single-family and 3 townhouses) in Q2 2019. During Q2 2020, one non-core development land parcel was sold for $175. There were no development land sales in Q2 2019. The sales of residential lots to third-parties was also higher with 35 lots being sold in Q2 2020 compared to 4 lots sold in Q2 2019. This overall increase in sales resulted in higher revenues of $30,725 in Q2 2020, compared to $16,533 in Q2 2019.

Genesis sold 82 homes (69 single-family and 13 townhouses) in YTD 2020 compared to 59 homes (51 single-family and 8 townhouses) in YTD 2019. The sales of residential lots to third-parties was also higher with 37 lots being sold in YTD 2020 compared to 11 lots sold in YTD 2019. In YTD 2020, two development land parcels were sold for a total of $9,162. There were no development land sales in YTD 2019. This resulted in higher revenues of $54,377 in YTD 2020, compared to $29,230 YTD 2019.

The Corporation ended the second quarter of 2020 with a backlog of 55 new home orders, up from a backlog of 49 new home orders a year earlier. New home orders for the six months ended June 30, 2020 were 83 units compared to 74 units for the same period in 2019.

During YTD 2020, in Q1 2020, the Corporation recorded a write-down of $10,000 (2019 - $800) on a parcel of land held for development. The write-down was taken based on third-party assessments to reflect the estimated returns realizable on completion of development and sale of this land. The Corporation also recorded a write-down of $815 during YTD 2020, again in Q1 2020, (2019 - $Nil) relating to a townhouse project. The write-down was taken to reflect the estimated returns realizable on the sale of completed townhouse units and on the completion of construction and sale of units that are partially constructed.

Net earnings attributable to equity shareholders in Q2 2020 was $3,644 ($0.09 earnings per share - basic and diluted) compared to a net loss attributable to equity shareholders of ($357) ($0.01 loss per share - basic and diluted) in Q2 2019. Net loss attributable to equity shareholders in YTD 2020 was ($3,739) ($0.09 loss per share - basic and diluted) compared to net loss attributable to equity shareholders of ($283) ($0.01 loss per share - basic and diluted) in YTD 2019 reflecting the impact of the write-downs taken in Q1 2020.

Genesis generated similar cash flows from operating activities of $7,044 ($0.17 per share - basic and diluted) in Q2 2020, compared to $7,061 ($0.17 per share - basic and diluted) in Q2 2019. Genesis generated cash flows from operating activities of $15,232 ($0.36 per share - basic and diluted) in YTD 2020, an increase of 31% compared to cash flows used in operating activities of $11,644 ($0.28 per share - basic and diluted) in YTD 2019.

Factors Affecting Results of Operations

When reviewing the results, there are a number of factors that have historically affected Genesis' results of operations, including:

- the volatility of oil and gas prices and changes in the Canadian US dollar exchange rate, both of which impact the Alberta oil and gas industry, and have significant impact on the CMA real estate market and economy;
- changes to the regulatory environment, both direct and indirect, including for example, the land development approval process, mortgage lending rules, immigration policies and economic restrictions imposed by regulatory authorities;
- changes in interest rates, including residential mortgage rates and the rates of interest charged to Genesis on its various credit facilities;
- costs incurred for the development and servicing of land and the sale of residential lots and other land parcels occurs over a substantial period of time and results in cash flows that vary considerably between periods, creating significant volatility in the revenues, earnings and cash flows from operating activities;
- land, lot and home prices and gross margins vary by community and lot/home type, the nature of the development work required to be undertaken before the land and lots are ready for sale, and the original cost of the land and servicing; and
- seasonality which has historically resulted in higher revenues in the summer and fall months when home building sales often peak.

Land Development

	Three months ended June 30,			Six months ended June 30,		
	2020	**2019**	**% change**	**2020**	**2019**	**% change**
Key Financial Data						
Residential lot revenues [1]	**14,739**	6,554	124.9%	**20,491**	11,930	71.8%
Development land revenues	**175**	-	N/R [4]	**9,162**	-	N/R [4]
Direct cost of sales	**(9,357)**	(3,325)	181.4%	**(21,159)**	(5,941)	256.2%
Gross margin before write-down [2]	**5,557**	3,229	72.1%	**8,494**	5,989	41.8%
Gross margin before write-down (%) [2]	**37.3%**	49.3%	(24.3%)	**28.6%**	50.2%	(43.0%)
Write-down of land held for development	**-**	(800)	N/R [4]	**(10,000)**	(800)	N/R [4]
Gross margin	**5,557**	2,429	128.8%	**(1,506)**	5,189	N/R [4]
Other expenses [3]	**(1,586)**	(1,175)	35.0%	**(3,476)**	(2,595)	33.9%
Earnings (loss) before taxes	**3,971**	1,254	216.7%	**(4,982)**	2,594	N/R [4]
Key Operating Data						
Residential lots sold to third-parties	**35**	4	775.0%	**37**	11	236.4%
Residential lots sold through GBG – home building	**52**	33	57.6%	**82**	59	39.0%
Total residential lots sold	**87**	37	135.1%	**119**	70	70.0%
Average revenue per lot sold	**169**	177	(4.5%)	**172**	170	1.2%

(1) Includes residential lot sales to third-parties and to GBG
(2) Non-GAAP financial measure. Refer to heading "Non-GAAP Measures" in this MD&A
(3 Other expenses include general and administrative, selling and marketing and net finance expense
(4) Not relevant due to the size of the change

Gross margin by source of revenue

	Three months ended June 30,			Six months ended June 30,		
	2020	**2019**	**% change**	**2020**	**2019**	**% change**
Residential lots						
Residential lot revenues [1]	**14,739**	6,554	124.9%	**20,491**	11,930	71.8%
Direct cost of sales	**(9,110)**	(3,325)	174.0%	**(12,214)**	(5,941)	105.6%
Gross margin	**5,629**	3,229	74.3%	**8,277**	5,989	38.2%
Gross margin (%)	**38.2%**	49.3%	(22.5%)	**40.4%**	50.2%	(19.5%)

(1) Includes residential lot sales to third-parties and to GBG

	Three months ended June 30,			Six months ended June 30,		
	2020	**2019**	**% change**	**2020**	**2019**	**% change**
Development land						
Development land revenues	**175**	-	N/R [(2)]	**9,162**	-	N/R [(2)]
Direct cost of sales	**(247)**	-	N/R [(2)]	**(8,945)**	-	N/R [(2)]
Gross margin before write-down [(1)]	**(72)**	-	N/R [(2)]	**217**	-	N/R [(2)]
Gross margin before write-down (%) [(1)]	**(41.1%)**	-	N/R [(2)]	**2.4%**	-	N/R [(2)]
Write-down of land held for development	**-**	(800)	N/R [(2)]	**(10,000)**	(800)	N/R [(2)]
Gross margin	**(72)**	(800)	(91.0%)	**(9,783)**	(800)	N/R [(2)]

[(1)] Non-GAAP financial measure. Refer to heading "Non-GAAP Measures" in this MD&A
[(2)] Not relevant due to the size of the change

Results from operations, including earnings and cash flows, vary considerably between periods for the reasons explained under the heading *Factors Affecting Results of Operations* of this MD&A.

Revenues and unit volumes

Total residential lot sales revenues for the YTD 2020 were $20,491 (119 lots), a 72% increase over the $11,930 (70 lots) sold in YTD 2019. In YTD 2020, 37 lots were sold to third-party builders compared to 11 lots sold to third-party builders in YTD 2019. In YTD 2020, GBG also sold 82 homes on Genesis lots, up 39% from 59 homes it sold on Genesis lots in YTD 2019.

In Q2 2020, 35 lots were sold to third-party builders compared to 4 lots sold to third-party builders in Q2 2019. In Q2 2020, GBG also sold 52 homes on Genesis lots, up 58% from 33 homes it sold on Genesis lots in Q2 2019. Total residential lot sales revenues in Q2 2020 were $14,739 (87 lots) from $6,554 (37 lots) in Q2 2019.

One non-core parcel of development land was sold in Q2 2020 for $175. There were no development land parcel sales in Q2 2019. In YTD 2020, 2 parcels of development land were sold for $9,162. There were no development land parcel sales in YTD 2019. Development land sales occur periodically and comprise sales of commercial, multi-family and other lands that Genesis does not intend to build on through GBG.

Gross margin

Residential lots had a gross margin of 38% in Q2 2020 compared to 49% in Q2 2019. Residential lots had a gross margin of 40% in YTD 2020 compared to 50% in YTD 2019. Development land margins were impacted by write-downs and can vary significantly due to the *Factors Affecting Results of Operations* described in this MD&A.

Write-down of land held for development

In YTD 2020 (in Q1 2020), the Corporation recorded a write-down of $10,000 (2019 - $800) on a parcel of land held for development. The write-down was taken based on third-party assessments to reflect the estimated returns realizable on completion of development and sale of this land.

Other expenses

Other expenses include general and administrative, selling and marketing and net finance expense. In YTD 2020, other expenses were $3,476 compared to $2,595 incurred in YTD 2019. Other expenses were $881 (34%) higher in YTD 2020 compared to YTD 2019 mainly due to: (i) higher net finance expenses ($796) as a result of higher loan balances; and (ii) higher sales and marketing expenses ($106) including sales commissions related to the sale of development land parcels. These increases were partially offset by savings in other areas.

In Q2 2020, other expenses were 35% higher at $1,586 when compared to Q2 2019 ($1,175), mainly due to: (i) higher finance expense ($360) as a result of higher loan balances; and (ii) higher share-based compensation expenses ($172). These increases were partially offset by lower sales and marketing expenses ($122) and savings in other areas.

Home Building – Genesis Builders Group Inc. (GBG)

The home building business of Genesis is operated through its wholly-owned subsidiary, GBG.

	Three months ended June 30,			Six months ended June 30,		
	2020	2019	% change	2020	2019	% change
Key Financial Data						
Revenues (1)	**23,901**	15,486	54.3%	**37,989**	26,572	43.0%
Direct cost of sales	**(20,736)**	(13,392)	54.8%	**(32,937)**	(23,140)	42.3%
Gross margin before write-down (2)	**3,165**	2,094	51.1%	**5,052**	3,432	47.2%
Gross margin before write-down (%) (2)	**13.2%**	13.5%	(2.2%)	**13.3%**	12.9%	3.1%
Write-down of real estate held for development and sale	**-**	-	-	**(815)**	-	N/R (4)
Gross margin	**3,165**	2,094	51.1%	**4,237**	3,432	23.5%
Other expenses (3)	**(2,268)**	(1,999)	13.5%	**(4,457)**	(4,328)	3.0%
Earnings (loss) before taxes	**897**	95	844.2%	**(220)**	(896)	(75.4%)
Key Operating Data						
Homes sold (units)	**52**	33	57.6%	**82**	59	39.0%
Average revenue per home sold	**455**	469	(3.0%)	**460**	450	2.2%
New home orders (units)	**44**	46	(4.3%)	**83**	74	12.2%
Outstanding new home orders at period end (units)				**55**	49	12.2%

(1) Revenues include residential home sales and other revenue
(2) Non-GAAP financial measure. Refer to heading "Non-GAAP Measures" in this MD&A
(3) Other expenses include general and administrative, selling and marketing and net finance expense
(4) Not relevant due to size of the change

Results from operations, including earnings and cash flows, vary considerably between periods for the reasons explained under the heading *Factors Affecting Results of Operations* in this MD&A.

Revenues and unit volumes

Revenues for single-family homes and townhouses were $23,901 (52 units) in Q2 2020, 54% higher than Q2 2019 revenues of $15,486 (33 units). 44 homes were contracted for sale in Q2 2020 as compared to 46 in Q2 2019.

Revenues for single-family homes and townhouses were $37,989 (82 units) in YTD 2020, 43% higher than YTD 2019 revenues of $26,572 (59 units). 83 homes were contracted for sale in YTD 2020 as compared to 74 in YTD 2019, resulting in a "book" of 55 new home orders at the end of Q2 2020 as compared to 49 new home orders at the end of Q2 2019.

Homes sold in YTD 2020 had an average price of $460 per home, up 2% compared to $450 in YTD 2019. Homes sold in Q2 2020 had an average price of $455 per home, down 3% compared to $469 in Q2 2019. Fluctuations in the average revenue per home sold are due to differences in product mix. During the first six months of 2019 and 2020, GBG's single-family homes product ranged in price from $292-$842 depending on the location and the model being offered. Similarly, GBG's townhouse product ranged in price from $155-$291 depending on the location and the model being offered. In Q2 2020, 39 single-family homes and 13 townhouses were sold compared to 30 single-family homes and 3 townhouses in Q2 2019. In YTD 2020, 69 single-family homes and 13 townhouses were sold compared to 51 single-family homes and 8 townhouses in YTD 2019.

All homes sold in Q2 2020 and in Q2 2019 were built on residential lots or parcels supplied by Genesis, with lot revenues of $8,090 and $5,507, respectively. All homes sold in YTD 2020 and in YTD 2019 were built on residential lots or parcels supplied by Genesis, with lot revenues of $13,265 and $9,272, respectively. Genesis as part of its investments in a limited partnership and a joint venture has the right to purchase a number of lots as a means to increase its volumes. In Q1 2020, GBG contracted to acquire 70 lots in the first phase of one of these development communities. In addition, during Q2 2020 GBG contracted to acquire 33 lots in a new community from a third-party land developer.

GBG builds single-family homes either after receiving a firm sale contract (a "pre-construction home") or on a quick possession ("spec") basis and builds townhouses generally on a quick possession basis. The delivery time of a pre-construction home can be determined in advance, with a home typically being delivered within 8 to 10 months of a customer signing a purchase agreement. Construction of quick possession homes is started before GBG receives a firm sale contract to ensure there is sufficient inventory for buyers seeking possession within a short period of time (often 30-90 days). Townhouses are multi-unit buildings for which GBG commences construction prior to selling all the units in the building. This provides construction efficiencies and requires GBG to build some townhouses on a spec basis and to hold them in inventory until sold. The timing of the sale of spec homes is unpredictable, with spec home buyers usually being time sensitive, wanting to take possession in a short time frame. Genesis closely monitors its home building work-in-progress to anticipate and react to market conditions in a timely manner. As at Q2 2020, GBG had $17,010 of work in progress, of which approximately $6,164 was related to spec homes (YE 2019 - $21,366 and $13,183, respectively).

The following table shows the split between quick possession sales (i.e. spec homes that are contracted and delivered within 90 days) and pre-construction homes (i.e. homes built after receiving a firm sale contract). The timeline for pre-construction homes ranges from around 8 to 10 months and can exceed this depending on the desired possession date.

	Three months ended June 30,			Six months ended June 30,		
	2020	**2019**	**% change**	**2020**	**2019**	**% change**
Quick possession sales (units)	**30**	20	50.0%	**45**	38	18.4%
Pre-construction home sales (units)	**22**	13	69.2%	**37**	21	76.2%
Total home sales (units)	**52**	33	57.6%	**82**	59	39.0%

Gross margin

Genesis realized a gross margin before write-down on home sales of 13.2% in Q2 2020 as compared to 13.5% in Q2 2019 and a gross margin before write-down on home sales of 13.3% in YTD 2020 compared to 12.9% in YTD 2019. Fluctuations in the gross margin before write-downs are due to differences in product mix. In Q2 2020, 39 single-family homes and 13 townhouses were sold compared to 30 single-family homes and 3 townhouses in Q2 2019. In YTD 2020, 69 single-family homes and 13 townhouses were sold compared to 51 single-family homes and 8 townhouses in YTD 2019.

Write-down on townhouse project

In YTD 2020 (in Q1 2020), the Corporation recorded a write-down of $815 (2019 - $Nil) relating to a townhouse project. During the period, sales prices were reduced due to the weaker market. It was determined that the estimated returns realizable on the sale of completed townhouse units and on the completion of construction and sale of units that are partially constructed was reduced and, as a result, there was a write-down taken on this project.

Other expenses

Other expenses include general and administrative, selling and marketing and net finance expense. Other GBG expenses were comparable in YTD 2020 and in YTD 2019 with higher selling and marketing expenses (including sales commissions) being offset by savings in other categories.

Other GBG expenses include general and administrative, selling and marketing and net finance expense, which were $269 or 14% higher in Q2 2020 compared to Q2 2019 due to: (i) higher sales and marketing expenses, including higher sales commissions; and (ii) higher share-based compensation expenses.

Real Estate Held for Development and Sale

	June 30, 2020	December 31, 2019	% change
Real estate held for development and sale	**219,320**	236,183	(5.8%)
Provision for write-downs	**(22,529)**	(13,914)	61.9%
	196,791	222,269	(10.0%)

Real estate held for development and sale decreased by $25,478 as at June 30, 2020 compared to YE 2019 mainly due to: (i) a write-down of $10,815 on real estate held for development and sale; and (ii) the sale of parcels of development land for $9,162. Real estate held for development and sale is also affected by the sale of residential lots, homes, development land parcels and development and construction activities.

Refer to note 3 in the condensed consolidated interim financial statements for the three and six months ended June 30, 2020 and 2019 which details the gross book value and net book value of real estate held for development and sale.

The following table presents Genesis' real estate held for development and sale at net book value (that is net of provisions for write-downs) as at June 30, 2020:

	Net Book Value		
Real Estate Held for Development and Sale	**Lots, multi-family & commercial parcels**	**Land held for development [1]**	**Total**
Community			
Airdrie - Bayside, Bayview, Canals	22,562	20,562	43,124
Calgary NW - Sage Meadows	17,068	-	17,068
Calgary NW - Sage Hill North and South	6,578	16,406	22,984
Calgary NE - Saddlestone	13,951	-	13,951
Calgary N - Lewiston	-	24,259	24,259
Calgary SE - Ricardo Ranch	-	45,298	45,298
Rocky View County - North Conrich [2]	-	5,225	5,225
Sub-total	60,159	111,750	**171,909**
Other assets [3] - non-core	24	1,742	1,766
Total land development	60,183	113,492	**173,675**
Home building work-in-progress			17,010
Total land development and home building			**190,685**
Limited Partnerships [2], [4]			6,106
Total real estate held for development and sale			**196,791**

[1] Land held for development comprises lands not yet subdivided into single-family lots or parcels
[2] Includes the undivided interest of Genesis and two limited partnerships in North Conrich including the "Omni" project
[3] Other assets are non-core and available for sale.
[4] Net of intra-segment eliminations of $4,194.

The following table presents the breakdown of Genesis' serviced single-family lots, multi-family and commercial parcels shown above, by community as at June 30, 2020:

Serviced Lots, Multi-family and Commercial Parcels, by Community	Net Book Value	Single-family lots	Townhouse units	Townhouse/ multi-family parcels	Commercial parcels
Airdrie - Bayside, Bayview, Canals	22,562	176	65	1	-
Calgary NW - Sage Meadows	17,068	30	-	3	-
Calgary NW - Sage Hill South	6,578	-	-	-	1
Calgary NE - Saddlestone	13,951	136	29	2	-
	60,159	**342**	**94**	**6**	**1**
Other assets - non-core	24	14	-	-	-
Total	**60,183**	**356**	**94**	**6**	**1**

The following table presents the estimated equivalent, if and when developed, by community of single-family lots and multi-family and commercial acres of Genesis' land held for development (shown previously) as at June 30, 2020. Genesis has developed detailed plans for the development of these lands. However, given the uncertainties related to the regulatory approval process and market conditions, there can be no assurance as to when or if any or all of these lands can or will be fully developed.

			Estimated Equivalent if/when Developed		
Land Held for Development, by Community	**Net Book Value**	**Land** (acres) [1]	**Single-family** (lots)	**Multi-family** (acres)	**Commercial** (acres)
Airdrie - Bayside, Bayview	20,562	186	1,112	9	2
Calgary NW - Sage Hill North	16,406	51	282	15	4
Calgary N - Lewiston	24,259	130	800	7	-
Calgary SE - Ricardo Ranch	45,298	354	1,190	16	-
Rocky View County - North Conrich [2]	5,225	312	-	-	-
	111,750	1,033	3,384	47	6
Other assets - non-core	1,742	300	-	-	-
Total	**113,492**	**1,333**	**3,384**	**47**	**6**

[1] Land not yet subdivided into single-family and other lots or parcels
[2] Includes the undivided interest of Genesis and two limited partnerships in North Conrich including the "Omni" project

Amounts Receivable

	June 30, 2020	December 31, 2019	% change
Amounts receivable	**10,530**	6,131	71.8%

Genesis generally receives a minimum 15% non-refundable deposit at the time of entering into a sale agreement for residential lots with a third-party builder. Title to a lot or home that is contracted for sale is not transferred by Genesis to the builder or purchaser until full payment is received, thus mitigating credit risk.

As at Q2 2020, Genesis had $8,759 in amounts receivable related to the sale of 53 lots to third-party builders compared to $5,515 (related to 31 lots) in amounts receivable as at YE 2019. The increase of $3,244 in amounts receivable was due to higher lot sales, partially offset by the collections of amounts receivable.

Individual balances due from third-party builders at Q2 2020 that were 10% or more of total amounts receivable were $8,528 from two third-party builders (YE 2019 - $5,515 from two third-party builders).

Vendor-take-back Mortgages Receivable

	June 30, 2020	December 31, 2019	% change
Vendor-take-back mortgage receivable – purchased from a limited partnership [1]	**21,221**	20,558	3.2%
Vendor-take-back mortgage receivable – granted on sale of a parcel of land	**2,719**	-	N/R [2]
	23,940	20,558	16.5%

[1] Includes accrued interest
[2] Not relevant due to size of the change

Limited Partnership Land Pool ("LPLP 2007"), a limited partnership controlled by the Corporation, closed the sale of a 319-acre parcel of land on December 15, 2017 for gross proceeds of $41,000. As consideration for the sale LPLP 2007 received $20,500 in cash and a $20,500 three-year vendor-take-back secured first mortgage bearing interest at 6.5% per annum (the "VTB Mortgage"). Interest on the VTB Mortgage is payable annually, in arrears and the principal is fully payable on December 15, 2020. On October 17, 2019, Genesis purchased the VTB Mortgage from LPLP 2007. For additional information on this transaction, please see information provided under the heading *Purchase of Vendor-take-back Mortgage Receivable* in Genesis MD&A for the three months and year ended December 31, 2019. Financing for this transaction consisted of a loan described under the heading *Loan to Purchase VTB Receivable* in this MD&A.

During Q1 2020, the Corporation closed the sale of an 8.17-acre parcel of development land in northwest Calgary for $8,987 in consideration for a cash payment of $3,768 and a $5,219 vendor-take-back mortgage with an interest rate of 5% per annum. The vendor-take-back mortgage is repayable in three installments. Two installments of $1,250 each were paid on March 31, 2020 and June 30, 2020 and the last installment of $2,719 is due on December 15, 2021.

Cash Flows from Operating Activities

Results from operations, including earnings and cash flows, vary considerably between periods for the reasons explained under the heading *Factors Affecting Results of Operations* of this MD&A.

	Three months ended June 30,		Six months ended June 30,	
	2020	**2019**	**2020**	**2019**
Cash flows from operating activities	**7,044**	7,061	**15,232**	11,644
Cash flows from operating activities per share – basic and diluted	**0.17**	0.17	**0.36**	0.28

Cash flows from operating activities in Q2 2020 were $17 lower than in Q2 2019 and consist of the following:

	Three months ended June 30,		
	2020	**2019**	**Change**
Cash inflows from sale of residential homes by GBG	**22,127**	15,692	6,435
Cash inflows from sale of residential lots	**1,519**	3,799	(2,280)
Cash inflows from sale of development land	**1,425**	-	1,425
Cash outflows for home building activity	**(8,891)**	(4,864)	(4,027)
Cash outflows for land servicing	**(5,051)**	(4,944)	(107)
Cash outflows for lots / land acquisitions	**(1,720)**	-	(1,720)
Cash outflows paid to suppliers, employees and other	**(2,496)**	(3,083)	587
Other cash receipts	**131**	245	(114)
Income tax refunds	**-**	216	(216)
Total	**7,044**	7,061	(17)

The changes in cash flows from operating activities between YTD 2020 and YTD 2019 consist of the following:

	Six months ended June 30,		
	2020	**2019**	**Change**
Cash inflows from sale of residential homes by GBG	**36,526**	26,775	9,751
Cash inflows from sale of residential lots	**3,699**	7,703	(4,004)
Cash inflows from sale of development land	**6,443**	-	6,443
Cash outflows for home building activity	**(15,609)**	(8,480)	(7,129)
Cash outflows for land servicing	**(7,777)**	(8,755)	978
Cash outflows for lots / land acquisitions	**(1,720)**	-	(1,720)
Cash outflows paid to suppliers, employees and other	**(6,646)**	(6,735)	89
Other cash receipts	**316**	395	(79)
Income tax refunds	**-**	741	(741)
Total	**15,232**	11,644	3,588

Genesis sells residential lots to third party builders and typically receives 15% of the purchase price as a non-refundable deposit builder at which time it recognizes all of the sales revenue. The balance of the purchase price is generally received in cash at the time of closing of the sale by the third-party builder to a home buyer, which can be many months later, resulting in a timing difference between sales revenue recognition and the actual receipt of cash. Cash flows from operating activities are also impacted by the timing and amounts of tax installment payments or refunds. There were no income tax payments or refunds in YTD 2020.

LIABILITIES AND SHAREHOLDERS' EQUITY

The following table presents Genesis' liabilities and equity at the end of Q2 2020 and YE 2019:

	June 30,		December 31,	
	2020	**% of Total**	**2019**	**% of Total**
Loans and credit facilities	**45,954**	**16%**	51,546	17%
Customer deposits	**3,287**	**1%**	4,592	2%
Accounts payable and accrued liabilities	**8,058**	**3%**	7,900	3%
Lease liabilities	**880**	**0%**	233	0%
Provision for future development costs	**21,958**	**8%**	19,102	6%
Total liabilities	**80,137**	**28%**	83,373	28%
Non-controlling interest	**12,985**	**5%**	18,938	6%
Shareholders' equity	**190,208**	**67%**	193,957	66%
Total liabilities and equity	**283,330**	**100%**	296,268	100%

Total liabilities to equity is as follows:

	June 30, 2020	**December 31, 2019**
Total liabilities	**80,137**	83,373
Total equity	**203,193**	212,895
Total liabilities to equity [1]	**39%**	39%

[1] Calculated as total liabilities divided by total equity

Loans and Credit Facilities

	Q2 2020	**Q1 2020**	**Q4 2019**	**Q3 2019**	**Q2 2019**
Land development servicing loans	1,606	2,374	4,145	5,856	4,344
Demand operating line for single-family homes	3,070	3,126	2,261	370	679
Project specific townhouse construction loans	1,859	4,633	4,370	4,239	5,362
Demand operating line of credit	6,010	6,000	-	-	-
Loan to purchase VTB receivable	14,946	14,706	14,470	-	-
Vendor-take-back mortgages payable	18,624	18,624	26,634	26,471	7,694
	46,115	49,463	51,880	36,936	18,079
Unamortized deferred financing fees	(161)	(244)	(334)	(174)	(214)
Balance, end of period	45,954	49,219	51,546	36,762	17,865

The continuity of Genesis' VTBs payable and land development servicing loans, excluding deferred financing fees, is as follows:

	Six months ended June 30, 2020				Year ended December 31, 2019
	VTB payable - Lewiston	VTB payable - Ricardo Ranch	Land development servicing loans	**Total**	**Total**
Balance, beginning of period	18,634	8,000	4,145	**30,779**	23,301
Advances	-	-	1,635	**1,635**	30,898
Repayments	(10)	(8,000)	(4,174)	**(12,184)**	(24,043)
Interest expense	-	-	-	**-**	623
Balance, end of period	18,624	-	1,606	**20,230**	30,779

Loans and credit facilities are used primarily to finance the costs of developing land, building homes and for land purchases.

Genesis has various covenants in place with its lenders with respect to its loan and credit facilities. Such covenants include credit usage restrictions; cancellation, prepayment, confidentiality and cross default clauses; sales coverage requirements; conditions precedent for funding; and other general understandings such as, but not limited to, maintaining contracted lot prices, restrictions on encumbrances, liens and charges, material changes to project plans, and material changes in the Corporation's ownership structure.

In addition, GBG has a secured revolving operating line repayable on demand to be used for home construction. This line has a financial covenant requiring that GBG maintain a net worth of at least $6,500 at all times. Net worth is defined by the lender as "Retained Earnings plus Shareholders Loans plus Due to Related Parties (excluding lot payables to related parties) minus Due from Related Parties".

Genesis and its consolidated entities were in compliance with all covenants for all periods in this MD&A.

Land development servicing loans

As at June 30, 2020, Genesis had four land project loan facilities with $1,606 drawn (YE 2019 - four loans and $4,145 drawn). Up to $29,679 is available to finance future development and servicing costs from these facilities as land development activities progress. Interest on these facilities is charged at prime +0.75% per annum.

Demand operating line for single-family homes

GBG has a demand operating line of $6,500 bearing interest at prime +0.75% per annum. As at Q2 2020, the amount drawn on this facility was $3,070 (YE 2019 - $2,261).

Project specific townhouse construction loans

As at June 30, 2020, GBG has a townhouse project loan facility with $1,859 drawn (YE 2019 - $1,756). Up to $8,104 is available from this facility to finance future construction costs on this townhouse project. This facility bears interest at prime +0.90% per annum and is due on February 28, 2021.

As at June 30, 2020, GBG has a second townhouse project loan facility with $Nil currently drawn (YE 2019 - $2,614). Up to $4,715 is available from this facility to finance future construction costs on this townhouse project. This facility bears interest at prime +0.90% per annum and is due on March 28, 2021.

During the first six months of 2020, the Corporation renewed its $17,402 townhouse development credit facilities.

Demand operating line

Genesis has a demand operating line of credit of up to $10,000 for general corporate purposes at an interest rate of prime +1.00% per annum. As at Q2 2020 the outstanding balance of this facility was $6,010 (YE 2019 - $Nil). During the first six months of 2020, the Corporation renewed its $10,000 corporate demand operating line.

Loan to purchase VTB Receivable

As at June 30, 2020, Genesis had a loan secured by the $20,500 third party VTB Mortgage with $14,946 drawn on the loan (YE 2019 - $14,470). The loan has an interest rate of 6.50% per annum and is repayable on December 15, 2020. This corresponds with the date for repayment by the third-party of the $20,500 VTB Mortgage. Please see information provided under the heading *Vendor-take-back Mortgages Receivable* in this MD&A.

Vendor-take-back mortgages payable

Genesis entered into a $40,000 vendor-take-back mortgage ("VTB") on the purchase of its southeast Calgary lands (Ricardo Ranch) in January 2015. The final installment of $8,000 was paid in January 2020.

Genesis entered into a $18,624 VTB on the purchase of its north Calgary lands (Lewiston) in September 2019. The VTB is secured by the land, has an interest rate of 5% per annum and is repayable in two equal installments of $9,312 each, in May 2021 and 2022.

Provision for Future Development Costs

When Genesis sells lots, land parcels and homes, it often remains responsible for paying for certain future development costs known as provision for future development costs ("FDC").

In Genesis' land development business, FDC represents the estimated remaining construction and other development costs related to each lot or parcel that has previously been sold by Genesis, if any. These estimated costs include the direct and indirect construction and other development costs, including municipal levies, expected to be incurred by Genesis during the remainder of the development process, net of expected future recoveries from third-parties that are allocable to the relevant lot or parcel. FDC is reviewed periodically and, when a prior estimate is known to be different from the actual costs incurred or expected to be incurred, an adjustment is made to FDC and a corresponding adjustment is made to cost of sales and in some cases, to real estate held for development and sale.

FDC for GBG are additional future costs relating to previously sold homes estimated to be incurred, which are primarily for seasonal and other work (such as paving and landscaping) and estimated warranty expenses over the one-year warranty period.

FDC as at Q2 2020 was $20,306 for the land division (YE 2019 - $17,828) and $1,652 (YE 2019 - $1,274) for GBG. For additional details, please see information provided under the heading *Critical Accounting Estimates* in this MD&A.

LIQUIDITY AND CAPITAL RESOURCES

Genesis had cash and cash equivalents of $23,989 and loans and credit facilities of $45,954 at the end of Q2 2020 compared to $16,248 and $51,549 respectively, at YE 2019 resulting in net debt (refer to heading *Non-GAAP Measures* in this MD&A) of $21,965 at the end of Q2 2020 compared to $35,298 at YE 2019. The components of loans and credit facilities are detailed below. For additional details, please see information provided under the heading *Loans and Credit Facilities.*

	June 30,	**December 31,**	
	2020	**2019**	**% change**
Cash and cash equivalents	**23,989**	16,248	47.6%
Land development servicing and home building loans	**6,374**	10,442	(39.0%)
Demand operating line of credit	**6,010**	-	N/R [3]
Loan to purchase VTB receivable	**14,946**	14,470	3.3%
VTBs payable	**18,624**	26,634	(30.1%)
Total loans and credit facilities	**45,954**	51,546	(10.8%)
Net debt [1] [2]	**21,965**	35,298	(37.8%)

[1] Calculated as the difference between cash and cash equivalents and total loans and credit facilities
[2] Non-GAAP financial measure. Refer to heading "Non-GAAP Measures" in this MD&A
[3] Not relevant due to size of the change

Loans and credit facilities as a percentage of total assets [1]	June 30, 2020	December 31, 2019	% change
Land development servicing and home building loans	**2.2%**	3.5%	(37.1%)
Demand operating line of credit	**2.1%**	-	N/R [3]
Loan to purchase VTB receivable	**5.3%**	4.9%	8.2%
VTBs payable	**6.6%**	9.0%	(26.7%)
Loans and credit facilities (debt) to total assets	**16.2%**	17.4%	(6.9%)
Total liabilities to equity [2]	**39.4%**	39.2%	0.5%

[1] Calculated as each component of loans and credit facilities divided by total assets
[2] Calculated as total liabilities divided by total equity
[3] Not relevant due to size of the change

Net debt [1] as a percentage of total assets	June 30, 2020	December 31, 2019	% change
Cash and cash equivalents	**23,989**	16,248	47.6%
Loans and credit facilities	**45,954**	51,546	(10.8%)
Net debt [1] [2]	**21,965**	35,298	(37.8%)
Net debt to total assets [3]	**7.8%**	11.9%	(34.5%)

[1] Non-GAAP financial measure. Refer to heading "Non-GAAP Measures" in this MD&A
[2] Calculated as the difference between cash and cash equivalents and total loans and credit facilities
[3] Calculated as net debt divided by total assets

During the second quarter, 2020 the Corporation took prudent and practical steps (described elsewhere in this MD&A) to manage liquidity in the challenging environment presented by the COVID-19 pandemic (refer to the heading *Outlook* in this MD&A for additional information). Consequently, the Corporation expects that it will have sufficient liquidity from its cash flows from operating activities, supplemented by undrawn credit facilities and cash on hand, to meet its financial obligations (including the above liabilities) as they become due.

Finance Expense

	Three months ended June 30,			Six months ended June 30,		
	2020	**2019**	**% change**	**2020**	**2019**	**% change**
Interest incurred	**371**	145	155.9%	**740**	317	133.4%
Finance expense relating to VTBs [1]	**231**	154	50.0%	**463**	307	50.8%
Financing fees amortized	**84**	39	115.4%	**174**	77	126.0%
Interest and financing fees capitalized	**-**	(42)	N/R [2]	**-**	(150)	N/R [2]
	686	296	131.8%	**1,377**	551	149.9%

[1] VTBs related to Ricardo Ranch and Lewiston lands
[2] Not relevant due to size of the change

Finance expense during Q2 2020 was higher than in Q2 2019 due to significantly higher average loan balances of $45,954 in Q2 2020 compared to $17,865 in Q2 2019. Q2 2020 included a $14,946 loan to purchase the $20,500 VTB Mortgage from LPLP 2007, a $18,624 VTB related to the purchase of a parcel of land in north Calgary (Lewiston) and a $6,010 draw on a demand operating line of credit. These loans impacted finance expense related to VTBs and interest incurred respectively, during Q2 2020. These increases were partially offset by: (i) lower finance expense related to the $40,000 VTB (Ricardo Ranch) which had a 0% face rate (and an imputed rate of 8%) as this was paid off in early January 2020; and (ii) lower loans related to land servicing activity which carried a lower balance in Q2 2020 compared to Q2 2019.

The weighted average interest rate of loan agreements with various financial institutions was 5.06% (YE 2019 – 5.76%) based on June 30, 2020 balances.

Income Taxes Recoverable

The continuity in income taxes recoverable is follows:

	June 30, 2020	December 31, 2019
Balance, beginning of period	**1,144**	2,283
Provision for current income tax	**1,747**	(2,283)
Net payments	**-**	1,144
Balance, end of period	**2,891**	1,144

Income taxes recoverable increased by $1,747 during 2020 mainly due to the losses incurred during the period. These losses will be applied against taxable income of prior periods, resulting in the recovery recorded in 2020.

Shareholders' Equity

As at July 30, 2020, the Corporation had 42,070,887 common shares issued and outstanding. The common shares of the Corporation are listed for trading on the Toronto Stock Exchange under the symbol "GDC".

The Corporation purchased and cancelled common shares under its normal course issuer bid ("NCIB") as follows:

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
Number of shares purchased and cancelled	**32,758**	3,300	**89,040**	3,300
Total cost	**40**	8	**154**	8
Average price per share purchased	**1.21**	2.54	**1.74**	2.54
Shares cancelled as a % of common shares outstanding at beginning of period	**0.08%**	0.01%	**0.21%**	0.01%

During the six months ended June 30, 2020, the Corporation purchased and cancelled 89,040 common shares for $154 at an average cost of $1.74 per share (representing 0.21% of issued and outstanding shares at the beginning of the year) compared to 3,300 common shares for $8 at an average cost of $2.54 during YTD 2019 (representing 0.01% of issued and outstanding shares at the beginning of 2019).

Contractual Obligations and Debt Repayment

Contractual obligations (excluding accounts payable, accrued liabilities, income taxes payable, customer deposits and provision for future development costs) at the end of Q2 2020 were as follows:

	Loans and Credit Facilities (1)	Levies and Municipal Fees	Naming Rights	Lease Obligations	Total
Current	36,803	4,705	500	438	**42,446**
July 2021 to June 2022	9,312	3,469	-	331	**13,112**
July 2022 to June 2023	-	-	-	423	**423**
July 2023 and thereafter	-	-	-	1,611	**1,611**
Total	46,115	8,174	500	2,803	**57,592**

(1) Excludes deferred financing fees

Levies and municipal fees are related to municipal agreements signed by Genesis on commencement of development of certain real estate assets. Non-payment of levies and municipal fees could result in the municipalities drawing upon letters of credit, impact the development of the associated real estate assets and impact Genesis' status as a developer with the municipality.

Over a period of 10 years, commencing in 2008 and ending in 2017, Genesis contributed $200 each year for a total of $2,000 for 40-year naming rights to "Genesis Place", a recreation complex in the city of Airdrie.

In 2012, Genesis entered into a memorandum of understanding with the Northeast Community Society to contribute $5,000 over 10 years for 15-year naming rights to the "Genesis Centre for Community Wellness", a recreation complex in northeast Calgary ($500 each year, ending in 2021). The first nine installments totaling $4,500 were paid as at June 30, 2020.

In Q1 2017, the Corporation amended its head office lease agreement with Morguard Real Estate Investment Trust ("Morguard") to extend the term by 38 months to September 30, 2020. The total basic rent over the extension period is $364. With the current head office lease with Morguard expiring in September 2020 the Corporation signed a sublease for a new head office location with Parkland Fuel Corporation in April 2020. The sublease expires in February 2027 and total payments over the term of the lease, covering base rent and parking are $867.Genesis also has other minor operating leases.

As a normal part of business, Genesis has entered into arrangements and incurred obligations that will impact future operations and liquidity, some of which are reflected as short-term liabilities and commitments in note 7 of the condensed consolidated interim financial statements for the three and six months ended June 30, 2020 and 2019.

Current Contractual Obligations, Commitments and Provision

	June 30, 2020	December 31, 2019
Loans and credit facilities, excluding deferred financing fees	**36,803**	30,450
Accounts payable and accrued liabilities	**8,058**	7,900
Total short-term liabilities	**44,861**	38,350
Levies and municipal fees	**4,705**	6,406
Commitments [1]	**938**	952
	50,504	45,708

[1] Commitments comprises naming rights and lease obligations

As at the end of Q2 2020, Genesis had obligations due within the next 12 months of $50,504 of which $36,803 related to loans and credit facilities. Repayment is either linked directly to the collection of lot receivables and sales proceeds or due at maturity. Management expects that Genesis will have sufficient liquidity from its cash flows from operating activities, supplemented by undrawn credit facilities and cash on hand, to meet its financial obligations (including the above liabilities) as they become due.

Provision for Litigation

Two former employees made claims against the Corporation and a director alleging wrongful termination of their employment and a breach of a duty of care by the director. The original claim was made in 2016. The claimants are seeking damages (including relating to their stock options), interest, legal costs and other relief aggregating to approximately $2,700. Since 2016, various applications and appeals have been made to the judicial system by both parties. Following consideration by the judicial system of all of those applications and appeals, the courts have directed that all matters proceed to trial. No trial dates have yet been set.

The Corporation's view is that these claims are without merit and is actively contesting them. As at June 30, 2020, the Corporation has recorded provisions totaling $1,600 for these claims.

OFF BALANCE SHEET ARRANGEMENTS

Letters of Credit

Genesis has an ongoing requirement to provide irrevocable letters of credit to municipalities as part of the sub-division plan registration process. These letters of credit indemnify the municipalities by enabling them to draw upon the letters of credit if Genesis does not perform its contractual obligations. At Q2 2020, these letters of credit totalled approximately $4,444 (YE 2019 - $4,795).

Levies and Municipal Fees

For additional details, please see information provided under the heading *Contractual Obligations and Debt Repayment* in this MD&A.

Lease Agreements

Genesis has certain lease agreements that are entered in the normal course of operations. In the event the office lease(s) are terminated early, Genesis is liable to pay the landlord(s) for the loss of its income for the unexpired portion of the lease, in addition to damages and other expenses incurred by the landlord(s), if any. For additional details, please see information provided under the heading *Contractual Obligations and Debt Repayment* in this MD&A.

SUMMARY OF QUARTERLY RESULTS

	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018
Revenues	**30,725**	23,652	26,081	12,786	16,533	12,697	20,935	27,178
Net earnings (loss) (1)	**3,644**	(7,383)	1,684	300	(357)	74	2,358	539
EPS (2)	**0.09**	(0.18)	0.04	0.01	(0.01)	0.00	0.06	0.01

(1) Net earnings (loss) attributable to equity shareholders
(2) Net earnings (loss) per share - basic and diluted

	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018
Dividends declared	**-**	**-**	**-**	-	-	-	-	10,309
Dividends paid	**-**	**-**	**-**	-	-	-	-	10,309
Dividends declared – per share	**-**	**-**	**-**	-	-	-	-	0.24
Dividends paid – per share	**-**	**-**	**-**	-	-	-	-	0.24

	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018
Residential lots sold to third-parties (units)	**35**	2	21	1	4	7	1	10
Homes sold (units)	**52**	30	43	26	33	26	32	32

	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018
Development land revenues	**175**	8,987	550	-	-	-	4,628	10,498

Cash flows from (used in) operating activities	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018
Amount	**7,044**	8,188	7,969	(10,076)	7,061	4,583	7,192	7,694
Per share - basic and diluted	**0.17**	0.19	0.19	(0.24)	0.17	0.11	0.16	0.18

In general, revenues and net earnings are mainly affected by the volume of residential lot and home sales, development land parcel sales, and write-downs or recoveries, if any. Seasonality affects the land development and home building industry in Canada, particularly winter weather conditions. For additional details, please see information provided under the heading *Factors Affecting Results of Operations* in this MD&A which discusses the factors that affect Genesis' results and seasonality further.

During Q2 2020, Genesis sold 35 residential lots to third-party builders, 52 homes and a non-core development land parcel. Revenues were higher in Q2 2020 compared to Q1 2020 due to higher residential lot and homes sales in Q2 2020 compared to Q1 2020. This was partially offset by lower development land revenues in Q2 2020. Gross margins in Q2 2020 were higher than in Q1 2020 mainly due to there being no write-down of real estate held for development and sale in Q2 2020 while there was a $10,815 write-down of real estate held for development and sale in Q1 2020. General and administrative expenses, selling and marketing expenses and net finance expenses were slightly lower in Q2 2020 than Q1 2020. Income tax expenses were incurred during Q2 2020 due to net earnings for the quarter compared to income tax recoveries due to losses incurred during Q1 2020.

During Q1 2020, Genesis sold 2 residential lots to third-party builders, 30 homes and a development land parcel. Revenues were lower in Q1 2020 compared to Q4 2019 due to lower residential lot and homes sales in Q1 2020 compared to Q4 2019. This was partially offset by higher development land revenues in Q1 2020. Gross margins in Q1 2020 were lower than in Q4 2019 due to the development land parcel which had a negligible margin and the $10,000 write-down of real estate held for development and sale. Selling and marketing expenses and net finance expenses were comparable in both Q1 2020 and Q4 2019. General and administrative expenses were lower in Q1 2020 compared to Q4 2019 which include costs incurred to purchase a VTB from LPLP 2007. Due to the net loss incurred in Q1 2020, there were income tax recoveries compared to income tax expenses in Q4 2019.

During Q4 2019, Genesis sold 21 residential lots to third-party builders, 43 homes and a small development land parcel sale resulting in higher revenues in Q4 2019 compared to Q3 2019. Gross margins in Q4 2019 were higher than in Q3 2019 due to the higher volume of residential lots and homes sold. The development land parcel had a negligible margin. General and administrative expenses and net finance expenses were higher in Q4 2019 compared to Q3 2019 costs mainly due to higher loan balances. Selling and marketing expenses were comparable in Q4 2019 and Q3 2019 while income tax expenses were $841 in Q4 2019 compared to $193 in Q3 2019.

During Q3 2019, Genesis sold 1 residential lot to a third-party builder, 26 homes and had no development land parcel sales resulting in lower revenues in Q3 2019 compared to Q2 2019. There was no write-down in Q3 2019 while there was a write-down of $800 in Q2 2019. Gross margins in Q3 2019 were lower than in Q2 2019 due to the lower volume of residential lots and homes sold. This reduction was partially offset by the impact of the $800 write-down in Q2 2019 with no corresponding write-down in Q3 2019. General and administrative expenses and selling and marketing expenses were higher in Q3 2019 compared to Q2 2019, including higher stock-based compensation expenses and the write-off of $298 that was accounted for as being due from a limited partnership. Genesis incurred significantly lower income tax expense of $193 in Q3 2019 compared to $1,610 in Q2 2019. In Q2 2019, legislation enacted to decrease the Alberta corporate income tax rate from 12% to 8% resulted in deferred income tax assets being reduced by $1,387 with a corresponding increase in deferred income tax expense.

During Q2 2019, Genesis sold 4 residential lots to third-parties, 33 homes and no development land parcels. The higher number of homes sold in Q2 2019 resulted in higher revenues and higher gross margins in Q2 2019 compared to Q1 2019. This was despite a write-down of $800 in Q2 2019 with no write-down incurred in Q1 2019. Selling and marketing expenses were comparable in Q2 2019 and Q1 2019. Genesis incurred higher net finance expenses and income tax expenses in Q2 2019 partially offset by lower general and administrative expenses compared to Q1 2019. Income tax expense was significantly higher by $1,439 than in Q1 2019. On June 28, 2019, legislation was enacted to decrease the Alberta corporate income tax rate from 12% to 8% with a 1% reduction effective July 1, 2019 and further 1% reductions on each of January 1, 2020, 2021 and 2022. As a result, deferred income tax assets were reduced by $1,387 which was recognized as an increase in deferred income tax expense in Q2 2019. The write-down and income tax expense resulted in a net loss attributable to equity shareholders of $357 in Q2 2019.

During Q1 2019, Genesis sold 7 residential lots to third-parties, 26 homes and no development land parcels resulting in lower revenues in Q1 2019 compared to Q4 2018. Gross margins in Q1 2019 were marginally higher than in Q4 2018 mainly due to no write-down in Q1 2019 compared to $900 in Q4 2018. General and administrative expenses and selling and marketing expenses were comparable in Q1 2019 and Q4 2018. Genesis incurred lower net finance expenses and income tax expenses in Q1 2019 compared to Q4 2018.

During Q4 2018, Genesis sold 1 residential lot to a third-party, 32 homes and 1 development land parcel resulting in lower revenues in Q4 2018 compared to Q3 2018. Gross margins in Q4 2018 were higher than in Q3 2018 mainly due to higher gross margin being made on the development land parcel sale during the quarter. Higher general and administrative expenses and income tax expenses in Q4 2018 were partially offset by lower selling and marketing expenses compared to Q3 2018. Genesis had higher net finance expense in Q4 2018 compared to Q3 2018 mainly due to higher loan balances. On an overall basis, net earnings in Q4 2018 was higher compared to Q3 2018 mainly due to the development land parcel sale.

During Q3 2018, Genesis sold 10 residential lots to third-parties, 32 homes and two development land parcels resulting in higher revenues in Q3 2018 compared to Q2 2018. Gross margins in Q3 2018 were only marginally higher than in Q2 2018 mainly due to no gross margin being made on the development land parcel sales during the quarter. Higher selling and marketing expenses in Q3 2018 were partially offset by lower general and administrative expenses and lower income tax expense compared to Q2 2018. Genesis had higher net finance expense in Q3 2018 compared to Q2 2018 mainly due to higher loan balances. On an overall basis, this resulted in net earnings in Q3 2018 being comparable to Q2 2018.

SUBSEQUENT EVENTS

Subsequent to June 30, 2020, the following occurred:

The Corporation repurchased 26,258 common shares between July 1, 2020 and July 30, 2020 for cancellation under the NCIB.

SUMMARY OF ACCOUNTING CHANGES

The Corporation adopted no new IFRSs or interpretations as of January 1, 2020.

CRITICAL ACCOUNTING ESTIMATES

The preparation of consolidated financial statements in accordance with IFRS requires management to make judgments and estimates that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date for the land development and the home building businesses. On an ongoing basis, management evaluates its judgments and estimates in relation to revenues, expenses, assets and liabilities. Management uses historical experience, third-party appraisals and reports and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. There were no material changes made to the critical accounting estimates for Q2 2020 and Q2 2019. Refer to note 2(o) in the consolidated financial statements for the years ended December 31, 2019 and 2018 for additional information on judgments and estimates.

Provision for Future Development Costs

Changes in estimated future development costs (net of recoveries, if any) related to land, lots and homes previously sold by Genesis and for which it has ongoing obligations directly impacts the amount recorded for the future development liability, cost of sales, gross margin and, in some cases, the value of real estate under development and held for sale. This liability is subject to uncertainty due to the longer time frames involved, particularly in land development.

Write-down of Real Estate Held for Development and Sale

The Corporation estimates the net realizable value ("NRV") of real estate held for development and sale at least annually or whenever events or changes in circumstances indicate the carrying value may exceed NRV. The estimate is based on valuations conducted by independent real estate appraisers, other professional reports and estimates and takes into account recent market transactions of similar and adjacent lands and housing projects in the same geographic area.

Valuation of amounts receivable

Amounts receivable are reviewed on a regular basis to estimate recoverability of balances. Any overdue amounts and any known issues about the financial condition of debtors are taken into account when estimating recoverability.

INTERNAL CONTROL OVER FINANCIAL REPORTING

The CEO and CFO have designed Genesis' Disclosure Controls and Procedures ("DC&P") and Internal Control over Financial Reporting ("ICFR") and certified that Genesis' DC&P and ICFR were effective as at June 30, 2020.

There were no changes in the Corporation's ICFR during the three months ended June 30, 2020 that have materially affected or are reasonably likely to materially affect the Corporation's ICFR. Due to the COVID-19 pandemic, Genesis successfully transitioned to working remotely in March 2020.

RISKS AND UNCERTAINTIES

The Calgary Metropolitan Area economy is experiencing materially lower economic activity due to the COVID-19 pandemic and historically low oil prices, resulting in a significant increase in unemployment levels. These and other factors are expected to have a materially negative impact on the Calgary Metropolitan Area. The duration and impact of the COVID-19 pandemic and the recent significant decreases in the price of oil are unknown at this time. As a result, it is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Corporation in future periods.

In the normal course of business, Genesis is exposed to certain risks and uncertainties inherent in the real estate development and home building industries. Real estate development and home building are cyclical and capital-intensive businesses. As a result, the profitability and liquidity of Genesis could be adversely affected by external factors beyond the control of management. Risks and uncertainties faced by Genesis include industry risk, competition, supply and demand, geographic risk, development and construction costs, credit and liquidity risks, finance risk, interest risk, management and key personnel risk, mortgage rates and financing risk, general uninsured losses, cyber-security and business continuity risk, environmental risk and government regulations.

There may be additional risks that management may need to consider from time to time. For a more detailed discussion on the Corporation's risk factors, refer to Genesis' AIF for the year ended December 31, 2019 available on SEDAR at www.sedar.com.

NON-GAAP MEASURES

Non-GAAP measures do not have any standardized meaning according to IFRS, and therefore may not be comparable to similar measures presented by other reporting issuers.

Gross margin before write-down is a non-GAAP measure, and therefore may not be comparable to similar measures presented by other reporting issuers. Gross margin before write-down is calculated by adjusting for write-down of real estate held for development and sale to the gross margin. Gross margin before write-down of real estate held for development and sale is used to assess the performance of the business without the effects of write-down of real estate held for development and sale. Management believes it is useful to exclude write-down from the analysis as it could affect the comparability of financial results and could potentially distort the analysis of trends in business performance. Excluding this item does not imply it is non-recurring. The most comparable GAAP financial measure is gross margin.

The tables below show the calculation of gross margin before write-down, which is derived from gross margin.

Residential Lots	**Three months ended June 30,**		**Six months ended June 30,**	
	2020	**2019**	**2020**	**2019**
Residential lot revenues	**14,739**	6,554	**20,491**	11,930
Gross margin	**5,629**	3,229	**8,277**	5,989
Adjust for write-down of real estate held for development and sale	**-**	-	**-**	-
Gross margin before write-down	**5,629**	3,229	**8,277**	5,989
Gross margin before write-down (%)	**38.2%**	49.3%	**40.4%**	50.2%

Development Land	**Three months ended June 30,**		**Six months ended June 30,**	
	2020	**2019**	**2020**	**2019**
Development land revenues	**175**	-	**9,162**	-
Gross margin	**(72)**	-	**(9,783)**	-
Adjust for write-down of real estate held for development and sale	**-**	800	**10,000**	800
Gross margin before write-down	**(72)**	(800)	**217**	(800)
Gross margin before write-down (%)	**(41.1%)**	N/R [1]	**2.4%**	N/R [1]

[1] *Not relevant*

Homes	Three months ended June 30,		Six months ended June 30,	
	2020	**2019**	**2020**	**2019**
Revenues for homes	**23,901**	15,486	**37,989**	26,572
Gross margin	**3,165**	2,094	**4,237**	3,432
Adjust for write-down of real estate held for development and sale	**-**	-	**815**	-
Gross margin before write-down	**3,165**	2,094	**5,052**	3,432
Gross margin before write-down (%)	**13.2%**	13.5%	**13.3%**	12.9%

Residential Lots, Development Land and Homes	Three months ended June 30,		Six months ended June 30,	
	2020	**2019**	**2020**	**2019**
Total revenues	**30,725**	16,533	**54,377**	29,230
Gross margin	**8,722**	4,523	**2,731**	8,621
Adjust for write-down of real estate held for development and sale	**-**	800	**10,815**	800
Gross margin before write-down	**8,722**	5,323	**13,546**	9,421
Gross margin before write-down (%)	**28.4%**	32.2%	**24.9%**	32.2%

Net debt is a non-GAAP measure, and therefore may not be comparable to similar measures presented by other reporting issuers. Net debt is calculated as the difference between cash and cash equivalents and loans and credit facilities. Management believes that net debt is an important measure to monitor leverage and evaluate the balance sheet. The most comparable GAAP financial measure is loans and credit facilities.

The table below show the calculation of net debt.

	June 30, 2020	December 31, 2019
Cash and cash equivalents	**23,989**	16,248
Loans and credit facilities	**45,954**	51,546
Net debt	**21,965**	35,298

OTHER

Additional information relating to the Corporation can be found on SEDAR at www.sedar.com.

ADVISORIES

Cautionary Note Regarding Forward-Looking Statements

This MD&A contains certain statements which constitute forward-looking statements or information ("forward-looking statements") within the meaning of applicable securities legislation, including Canadian Securities Administrators' National Instrument 51-102 - *Continuous Disclosure Obligations*, concerning the business, operations and financial performance and condition of Genesis. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "proposed", "scheduled", "future", "likely", "seeks", "estimates", "plans", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved".

Although Genesis believes that the anticipated future results, performance or achievements expressed or implied by forward-looking statements are based upon reasonable assumptions and expectations, the reader should not place undue reliance on forward-looking statements because they involve assumptions, known and unknown risks, uncertainties and other factors many of which are beyond the Corporation's control, which may cause the actual results, performance or achievements of Genesis to differ materially from anticipated future results, performance or achievement expressed or implied by such forward-looking statements. Accordingly, Genesis cannot give any assurance that its expectations will in fact occur and cautions that actual results may differ materially from those in the forward-looking statements.

Forward-looking statements are based on material factors or assumptions made by us with respect to, among other things, opportunities that may or may not be pursued by us; changes in the real estate industry; fluctuations in the Canadian and Alberta economy; changes in the number of lots sold and homes delivered per year; and changes in laws or regulations or the interpretation or application of those laws and regulations. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of our control. Forward-looking statements in this MD&A and factors that could cause actual results to differ materially from such statements include, but are not limited to, those outlined in the following table:

Forward-looking statements in this MD&A include, but are not limited to:	Factors that could cause actual results to differ materially from those set forth in the forward-looking statements include, but are not limited to:
• statements relating to the COVID-19 pandemic; • the availability of excess cash on hand and its proposed use; • the future exercise of any right to purchase; • the future payment of dividends and/or common share buybacks; • the anticipated amount and timing of the Sage Hill Crossing first phase development costs; • the timing for removal of the GMO restricting development of the Ricardo Ranch lands and the Lewiston lands; • the timing and approval of the Ricardo Ranch outline plan and land use applications, and anticipated commencement of development of these lands; • the timing and approval of the Lewiston the outline plan and land use applications, and anticipated commencement of development of these lands; • the timing and approval of the conceptual scheme for the OMNI ASP; • the timing for completion of the park in the Bayside and Bayview communities; • the expected completion dates of various projects that GBG is currently engaged in, the timeline for pre-construction homes and anticipated lot yields for projects under development; • plans and strategies surrounding the acquisition of additional land; • commencement of the servicing phase and the construction phase of various communities and projects; • the financing of such phases and expected increased leverage; • the expected closing of the Sage Meadows multi-family parcel of 4.9 acres currently under contract to sell; • anticipated general economic and business conditions; • potential changes, if any, to the federal mortgage lending rules; • expectations for lot and home prices; • construction starts and completions; • anticipated expenditures on land development activities; • GBG's sales process and construction margins; • the ability to continue to renew or repay financial obligations and to meet liabilities as they become due; and • the aggregate number of common shares that may be repurchased by Genesis' under the renewed NCIB.	• the impact of contractual arrangements and incurred obligations on future operations and liquidity; • local real estate conditions, including the development of properties in close proximity to Genesis' properties; • the uncertainties of real estate development and acquisition activity; • fluctuations in interest rates; • ability to access and raise capital on favourable terms, or at all; • not realizing on the anticipated benefits from transactions or not realizing on such anticipated benefits within the expected time frame; • the cyclicality of the oil and gas industry; • changes in the Canadian US dollar exchange rate; • labour matters; • governmental regulations; • general economic and financial conditions; • stock market volatility; and • other risks and factors described from time to time in the documents filed by Genesis with the securities regulators in Canada available at www.sedar.com, including in this MD&A under the heading "Risks and Uncertainties" and the AIF under the heading "Risk Factors".

The forward-looking statements contained in this MD&A are made as of the date of this MD&A, based only on information currently available to us, and, except as required by applicable law, Genesis does not undertake any obligation to publicly update or to revise any of the forward-looking statements, whether as a result of new information, future events or otherwise.