



GENESIS LAND DEVELOPMENT CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three months ended March 31, 2016 and 2015
(Unaudited)

FIRST QUARTER

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

	Notes	March 31, 2016	December 31, 2015
Assets			
Real estate held for development and sale	3	267,958	288,291
Investment in joint venture	9	-	2,854
Amounts receivable		22,431	17,234
Other operating assets		7,721	7,574
Deferred tax assets		4,297	3,693
Cash and cash equivalents		9,708	11,399
Total assets		312,115	331,045
Liabilities			
Loans and credit facilities	4	48,108	63,819
Customer deposits		2,297	3,820
Accounts payable and accrued liabilities		12,752	19,219
Income taxes payable		1,718	270
Provision for future development costs		20,561	18,926
Total liabilities		85,436	106,054
Commitments and contingencies	7		
Equity			
Share capital	5, 6	55,262	55,591
Contributed surplus		5,648	5,577
Retained earnings		152,788	150,957
Shareholders' equity		213,698	212,125
Non-controlling interest	12	12,981	12,866
Total equity		226,679	224,991
Total liabilities and equity		312,115	331,045

See accompanying notes to the condensed consolidated interim financial statements

Subsequent events (note 3)

GENESIS LAND DEVELOPMENT CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Unaudited)
For the three months ended March 31, 2016 and 2015
(In thousands of Canadian dollars except per share amounts)

		Three months ended March 31,	
	Notes	2016	2015
Revenues			
Sales revenue		32,393	15,738
Other revenue		31	35
		32,424	15,773
Direct cost of sales		(24,190)	(11,082)
Gross margin		8,234	4,691
Income from joint venture	9	144	172
General and administrative expense		(3,325)	(3,277)
Selling and marketing expense		(1,223)	(917)
		(4,404)	(4,022)
Earnings from operations		3,830	669
Finance income		7	24
Finance expense		(768)	(1,022)
Earnings (Loss) before income taxes		3,069	(329)
Income tax expense		(844)	(104)
Net earnings (Loss) being comprehensive earnings		2,225	(433)
Attributable to non-controlling interest	12	115	(493)
Attributable to equity shareholders		2,110	60
Net earnings per share – basic and diluted		0.05	0.00

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 three months ended March 31, 2016 and 2015

(In thousands of Canadian dollars except number of shares)

	Equity attributable to Corporation's shareholders					Non-Controlling Interest	Total Equity
	Common shares – Issued						
	Number of Shares	Amount	Contributed Surplus	Retained Earnings	Total Shareholders' Equity		
At December 31, 2014	44,931,200	56,393	5,349	146,359	208,101	23,173	231,274
Share-based payments	-	-	98	-	98	-	98
Net earnings (loss) ⁽¹⁾	-	-	-	60	60	(493)	(433)
At March 31, 2015	44,931,200	56,393	5,447	146,419	208,259	22,680	230,939
At December 31, 2015	44,297,602	55,591	5,577	150,957	212,125	12,866	224,991
Share-based payments	-	-	71	-	71	-	71
Repurchase and cancellation of shares ⁽²⁾	(258,700)	(329)	-	(279)	(608)	-	(608)
Net earnings ⁽¹⁾	-	-	-	2,110	2,110	115	2,225
At March 31, 2016	44,038,902	55,262	5,648	152,788	213,698	12,981	226,679

See accompanying notes to the condensed consolidated interim financial statements

⁽¹⁾ Net earnings (loss) being comprehensive earnings (loss)

⁽²⁾ Repurchased and cancelled under normal course issuer bid ("NCIB"). Refer to note 5

GENESIS LAND DEVELOPMENT CORP.
CONDENCED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited)
For the three months ended March 31, 2016 and 2015
(In thousands of Canadian dollars)

		Three months ended March 31,	
	Notes	2016	2015
Operating activities			
Receipts from residential lot and development land sales		3,143	3,804
Receipts from residential home sales		22,045	15,267
Other receipts		501	414
Paid for land development		(2,333)	(5,508)
Paid for land acquisition		-	(10,000)
Paid for residential home construction		(6,973)	(13,200)
Paid to suppliers and employees		(4,121)	(5,258)
Interest received		7	24
Income taxes paid		-	(4,270)
Cash from (used in) operating activities		12,269	(18,727)
Investing activities			
Acquisition of equipment		(29)	(156)
Distribution received from joint venture	9	3,200	-
Cash from (used in) investing activities		3,171	(156)
Financing activities			
Advances from loans and credit facilities	4	7,444	1,964
Payment on vendor-take-back mortgage		(8,000)	-
Payments on other loans and credit facilities		(15,773)	(7,496)
Interest and fees paid on loans and credit facilities		(194)	(232)
Repurchase and cancellation of shares under NCIB	5	(608)	-
Cash (used in) financing activities		(17,131)	(5,764)
Change in cash and cash equivalents		(1,691)	(24,647)
Cash and cash equivalents, beginning of period		11,399	33,048
Cash and cash equivalents, end of period		9,708	8,401

See accompanying notes to the condensed consolidated interim financial statements

GENESIS LAND DEVELOPMENT CORP.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Unaudited)

For the three months ended March 31, 2016 and 2015

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

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 May 12, 2016.

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, 2015 and 2014. 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".

The Corporation adopted no new IFRSs and interpretations during 2016.

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, 2015 and 2014.

GENESIS LAND DEVELOPMENT CORP.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Unaudited)

For the three months ended March 31, 2016 and 2015

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

3. REAL ESTATE HELD FOR DEVELOPMENT AND SALE

	Land Under Development	Land Held for Future Development	Home Building	Total	Limited Partnerships	Intra- segment Elimination	Consolidated Total
Gross book value							
As at December 31, 2015	138,518	107,495	30,768	276,781	79,997	(5,381)	351,397
Transfers	(7,004)	-	7,004	-	-	-	-
Development	4,109	65	6,334	10,508	-	-	10,508
Sold	(4,866)	-	(18,950)	(23,816)	(8,212)	1,187	(30,841)
As at March 31, 2016	130,757	107,560	25,156	263,473	71,785	(4,194)	331,064
Less provision for write-downs							
As at December 31, 2015	-	30,633	-	30,633	32,473	-	63,106
As at March 31, 2016	-	30,633	-	30,633	32,473	-	63,106
Net book value							
As at December 31, 2015	138,518	76,862	30,768	246,148	47,524	(5,381)	288,291
As at March 31, 2016	130,757	76,927	25,156	232,840	39,312	(4,194)	267,958

During the three months ended March 31, 2016, interest of \$189 (2015 - \$435) was capitalized in the Development line above.

A 14 acre development land parcel was sold during the three months ended March 31, 2016 of which the Corporation owned a direct 10% undivided interest. The remaining 90% was the final land holding of the LP 6/7 Group (refer to note 12). The following table summarizes this transaction:

	Genesis	LP 6/7 Group	Total
Sales revenue	1,025	9,225	10,250
Direct cost of sales	(2,124)	(8,212)	(10,336)
Deferred gain from the original sale of these lands to the LP	1,187	-	1,187
	88	1,013	1,101
Sales commission	(23)	(208)	(231)
Management fees	669	(669)	-
	734	136	870
Genesis' 11.75% interest in LP 6	16	(16)	-
	750	120	870

Subsequent to March 31, 2016, The Corporation waived all conditions for the sale of a 1,653 acre non-core parcel of land located in Kamloops, BC on May 9, 2016. The sale was contracted for gross proceeds of \$1,650 and the closing is scheduled for June 2016.

GENESIS LAND DEVELOPMENT CORP.
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4. LOANS AND CREDIT FACILITIES

	March 31, 2016	December 31, 2015
Secured by agreements receivable and real estate held for development and sale		
(a) Land project loans, payable on collection of agreements receivable, bearing interest ranging from prime +0.75% to prime +1.25% per annum, secured by real estate held for development and sale with a carrying value of \$43,535, due between November 5, 2017 and December 18, 2017.	9,807	14,546
(b) Land project loans, payable on collection of agreements receivable, bearing interest ranging from prime +0.75% to prime +1.00% per annum, secured by real estate held for development and sale with a carrying value of \$22,137, due between September 18, 2017 and October 7, 2017.	-	2,063
Secured by real estate held for development and sale		
(c) Vendor-take-back mortgage ("VTB") of \$32,000 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, reflecting current market conditions for instruments with similar terms and risks. The VTB was assumed for \$40,000 on January 6, 2015 for the purchase of southeast Calgary lands and is secured by these lands with a carrying value of \$44,268. The VTB is to be paid in five annual installments of \$8,000 each, commencing January 6, 2016 and ending January 6, 2020. The first installment of \$8,000 was paid in January 2016.	32,000	40,000
Unamortized portion of the discount on the VTB.	(5,133)	(5,679)
(d) Demand operating line of credit up to \$10,000, bearing interest at prime +1.0% per annum, secured by real estate held for development and sale with a carrying value of \$13,197.	-	-
Secured by housing projects under development		
(e) Demand operating line of credit up to \$6,500, bearing interest at prime +1.5% per annum, secured by a general security agreement over assets of the home building division.	863	1,427
(f) Capital project loans, payable on collection of closing proceeds, bearing interest at prime +1.5% per annum, secured by home building projects with a carrying value of \$3,377 due by September 11, 2016.	2,807	3,767
	40,344	56,124
Secured by land held for future development - Limited Partnership		
(g) Land loan, bearing interest at the greater of 7.25% or prime +3% per annum, secured by land held for future development and sale with a carrying value of \$28,795 maturing July 1, 2017.	8,125	8,125
	48,469	64,249
Deferred fees on loans and credit facilities	(361)	(430)
	48,108	63,819

The weighted average interest rate of loan agreements with financial institutions was 5.22% (December 31, 2015 – 4.75%) based on March 31, 2016 balances. 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 \$546 (2015 - \$660) for the three months ended March 31, 2016.

During the three months ended March 31, 2016, the Corporation received advances of \$7,444 (2015 - \$1,964) relating to various existing loan facilities secured by agreements receivable and real estate held for development and sale, bearing interest ranging from prime + 1.00% to prime + 1.25% per annum, with due dates ranging from March 31, 2017 to November 5, 2017.

GENESIS LAND DEVELOPMENT CORP.
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(Unaudited)

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

4. 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):

April 1, 2016 to March 31, 2017	11,200
April 1, 2017 to March 31, 2018	24,891
April 1, 2018 to March 31, 2019	6,430
April 1, 2019 to March 31, 2020	5,948
	<hr/> 48,469

As at March 31, 2016 and at December 31, 2015, the Corporation and its subsidiaries were in compliance with all loan covenants.

5. 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 months ended March 31, 2016 and 2015:

	Three months ended March 31,	
	2016	2015
Basic	44,201,937	44,931,200
Effect of dilutive securities – stock options	-	-
Diluted	44,201,937	44,931,200

In calculating diluted earnings per share for the three months ended March 31, 2016, the Corporation excluded all 800,000 options (2015 – 2,691,000) as their exercise price was greater than the average market price of the Corporation's shares during the period.

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5. SHARE CAPITAL (continued)

c) Normal course issuer bid

The following table sets forth the number of common shares repurchased and cancelled during the three months ended March 31, 2016 and 2015.

	Three months ended March 31,	
	2016	2015
Number of shares repurchased and cancelled	258,700	-
Reduction in share capital	329	-
Reduction in retained earnings	279	-
Reduction in shareholders' equity	608	-

The average purchase price per share for the three months ended March 31, 2016 was \$2.35 (2015 - Nil shares purchased).

6. STOCK OPTIONS

The Corporation has established a stock option plan for employees, officers, and directors of the Corporation 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.

The options must be issued at not less than the fair market value of the common shares at the date of grant and are issued with terms not exceeding five years from the date of grant.

The Corporation terminated the stock option plan on March 22, 2016.

Regular options

Details of outstanding regular options were as follows:

	Three months ended March 31,			
	2016		2015	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding – beginning of period	1,085,000	\$4.01	1,419,000	\$3.86
Options expired	(285,000)	\$3.37	-	-
Outstanding – end of period	800,000	\$4.25	1,419,000	\$3.86
Exercisable – end of period	633,328	\$4.12	940,663	\$3.63

Range of Exercise Prices (\$)	Outstanding		Exercisable		Weighted Average Remaining Contractual Life in Years
	Number at March 31, 2016	Weighted Average Exercise Price	Number at March 31, 2016	Weighted Average Exercise Price	
3.01 – 4.00	300,000	\$3.47	300,000	\$3.47	2.13
4.01 – 5.00	500,000	\$4.71	333,328	\$4.71	3.56
	800,000	\$4.25	633,328	\$4.12	3.02

GENESIS LAND DEVELOPMENT CORP.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Unaudited)

For the three months ended March 31, 2016 and 2015

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

6. STOCK OPTIONS (continued)

Performance options

Details of the performance options were as follows:

	Three months ended March 31,			
	2016		2015	
	Number of Options	Exercise Price	Number of Options	Exercise Price
Outstanding – beginning of period	1,272,000	\$3.35	1,272,000	\$3.35
Options expired	(1,272,000)	\$3.35	-	-
Outstanding – end of period	-	-	1,272,000	\$3.35
Exercisable – end of period	-	-	179,740	\$3.35
Weighted average remaining contractual life	-	-	-	3.76 years

During the three months ended March 31, 2016, 285,000 regular options and all 1,272,000 performance options expired in conjunction with two executive officers leaving the Corporation.

7. 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, 2015 and 2014, there were no other material commitments or contingencies as at March 31, 2016.

- a) The Corporation has entered into a memorandum of understanding with the Northeast Community Society, whereby the Corporation will contribute \$5,000 for the naming rights for 10 years to “Genesis Centre for Community Wellness”, a recreation complex in northeast Calgary (\$500 each year, terminating October 31, 2021). The first five installments totaling \$2,500 were paid up to and through to the end of March 2016.
- b) The Corporation has issued letters of credit pursuant to service agreements with municipalities to indemnify them in the event that the Corporation does not perform its contractual obligations. As of March 31, 2016, the letters of credit amounted to \$5,715 (December 31, 2015 – \$6,309).
- c) The Corporation has office and other operating leases with the following annual payments: not later than one year - \$1,012; later than one year but not later than five years - \$411; and later than five years - Nil.

GENESIS LAND DEVELOPMENT CORP.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Unaudited)

For the three months ended March 31, 2016 and 2015

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

8. FINANCIAL INSTRUMENTS

Fair value measurements recognized in the condensed consolidated interim balance sheet 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).

Financial assets and liabilities not measured at fair value at March 31, 2016, are presented in the following table:

	March 31, 2016	
	Carrying Value	Estimated Fair Value
Fair value through profit and loss		
Cash and cash equivalents	9,708	9,708
Deposits	2,912	2,912
Restricted Cash	2,612	2,612
Loans and receivables		
Amounts receivable	22,431	21,583
Other financial liabilities		
Accounts payable and accrued liabilities	12,752	12,752
Loans and credit facilities, excl. deferred loans and credit facilities fees (note 4)	48,469	48,469

Cash and cash equivalents, deposits, and restricted cash are classified under Level 1 of the hierarchy and their fair value approximates the carrying value due to the short term nature of the financial instruments.

The fair values of the Corporation's amounts receivable and of loans and credit facilities were estimated based on current market rates for loans of the same risk and maturities. These are classified as Level 2 of the hierarchy. Accounts payable and accrued liabilities are classified under Level 2 of the hierarchy and their fair value approximates the carrying value due to the short term nature of the financial instruments.

During the three months ended March 31, 2016 and 2015 no transfers were made between the levels in the fair value hierarchy.

GENESIS LAND DEVELOPMENT CORP.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Unaudited)

For the three months ended March 31, 2016 and 2015

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

9. JOINT VENTURE

The Corporation formed a joint venture ("JV") on April 30, 2010, for the purpose of acquiring, developing and selling certain real estate. The Corporation is a 50% partner in the JV and the following tables summarize the financial information of the JV.

	March 31, 2016	December 31, 2015
Assets		
Amounts receivable	4,824	11,687
Cash and cash equivalents	976	2,127
Total assets	5,800	13,814
Liabilities		
Accounts payable and accrued liabilities	324	1,661
Provision for future development costs	5,976	6,241
Total liabilities	6,300	7,902
Net (liabilities) assets	(500)	5,912
Corporation's share of net (liabilities) assets (50%)	(250)	2,956
Deferred gain	(49)	(102)
Carrying amount on the consolidated balance sheet	(299)	2,854

The carrying amount as at March 31, 2016 is grouped with accounts payable and accrued liabilities on the consolidated balance sheet.

GENESIS LAND DEVELOPMENT CORP.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Unaudited)

For the three months ended March 31, 2016 and 2015

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

9. JOINT VENTURE (continued)

	Three months ended March 31,	
	2016	2015
Revenues	-	-
Cost of sales	(7)	(4)
	(7)	(4)
General and administrative	(7)	(26)
Net finance income	2	64
(Loss) earnings being comprehensive (loss) earnings	(12)	34
Corporation's share of (loss) earnings and comprehensive (loss) earnings (50%)	(6)	17
Deferred gain recognized	53	46
Deferred margin recognized on JV lots sold	97	109
Amount on consolidated statements of comprehensive income	144	172

	Three months ended March 31,	
	2016	2015
Cash flows from operating activities	5,249	40
Cash flows (used in) financing activities	(6,400)	(40)
Net change in cash and cash equivalents	(1,151)	-

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9. JOINT VENTURE (continued)

	Investment in JV	Income from JV
At December 31, 2015	2,854	-
Share of net (loss) income in JV	(6)	(6)
Deferred gain recognized	53	53
Deferred margin from JV on lots sold	-	97
Distribution received	(3,200)	-
At March 31, 2016	(299)	144
At December 31, 2014	3,560	
Share of net income in JV	17	17
Deferred gain recognized	46	46
Deferred margin from JV on lots sold	-	109
At March 31, 2015	3,623	172

The Corporation's transactions with the JV are limited to the purchase of home building lots. During the three months ended March 31, 2016 and 2015, the JV sold no lots to Genesis Builders Group, a wholly owned subsidiary of the Corporation. The Corporation's accounts payable and accrued liabilities as March 31, 2016 was Nil (December 31, 2015 - Nil), related to the purchase of home building lots.

The Corporation deferred \$13,167 of gain when it contributed its share of land to the JV in 2010. As at March 31, 2016, the Corporation had realized \$13,118 (December 31, 2015 – \$13,065) of that amount as a result of sales through its home building business segment and directly to third parties.

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10. SEGMENTED INFORMATION

The income producing business units of the Corporation reported the following activities for the three months ended March 31, 2016 and 2015:

Three months ended March 31, 2016	Land Development Segment				Home Building Segment	Intersegment Elimination	Total
	Genesis	LP	Intrasegment Elimination	Total			
Revenues	8,656	9,232	(669)	17,219	22,209	(7,004)	32,424
Direct cost of sales	(5,726)	(8,214)	1,187	(12,753)	(18,441)	7,004	(24,190)
Gross margin	2,930	1,018	518	4,466	3,768	-	8,234
Income from JV	144	-	-	144	-	-	144
G&A, selling & marketing and net finance expense or income	(1,559)	(1,445)	669	(2,335)	(2,974)	-	(5,309)
Earnings (loss) before income taxes and non-controlling interest	1,515	(427)	1,187	2,275	794	-	3,069
Segmented assets	271,937	47,724	(29,762)	289,899	31,214	(8,998)	312,115
Segmented liabilities ^{(1),(2)}	67,893	34,737	(26,377)	76,253	17,937	(8,754)	85,436
Segmented net assets ^{(1),(2)}	204,044	12,987	(3,385)	213,646	13,277	(244)	226,679

Three months ended March 31, 2015	Land Development Segment				Home Building Segment	Intersegment Elimination	Total
	Genesis	LP	Intrasegment Elimination	Total			
Revenues	3,220	10	-	3,230	15,301	(2,758)	15,773
Direct cost of sales	(1,557)	(3)	-	(1,560)	(12,785)	3,263	(11,082)
Gross margin	1,663	7	-	1,670	2,516	505	4,691
Income from JV	172	-	-	172	-	-	172
G&A, selling & marketing and net finance expense or income	(1,960)	(499)	-	(2,459)	(2,733)	-	(5,192)
(Loss) before income taxes and non-controlling interest	(125)	(492)	-	(617)	(217)	505	(329)
Segmented assets as at December 31, 2015	290,431	48,209	(31,801)	306,839	35,683	(11,477)	331,045
Segmented liabilities as at December 31, 2015 ^{(1),(2)}	86,183	34,794	(26,704)	94,273	22,917	(11,136)	106,054
Segmented net assets ^{(1),(2)}	204,248	13,415	(5,097)	212,566	12,766	(341)	224,991

⁽¹⁾ Segmented liabilities under the home building segment include \$5,607 (December 31, 2015 - \$9,095) due to the land development segment.

⁽²⁾ Segmented liabilities under the LP segment comprises customer deposits and accounts payable and accrued liabilities and includes \$26,377 (December 31, 2015 - \$26,704) due to Genesis.

GENESIS LAND DEVELOPMENT CORP.
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(Unaudited)

For the three months ended March 31, 2016 and 2015

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

11. RELATED PARTY TRANSACTIONS

Transactions occurred in the three months ended March 31, 2016 with the following related parties:

- a) A corporation controlled by an officer and director,
- b) A corporation which is a significant shareholder of Genesis

Genesis incurred costs of \$84 (2015 - Nil) from the two entities. Of this amount \$64 (2015 - Nil) relates to fees for services and \$20 (2015 - Nil) related to reimbursement of travel and other costs. Of these amounts, \$71 (2015 - Nil) is in accounts payable and accrued liabilities as at March 31, 2016.

GENESIS LAND DEVELOPMENT CORP.
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(Unaudited)

For the three months ended March 31, 2016 and 2015

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12. CONSOLIDATED ENTITIES

All entities are incorporated in Canada and are listed in the following table:

Name	% equity interest as at	
	March 31, 2016	December 31, 2015
Land Development		
Genpol Inc.	100%	100%
Genpol LP	100%	100%
1504431 Alberta Ltd.	0.0002%	0.0002%
Genesis Sage Meadows Partnership	99.9998%	99.9998%
Genesis Land Development (Southeast) Corp.	100%	100%
Polar Hedge Enhanced Income Trust	100%	100%
New View Consulting Ltd.	Dissolved	Dissolved
No. 114 Corporate Ventures Ltd.	100%	100%
Buena Vista Ranches Ltd.	100%	100%
Home Building		
Single-Family and Townhouses		
Genesis Builders Group Inc.	100%	100%
The Breeze Inc.	100%	100%
Generations Group of Companies Inc.	100%	100%
Life at Solana Inc., Life at Waterstone Inc., Montura Inc. (previously Life at Skye Inc.)	Dissolved	Dissolved
Newport at Canals Landing Inc.	100%	100%
Ashbury at Saddlestone Inc.	100%	100%
Hutton at Bayview Inc.	100%	100%
Laurels by Genesis Inc.	100%	-
Joint Venture		
Kinwood Communities Inc.	50%	50%
Limited Partnerships		
LP 4/5 Group		
Genesis Limited Partnership #4	0.001%	0.001%
Genesis Limited Partnership #5, GLP5 GP Inc., GLP5 NE Calgary Development Inc.	0%	0%
Genesis Northeast Calgary Ltd.	100%	100%
LP 6/7 Group		
Genesis Limited Partnership #6	11.75%	11.75%
Genesis Limited Partnership #7, GP GLP7 Inc., GLP7 Subco Inc.	0%	0%
LP 8/9 Group		
Genesis Limited Partnership #8	0.23%	0.23%
Genesis Limited Partnership #9, GP GLP9 Inc., GLP9 Subco Inc.	0%	0%
GP GLP8 Inc.	100%	100%
LPLP 2007 Group		
Limited Partnership Land Pool (2007)	0%	0%
GP LPLP 2007 Inc.	100%	100%
GP RRSP 2007 Inc., LPLP 2007 Subco Inc., GP RRSP 2007 #2 Inc.	0%	0%
LPLP 2007 Subco #2 Inc., LP RRSP Limited Partnership #1	0%	0%
LP RRSP Limited Partnership #2	0%	0%

GENESIS LAND DEVELOPMENT CORP.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Unaudited)

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

12. CONSOLIDATED ENTITIES (continued)

The following tables summarize the information relating to the Corporation's subsidiaries that have material non-controlling interests before any intra-group eliminations:

BALANCE SHEET

	March 31, 2016				Total
	LP 4/5	LP 6/7 ⁽¹⁾	LP 8/9	LPLP 2007	
Assets					
Real estate held for development and sale	7,943	-	2,574	28,795	39,312
Amounts receivable	-	7,821	-	-	7,821
Other operating assets	-	-	-	100	100
Cash and cash equivalents	-	442	1	48	491
Total assets	7,943	8,263	2,575	28,943	47,724
Liabilities					
Loans and credit facilities	-	-	-	8,073	8,073
Customer deposits	-	-	-	2	2
Accounts payable and accrued liabilities	-	208	1	76	285
Due to related parties	186	170	508	25,513	26,377
Total liabilities	186	378	509	33,664	34,737
Net assets	7,757	7,885	2,066	(4,721)	12,987
Non-controlling interest (%)	100%	88.25%	100%	100%	
	December 31, 2015				Total
	LP 4/5	LP 6/7	LP 8/9	LPLP 2007	
Assets					
Real estate held for development and sale	7,943	8,212	2,574	28,795	47,524
Amounts receivable	-	-	-	2	2
Other operating assets	-	-	-	197	197
Cash and cash equivalents	-	442	1	43	486
Total assets	7,943	8,654	2,575	29,037	48,209
Liabilities					
Loans and credit facilities	-	-	-	8,062	8,062
Customer deposits	-	-	-	2	2
Accounts payable and accrued liabilities	-	-	-	26	26
Due to related parties	159	895	507	25,143	26,704
Total liabilities	159	895	507	33,233	34,794
Net assets	7,784	7,759	2,068	(4,196)	13,415
Non-controlling interest (%)	100%	88.25%	100%	100%	

(1) Refer to note 3 regarding the sale of the last property owned by the LP

GENESIS LAND DEVELOPMENT CORP.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Unaudited)

For the three months ended March 31, 2016 and 2015

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

12. CONSOLIDATED ENTITIES (continued)

SUMMARIZED INCOME STATEMENTS

	Three months ended March 31, 2016				Total
	LP 4/5	LP 6/7 ⁽¹⁾	LP 8/9	LPLP 2007	
Revenues	2	9,225	-	5	9,232
Net earnings (loss) being comprehensive income (loss)	(26)	126	(2)	(525)	(427)
Non-controlling interest (%)	100%	88.25%	100%	100%	

⁽¹⁾ Refer to note 3 regarding the sale of the last property owned by the LP

	Three months ended March 31, 2015				Total
	LP 4/5	LP 6/7	LP 8/9	LPLP 2007	
Revenues	2	-	-	8	10
Net earnings (loss) being comprehensive income (loss)	1	5	(2)	(496)	(492)
Non-controlling interest (%)	100%	88.25%	100%	100%	

SUMMARIZED STATEMENT OF CASH FLOWS

	Three months ended March 31, 2016				Total
	LP 4/5	LP 6/7	LP 8/9	LPLP 2007	
Cash flows from operating activities	-	-	-	5	5
Net increase in cash and cash equivalents	-	-	-	5	5

	Three months ended March 31, 2015				Total
	LP 4/5	LP 6/7	LP 8/9	LPLP 2007	
Cash flows (used in) financing activities	-	-	-	(5)	(5)
Net decrease in cash and cash equivalents	-	-	-	(5)	(5)