MANAGEMENT'S DISCUSSION & ANALYSIS 2015

FOR THE THREE MONTHS AND YEAR ENDED DECEMBER 31, 2015

GENESIS

STRATEGY AND BUSINESS FOCUS

Genesis Land Development Corp. ("Genesis" or the "Corporation") is an integrated, land developer and residential home builder in the Calgary Metropolitan Area ("CMA").

We report our activities as two business segments: land development and home building. Land development involves the acquisition of land held for future development, and the planning, servicing and marketing of residential, commercial and industrial communities. Home building includes the acquisition of lots, and the construction and sale of single-family homes and townhouses.

The common shares of the Corporation are listed for trading on the Toronto Stock Exchange under the symbol "GDC".

MARKET OVERVIEW

Both land development and home building are negatively impacted by Alberta's continuing slowdown in general economic activity caused by the sharp drop in oil and natural gas prices over the last few years. Somewhat offsetting the decline in Alberta's major industry are low interest rates and a stable low-inflation environment. Genesis has also benefitted from its portfolio of entitled residential and mixed-use land as the low level of serviced lot inventory in Calgary and approvals process have restricted the supply of new entitled land.

We focus our land development and home building activities primarily on the entry level and first-time move-up segments, which in 2015 proved to be relatively less susceptible to market fluctuations than the higher end and custom segments.

The weaker overall market conditions are expected to constrain margins and volumes in Calgary's home building industry throughout 2016 and likely beyond.

Our core assets consist of a portfolio of entitled residential and mixed-use land, which is well positioned to deal with the economic downturn and will benefit from a strengthening of the Alberta economy. These various factors, along with careful control of costs, positive cash position and significant unutilized debt capacity, provide a strong base for 2016's challenging economic conditions.

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 the audited consolidated financial statements and the notes thereto for the year ended December 31, 2015 and 2014, prepared in accordance with International Financial Reporting Standards ("IFRS").

The consolidated 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, 2015 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 March 22, 2016.

CORPORATE HIGHLIGHTS

Key financial results and operating data for the Corporation are as follows

	Three months ended December 31,[1]		Year ended December 31,[2]	
	2015	**2014**	**2015**	**2014**
Key Financial Data				
Total revenues	**36,575**	28,509	**119,088**	134,245
Direct cost of sales	**(26,215)**	(20,938)	**(84,189)**	(99,421)
(Write-down) recovery of real estate held for development and sale	**(1,129)**	(184)	**(12,390)**	4,177
Gross margin	**9,231**	7,387	**22,509**	39,001
Earnings before income taxes	**5,674**	3,125	**4,043**	24,117
Net earnings attributable to equity shareholders	**5,365**	2,858	**11,014**	17,395
Net earnings per share – basic and diluted	**0.13**	0.07	**0.25**	0.39
Cash flows (used in) from operating activities	**(7,193)**	4,099	**(18,325)**	42,169
Cash flows (used in) from operating activities per share – basic and diluted	**(0.16)**	0.09	**(0.41)**	0.94
Key Operating Data				
Residential lots sold to third parties (units)	**50**	3	**69**	124
Residential lots sold through the home building business segment (units)	**41**	18	**115**	147
Development land sold (acres)	**114**	-	**118**	122
Average revenue per lot sold to third parties	**191**	208	**188**	192
Homes sold (units)	**51**	66	**209**	220
Average revenue per home sold	**460**	422	**489**	436
New home orders (units)	**36**	38	**135**	239

	As at December 31,	
	2015	2014
Homes with firm sale contracts (units)	**63**	137

	As at December 31,	
Key Balance Sheet Data	**2015**	**2014**
Cash and cash equivalents	**11,399**	33,048
Total assets	**331,045**	309,742
Loans and credit facilities	**63,819**	23,892
Total liabilities	**106,054**	78,468
Shareholders' equity	**212,125**	208,101
Total equity	**224,991**	231,274
Loans and credit facilities ("Debt") to total assets	**19%**	8%

[1] Three months ended December 31, 2015 and 2014 ("Q4 2015" and "Q4 2014")
[2] Year ended December 31, 2015 and 2014 ("YE 2015" and "YE 2014")

Highlights

Volumes and Revenue:

- December 31, 2015 order book of 63 firm sales contracts compared to 137 at December 31, 2014.
- Genesis sold 51 homes in Q4 2015 with revenues of $24,068 (Q4 2014 – 66 and $27,832) and 209 homes in YE 2015 with revenues of $102,846 (YE 2014 - 220 and $96,029).
- Genesis sold 91 residential lots in Q4 2015 with revenues of $15,304 (Q4 2014 – 21 and $4,169) and 184 residential lots in YE 2015 with revenues of $31,577 (YE 2014 – 271 and $45,026).
- The declines relate to the challenging economic conditions in the Calgary Metropolitan Area.

Net earnings and dividends:

- Net earnings were $5,365 for Q4 2015 compared to $2,858 for Q4 2014 and $11,014 for YE 2015 compared to $17,395 for YE 2014.
- Dividends of $0.12 per share were paid in each of 2014 and 2015.

Financing:

- Genesis obtained two new land development loan facilities totaling $18,840 during Q4 2015 at an interest rate of prime + 0.75% and drew $6,495 on them during the quarter.

RESULTS OF OPERATIONS

The following factors affect the results of our operations, particularly in land development:

1. The development and sale of residential lots and development land occurs over a substantial period of time which creates volatility in the revenues, earnings and cash flows from operating activities.
2. Land and lot prices and gross margins vary by community based on the nature of the development work to be undertaken before the land and lots are ready for sale, and for how long the Corporation has owned the land.
3. Seasonality results in higher lot and home building revenues in the summer and fall months when home building sales peak.
4. A significant portion of developed lots are sold to our home building business segment which defers the related revenues and earnings from those lots until the sale of the home and lot.

Land Development

	Three months ended December 31,			Year ended December 31,		
	2015	**2014**	**% change**	**2015**	**2014**	**% change**
Key Financial Data						
Residential lot sales[(1)]	**15,304**	4,169	267.1%	**31,577**	45,026	(29.9%)
Development land sales	**3,500**	-	N/R[(5)]	**3,600**	14,000	(74.3%)
Direct cost of sales	**(13,148)**	(1,851)	610.3%	**(20,704)**	(38,715)	(46.5%)
(Write-down) recovery of real estate held for development and sale[(2)]	**(1,129)**	(184)	513.6%	**(12,390)**	4,177	N/R[(5)]
Gross margin	**4,527**	2,134	112.1%	**2,083**	24,488	(91.5%)
Gross margin (%)[(3)]	**24.1%**	51.2%		**5.9%**	41.5%	
Equity income from joint venture	**2,669**	903	195.6%	**4,238**	4,580	(7.5%)
Other expenses[(4)]	**(2,955)**	(2,558)	15.5%	**(10,744)**	(8,528)	26.0%
Earnings (loss) before taxes	**4,241**	479	785.4%	**(4,423)**	20,540	N/R[(5)]
Key Operating Data						
Residential lots sold to third parties	**50**	3	N/R[(5)]	**69**	124	(44.4%)
Residential lots sold through the home building business segment	**41**	18	127.8%	**115**	147	(21.8%)
Total residential lots sold	**91**	21	333.3%	**184**	271	(32.1%)
Development land sold (acres)	**114**	-	N/R[(5)]	**118**	122	(3.3%)
Average revenue per lot sold	**168**	199	(15.6%)	**172**	166	3.6%
Average revenue per acre sold	**31**	-	N/R[(5)]	**30**	115	(73.9%)

(1) Includes residential lot sales to third parties and to the home building business segment and other revenue
(2) Relates to lands owned by Genesis as well as by limited partnerships
(3) Gross margin amount divided by the sum of residential lot sales and development land sales
(4) Other expenses includes general and administrative, selling and marketing and net finance expense
(5) Not reflective due to percentage increase

Volumes and Revenues

Revenues were higher for Q4 2015 compared to Q4 2014 due to higher volumes of residential lot sales made to third parties and through the home building business segment and the sale of a non-core parcel of land. The volume of lot sales to third parties is usually higher when new sub-divisions are brought on stream and lot inventory is available, which was the case for Q4 2015.

Revenues and volumes were lower for YE 2015 compared to YE 2014 due to the challenging economic conditions. In addition, revenues from the sale of (non-core) development land parcels was $3,600 in YE 2015 compared to $14,000 in YE 2014 for which the margins are low or negligible.

Residential lots are sold to the home building business segment at market prices.

Gross margin by source of revenue

	Three months ended December 31,		Year ended December 31,	
	2015	**2014**	**2015**	**2014**
Residential lot sales(1)	**15,304**	4,169	**31,577**	45,026
Direct cost of sales	**(9,671)**	(1,735)	**(16,746)**	(24,655)
Gross margin	**5,633**	2,434	**14,831**	20,371
Gross margin (%)	**36.8%**	58.4%	**47.0%**	45.2%
Development land sales	**3,500**	-	**3,600**	14,000
Direct cost of sales	**(3,477)**	(116)	**(3,958)**	(14,060)
Gross margin	**23**	(116)	**(358)**	(60)
Write-down recovery of real estate held for development and sales	**(1,129)**	(184)	**(12,390)**	4,177
Land development gross margin	**4,527**	2,134	**2,083**	24,488

(1) Includes other revenue

The change in gross margin percentages for single-family lots relates to the mix of sales by community for the two years as the gross margin percentage on residential lots typically varies by community, based on the nature of the development work to be undertaken before the lots are ready for sale and how long the Corporation has owned the land. Development lands sold during 2015 and 2014 were non-core lands for which the margins were low or negligible.

Third party appraisals were prepared as at June 30, 2015 and December 31, 2015 resulting in certain write-downs. These write-downs occurred primarily due to increased time lines to develop certain parcels of non-core land as a result of challenging economic conditions. The write-down for YE 2015 was $12,390 compared to a recovery of $4,177 for YE 2014. Genesis' portion of the write-down was $4,365 (YE 2014 – recovery of $1,274) and the remaining $8,025 (YE 2014 – recovery of $2,903) related to limited partnerships and is reflected in earnings attributable to non-controlling interest.

Equity income from joint venture

Equity income from joint venture was higher during Q4 2015 compared to Q4 2014 mainly due to the sale of a multi-family land parcel and with no corresponding sale for Q4 2014. Equity income from joint venture was lower during YE 2015, compared to YE 2014, due to lower volumes. Homes built on joint venture lots by the home building business segment result in Genesis recognizing deferred gains and deferred margins. The joint venture community is now sold out and activity and revenues will be nominal in future years as the joint venture is wound down. Refer to consolidated entities section in this MD&A for information on the joint venture.

Other expenses

Other expenses were higher for Q4 2015 and YTD 2015 compared to Q4 2014 and YTD 2014 mainly due to $658 and $2,633 respectively of imputed interest expense related to the land acquisition which occurred in January 2015. The increase in interest expense was partially offset by lower compensation and benefits expense and professional services expense. The land development segment and corporate personnel was 31 for YE 2015 compared to 32 for YE 2014.

Home Building

	Three months ended December 31,			Year ended December 31,		
	2015	**2014**	**% change**	**2015**	**2014**	**% change**
Key Financial Data						
Revenues[(1)]	**24,068**	27,832	(13.5%)	**102,846**	96,029	7.1%
Cost of sales	**(19,361)**	(23,407)	(17.3%)	**(84,326)**	(79,985)	5.4%
Gross margin	**4,707**	4,425	6.4%	**18,520**	16,044	15.4%
Gross margin (%)	19.6%	15.9%		18.0%	16.7%	
Other expenses[(2)]	**(3,271)**	(2,607)	25.5%	**(11,960)**	(10,936)	9.4%
Earnings before taxes	**1,436**	1,818	(21.0%)	**6,560**	5,108	28.4%
Key Operating Data						
Homes sold (single-family units)	**39**	54	(27.8%)	**186**	207	(10.1%)
Homes sold (townhouse units)	**12**	12	-	**23**	13	76.9%
Total homes sold (units)	**51**	66	(22.7%)	**209**	220	(5.0%)
Average revenue per single-family home sold	**479**	458	4.6%	**501**	447	12.1%
Average revenue per townhouse sold	**396**	258	53.5%	**394**	267	47.6%
Average revenue per home sold (single-family and townhouse)	**460**	422	9.0%	**489**	436	12.2%
New home orders (units)	**36**	38	(5.3%)	**135**	239	(43.5%)

(1) Revenues include residential home sales and other revenue
(2) Other expenses includes general and administrative, selling and marketing and net finance expense

Volumes and revenues

New home orders declined to 36 for Q4 2015 from 38 for Q4 2014 and to 135 for YE 2015 from 239 for YE 2014 reflecting a weaker housing market.

Sales mix affects revenues, cost of sales and margins and is influenced by the community in which the home is built, the type of home and factors specific to the home and the lot on which the home is built. Genesis sold a lower number of homes for Q4 2015 and for YE 2015 compared to Q4 2014 and YE 2014. However, the average revenue per home and gross margin percentage was higher during both Q4 2015 and YE 2015. This was due to the mix of homes sold and delivering some homes for which orders were contracted in 2014 when the housing market was stronger.

Other expenses

Other expenses increased by 25.5% for Q4 2015 compared to Q4 2014 due to higher compensation and benefits, sales and marketing and depreciation expenses partially offset by lower professional services expenses.

Other expenses increased by 9.4% for YE 2015 compared to YE 2014 primarily due to higher compensation and benefits. The higher compensation expense was more than offset by the improved margins during 2015.

Finance Expense

	Three months ended December 31,			Year ended December 31,		
	2015	**2014**	**% change**	**2015**	**2014**	**% change**
Interest incurred	**255**	360	(29.2%)	**1,248**	1,853	(32.6%)
Finance expense relating to VTB(1)	**658**	-	N/R(2)	**2,633**	-	N/R(2)
Financing fees amortized	**87**	201	(56.7%)	**606**	991	(38.8%)
Interest and financing fees capitalized	**(102)**	(294)	(65.3%)	**(623)**	(1,736)	(64.1%)
	898	267	236.3%	**3,864**	1,108	248.7%

(1) *Vendor-take-back mortgage related to southeast lands acquisition*
(2) *Not reflective due to percentage increase*

Higher interest expense incurred for Q4 2015 and for YE 2015 compared to the same periods in 2014 was mainly due to $658 and $2,633 of imputed interest expense on the VTB for the new land acquired at the beginning of 2015. The weighted average interest rate of loan agreements with various financial institutions was 4.75% (YE 2014 – 5.57%) based on December 31, 2015 balances. The imputed rate on the VTB (which has a 0% face rate) is 8%. The weighted average interest rate of loan agreements was 3.82% (YE 2014 – 4.65%), based on YE 2015 balances after excluding $8,125 relating to a limited partnership.

SEGMENTED BALANCE SHEETS

	December 31, 2015						December 31, 2014
	Land Development						
	Genesis	LPs	Intra-segment eliminations	Home Building	Inter-segment Eliminations	Consolidated	Consolidated
Assets							
Real estate held for development and sale	215,380	47,524	(5,381)	31,109	(341)	**288,291**	240,123
Amounts receivable	17,052	2	-	180	-	**17,234**	17,660
Cash and cash equivalents	9,790	486	-	1,123	-	**11,399**	33,048
Other assets	48,209	197	(26,420)	3,271	(11,136)	**14,121**	18,911
Total assets	290,431	48,209	(31,801)	35,683	(11,477)	**331,045**	309,742
Liabilities							
Loans and credit facilities	50,603	8,062	-	5,154	-	**63,819**	23,892
Provision for future development costs	17,065	-	-	1,861	-	**18,926**	21,945
Other liabilities(1), (2)	18,515	26,732	(26,704)	15,902	(11,136)	**23,309**	32,631
Total liabilities	86,183	34,794	(26,704)	22,917	(11,136)	**106,054**	78,468
Net assets	**204,248**	**13,415**	**(5,097)**	**12,766**	**(341)**	**224,991**	231,274

(1) *Other liabilities under the home building business segment includes $9,095 (December 31, 2014 - $14,164) due to the land development segment related to land and lot purchases, overhead costs and general and administrative expenses.*
(2) *Other liabilities under the LPs segment comprises customer deposits and accounts payable and accrued liabilities and includes $26,704 (December 31, 2014 - $24,091) due to Genesis.*

LIQUIDITY AND CAPITAL RESOURCES

Genesis has significant unutilized debt capacity, 63 homes with firm sales contracts at December 31, 2015, and a portfolio of entitled land which positions the Corporation to handle the challenging economic conditions in 2016 and possibly beyond. During YE 2015 Genesis paid a dividend of $5,331 (YE 2014 – $5,386) and commenced a normal course issuer bid. At YE 2015, 628,598 common shares (1.40% of common shares outstanding at the beginning of the year) had been purchased and cancelled under the NCIB for a total cost of $1,886 (average $3.00 per share).

	December 31,	
	2015	**2014**
VTB	**34,321**	-
Other loans and credit facilities	**29,498**	23,892
Total loans and credit facilities	**63,819**	23,892
Total liabilities to equity [1]	**47%**	34%
Loans and credit facilities (“Debt”) to total assets	**19%**	8%

[1] *Calculated as total liabilities divided by total equity*

We regularly review credit facilities and manage requirements in accordance with project development plans and operating requirements. Genesis and its subsidiaries were in compliance with all covenants currently and at all period ends.

Real Estate Held for Development and Sale

	December 31,		
	2015	**2014**	**% change**
Real estate held for development and sale	**351,397**	292,013	20.3%
Provision for write-downs	**(63,106)**	(51,890)	21.6%
	288,291	240,123	20.1%

Real estate held for development and sale increased by $48,168 at YE 2015 compared to YE 2014. This was primarily due to the acquisition of the southeast lands with a carrying value of $44,265, in addition to land development and home building development activities. Genesis' portion of the provision for write-downs relates to non-core lands. Refer to note 4 in the consolidated financial statements for the years ended December 31, 2015 and 2014.

The following tables present our real estate held for development and sale, and estimated equivalent of single-family lots, townhouse/multi-family units and commercial acreages held by Genesis as at December 31, 2015.

	Land under development			Land held for future development		Total		
Land development segment	**Net carrying value**	**Acres[1]**	**Lots**	**Net carrying value**	**Acres[1]**	**Net carrying value**	**Acres[1]**	**Lots**
Residential								
Airdrie[2]	39,106	169	310	8,617	90	47,723	259	310
Calgary NW[3]	27,901	34	90	-	-	27,901	34	90
Calgary NE[4]	16,144	13	120	5,879	33	22,023	46	120
Calgary SE[5]	-	-	-	44,267	349	44,267	349	-
	83,151	216	520	58,763	472	141,914	688	520
Mixed use[6]	55,367	71	-	3,986	312	59,353	383	-
Other assets[7] – non-core	-	-	14	14,113	3,463	14,113	3,463	14
Total land development segment	**138,518**	**287**	**534**	**76,862**	**4,247**	**215,380**	**4,534**	**534**
Home building business segment[8]						**30,768**	**-**	**34**
Total land and home building segments						**246,148**	**4,534**	**568**
Limited Partnerships[9]						42,143	2,387	-
Real estate held for development and sale						**288,291**	**6,921**	**568**

		Developed Lots	To be Developed - Estimated Equivalent			Total
	Acres[1]	**Single-family** (units)	**Single-family** (lots)	**Townhouse/multi-family** (units)	**Commercial** (acres)	**Single- and multi-family** (units)
Residential						
Airdrie[2]	259	310	1,208	620	-	2,138
Calgary NW[3]	34	90	34	1,869	2	1,993
Calgary NE[4]	46	120	340	78	-	538
Calgary SE[5]	349	-	1,245	834	-	2,079
	688	**520**	**2,827**	**3,401**	**2**	**6,748**
Mixed use[6]	**383**	**-**	**-**	**2,450**	**319**	**2,450**
Other assets[7] – non-core	**3,463**	**14**	**1,947**	**-**	**-**	**1,961**
Total land development segment	**4,534**	**534**	**4,774**	**5,851**	**321**	**11,159**
Home building business segment	-	**34**	-	-	-	**34**
Total land and home building segments	**4,534**	**568**	**4,774**	**5,851**	**321**	**11,193**
Limited Partnerships[9]	2,387	-	2,621	1,060	441	3,681
Real estate held for development and sale	**6,921**	**568**	**7,395**	**6,911**	**762**	**14,874**

[1] Acres comprises townhouse /multi-family, commercial acres and land not yet subdivided into single-family lots
[2] Airdrie comprises the communities of Bayside, Bayview and Canals
[3] Calgary NW comprises the community of Sage Meadows
[4] Calgary NE comprises the community of Saddlestone
[5] Calgary SE comprises southeast lands acquired in 2015
[6] Mixed use comprises North Conrich and Sage Hill Crossing
[7] Other assets are non-core and actively being marketed for disposal. These assets represent 6.6% (YE 2014 – 4.2%) of Genesis' land portfolio with a carrying value of $14,113 (YE 2014 - $6,621). The change in carrying value is due to the property reclassifications and disposals.
[8] Housing projects under development comprise $7,287 in lots and $23,481 of work-in-progress. Refer to note 4 in the consolidated financial statements for the year ended December 31, 2015 and 2014.
[9] Comprises land held for future development and land under development. Refer to note 4 in the consolidated financial statements for the year ended December 31, 2015 and 2014. Net of intra-segment eliminations of $5,381.

The following tables present the continuity of the each segment's lot supply for the year ended December 31, 2015:

Land Development

Project	Lots at Jan. 1, 2015	Additions made during 2015	Sold to third-party builders	Sold to home building	Lots at December 31, 2015
Airdrie					
Bayside	148	237	(67)	(18)	300
Canals	18	-	(2)	(6)	10
	166	237	(69)	(24)	310
Calgary NW					
Sage Meadows	27	90	-	(27)	90
Calgary NE					
Saddlestone	184	-	-	(64)	120
Brooks (non-core)	14	-	-	-	14
Total	391	327	(69)	(115)	534

Home Building

Project	Lots at January 1, 2015	Lots purchased in 2015	Homes sold in 2015	Lots at December 31, 2015	Price range of homes sold
Airdrie					
Bayside	17	18	(32)	3	$340-$626
Canals	-	6	(6)	-	$548-$726
	17	24	(38)	3	$340-$726
Calgary NW					
Evansridge	29	-	(7)	22	$386-$415
Kinwood	75	-	(66)	9	$446-$624
Sage Meadows	23	4	(27)	-	$374-$505
Sherwood	3	-	(3)	-	$747-$871
	130	4	(103)	31	$386-$871
Calgary NE					
Saddlestone	4	64	(68)	-	$357-$708
Total	**151**	92	**(209)**	**34**	$340-$871

Amounts Receivable

	December 31,		
	2015	**2014**	**% change**
Amounts receivable	**17,234**	17,660	(2.4%)

Genesis generally retains title to lots and homes until full payment is received in order to mitigate credit exposure. The year over year change was a nominal $426.

Other Operating Assets

	December 31,		
	2015	**2014**	**% change**
Other operating assets	**7,574**	13,993	(45.9%)

Other operating assets consist of deposits, prepayments, restricted cash and property and equipment. These decreased by $6,419 at YE 2015 from YE 2014, mainly due to a net reduction in cash secured letters of credit by $4,746 and a reduction of $2,500 in deposits on closing of the purchase of southeast lands in 2015. This was partially offset by increases in prepayments and property and equipment.

Cash Flows from Operating Activities

	Three months ended December 31,		Year ended December 31,	
	2015	**2014**	**2015**	**2014**
Cash flows (used in) from operating activities	**(7,193)**	4,099	**(18,325)**	42,169
Cash flows (used in) from operating activities per share – basic and diluted	**(0.16)**	0.09	**(0.41)**	0.94

The decrease in cash flows in Q4 2015 to $(7,193) from Q4 2015 was due to a decrease in receipts from the sale of residential homes and increased activity in both the land development and home building business segments. The decrease was partially offset by release of $2,960 associated with letters of credit and lower disbursement towards income taxes.

The $60,494 change in cash flows between YE 2015 (cash outflow of $18,325) and YE 2014 (cash inflow of $42,169) is explained by the following:

Reduced cash in-flow due to lower land and lot sales	28,127
Higher cash out-flow due to increased investment in land servicing	21,159
Cash out-flow due to acquisition of southeast lands	7,500
Higher cash out-flow for income taxes due to higher profitability	4,202
Changes in various operating cash flows	(494)
Total change in cash flows	60,494

LIABILITIES AND SHAREHOLDERS' EQUITY

The following table presents Genesis' liabilities and equity at the end of YE 2015 and YE 2014.

	December 31,		December 31,	
	2015	**% of Total**	**2014**	**% of Total**
Loans and credit facilities	**63,819**	**19%**	23,892	8%
Customer deposits	**3,820**	**1%**	5,515	2%
Accounts payable and accrued liabilities	**19,219**	**6%**	22,683	7%
Provision for future development costs	**18,926**	**6%**	21,945	7%
Income taxes payable	**270**	**-**	4,433	1%
Total liabilities	**106,054**	**32%**	78,468	25%
Non-controlling interest	**12,866**	**4%**	23,173	7%
Shareholders' equity	**212,125**	**64%**	208,101	68%
	331,045	**100%**	309,742	100%

Loans and Credit Facilities

The change in the Corporation's loans and credit facilities were as follows:

	For the year ended December 31,	
	2015	**2014**
Balance, beginning of period	**23,892**	50,373
Vendor-take-back mortgage – land acquisition	**34,321**	-
Advances for land development and home building	**45,524**	27,484
Repayments from the proceeds of land and home sales	**(42,719)**	(55,347)
Interest and financing fees incurred	**4,276**	2,693
Interest and financing fees paid	**(1,475)**	(1,311)
Balance, end of period	**63,819**	23,892

The Corporation's loans and credit facilities consisted of the following segmented amounts:

	For the year ended December 31,	
	2015	**2014**
Land development	**50,603**	8,310
Limited partnerships	**8,062**	7,804
Home building	**5,154**	7,778
	63,819	23,892

The following is a summary of drawn and outstanding loan and credit facility balances as at Q4 2015 and as at the end of the previous four quarters:

	Q4 2015	**Q3 2015**	**Q2 2015**	**Q1 2015**	**Q4 2014**
Vendor-take-back mortgage	34,321	33,663	33,006	32,348	-
Land development loans	24,734	7,940	8,427	10,235	16,600
Home building loans	5,194	5,545	8,028	8,706	7,818
	64,249	47,148	49,461	51,289	24,418
Unamortized deferred financing fees	(430)	(80)	(74)	(125)	(526)
Balance, end of period	63,819	47,068	49,387	51,164	23,892

Total liabilities to equity follows:

	December 31,	
	2015	**2014**
Total liabilities	**106,054**	78,468
Total equity	**224,991**	231,274
Total liabilities to equity[1]	**47%**	34%

[1] *Calculated as total liabilities divided by total equity*

During 2015, Genesis obtained four new land project loan facilities totaling $65,800 and increased an existing facility by $11,500. Interest on these facilities ranges from prime + 0.75% to prime + 1.25% per annum and draws on these facilities can be made as land development activities progress. $16,609 was drawn against these facilities as at YE 2015.

In addition, Genesis has a demand operating line of credit of up to $10,000 for general corporate purposes at an interest rate of prime + 1% per annum. The balance on this facility was nil as at YE 2015.

The home building business segment has a demand operating line of $6,500 at an interest rate of prime +1.5% per annum. $1,427 was drawn on this facility as at YE 2015. In addition, a capital project loan at an interest rate of prime +1.5% per annum is also available to the home building business segment with $3,767 drawn as at YE 2015.

Genesis also assumed a VTB on the purchase of the southeast lands in January 2015. The $40,000 VTB has an unamortized discount of $5,679 as at YE 2015 and is payable in five equal installments of $8,000 each, commencing January 2016 and ending in January 2020.

Genesis also guaranteed an $8,125 loan relating to a limited partnership bearing interest at the greater of 7.25% or prime +3% per annum. The loan is secured by lands held by the limited partnership.

Genesis has various covenants in place with its lenders with respect to certain contracted 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, the home building business segment has a secured revolving operating line repayable on demand to be used for home construction and the acquisition of serviced lots. This line has a financial covenant requiring that Genesis Builders Group Inc. maintain a net worth of at least $11,500 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 subsidiaries were in compliance with all covenants at YE 2015 and at YE 2014. Loans and credit facilities are used primarily to finance the costs of developing land, building houses and for land purchases, in certain circumstances.

Genesis has sufficient liquidity from its cash flows from operating activities, supplemented by credit facilities, to meet the above liabilities as they become due. We regularly review credit facilities and manage requirements in accordance with project development plans and operating requirements.

Provision for Future Development Costs

Genesis sells lots and homes for which it is responsible to pay for costs-to-complete. For the home building business segment, costs-to-complete estimates are mainly estimates of the costs likely to be incurred on seasonal work and estimated warranty charges over the one year warranty period. The cost of these remaining services is recognized as a liability when the related revenue is recognized. Provision for future development costs decreased by $3,019 at YE 2015 compared to YE 2014, due to lower lot sales during the period as well of completion of previously recognized cost-to-complete liabilities on lots and on homes.

Income Tax Payable

The changes in income tax payable are as follows:

	For the year ended December 31,	
	2015	**2014**
Balance, beginning of period	**4,433**	3,112
Provision for current income tax	**5,671**	6,953
Net payments	**(9,834)**	(5,632)
Balance, end of period	**270**	4,433

The decreased in income tax payable is due to lower net earnings during 2015 and higher net payments made during the year.

Shareholders’ Equity

As at March 22, 2016, the Corporation had 44,117,802 common shares issued and outstanding. In addition, options to acquire 800,000 common shares of Genesis were issued and outstanding under our stock option plan. On February 17, 2016, the Corporation cancelled 285,000 regular options and all 1,272,000 performance options on the departure of the President and CEO and the CFO from Genesis.

On September 4, 2015, the Corporation announced a normal course issuer bid to repurchase for cancellation up to 2,246,310 common shares (representing 5% of the Corporation’s common shares issued and outstanding as at September 3, 2015). The NCIB commenced on September 10, 2015 and will terminate on the earlier of (i) September 9, 2016; and (ii) the date on which the maximum number of common shares are purchased pursuant to the NCIB.

During Q4 2015, 379,498 common shares (0.85% of common shares outstanding at the beginning of the period) were purchased and cancelled for a total cost of $1,118 (average $2.95 per share). During YE 2015, 628,598 common shares (1.40% of common shares outstanding at the beginning of the year) were purchased and cancelled for a total cost of $1,886 (average $3.00 per share).Under the NCIB, the Corporation repurchased for cancellation an additional 257,700 shares for $606,627 between January 1, 2016 and March 22, 2016.

Return on equity was 5.2% at YE 2015 (YE 2014 – 8.6%). Return on equity is calculated by dividing net earnings by average shareholders’ equity. Return on equity decreased mainly due to lower net earnings in YE 2015. Net earnings for YE 2015 were largely impacted by lower residential lot sales and lower development land sales, imputed interest of $2,633 relating to the VTB and due to the write-down of $12,390 of real estate held for development and sale of which Genesis portion was $4,365 with the balance of $8,025 attributable to limited partnerships.

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 YE 2015 were as follows,:

	Loans and Credit Facilities[(1)]	Naming Rights	Lease Obligations	Total
Current	13,184	700	1,008	**14,892**
January 2017 to December 2017	32,117	700	636	**33,453**
January 2018 to December 2018	6,822	500	50	**7,372**
January 2019 and thereafter	12,126	1,500	11	**13,637**
	64,249	3,400	1,705	**69,354**

[(1)] *Excludes deferred financing fees*

Based on our operating history, our relationship with lenders and committed sales contracts, management is confident that Genesis has the ability to continue to meet its obligations as they come due.

Genesis signed a memorandum of understanding in 2012 to contribute $5,000 for the naming rights for 10 years to the “Genesis Centre for Community Wellness”, a recreation complex in northeast Calgary ($500 each year, terminating in 2021). The first four installments totaling $2,000 were paid up to and through to the end of December 2015.

Genesis entered into an agreement with the City of Airdrie, to contribute $2,000 for the naming rights for 10 years to “Genesis Place”, a recreation complex in the City of Airdrie ($200 each year, terminating in 2017). The first eight installments totaling $1,600 were paid up to and through to the end of December 2015.

Genesis entered into an agreement with Morguard Real Estate Investment Trust (“Morguard”) to lease Genesis’ office building. The basic rent per annum was $349 in the first year, which increases progressively to $426 in the fifth year. The lease with Morguard commenced on August 1, 2012 and terminates on July 31, 2017. The lease includes an option in favor of Genesis to extend the term for an additional five-year period at market rent. Genesis also has other minor operating leases.

As a normal part of business, we have 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 14 of the consolidated financial statements.

Current Contractual Obligations

	December 31,	
	2015	**2014**
Loans and credit facilities, excluding deferred financing fees	**13,184**	16,568
Accounts payable and accrued liabilities	**19,219**	22,683
Total short-term liabilities	**32,403**	39,251
Commitments[(1)]	**1,708**	11,634
	34,111	50,885

(1) Commitments comprise naming rights and lease obligations. At YE 2014 this included $10,000 relating to the purchase of the southeast lands

At the end of YE 2015, Genesis had obligations due within the next 12 months of $34,111, of which $13,184 related to loans and credit facilities. Repayment is either (i) linked directly to the collection of lot receivables and sales proceeds; or (ii) due at maturity. Based on our operating history, our relationship with lenders and committed sales contracts, management is confident that Genesis has the ability to continue to renew or repay its financial obligations as they come due.

OFF BALANCE SHEET ARRANGEMENTS

Letters of Credit

We have an ongoing requirement to provide irrevocable letters of credit to municipalities as part of the sub-division plan registration process. At YE 2015, these letters of credit totalled approximately $6,309 (YE 2014 - $2,641).

Lease Agreements

We have certain lease agreements that are entered into in the normal course of operations. All leases are treated as operating leases and lease payments are included in general and administrative expenses. No asset value or liability has been assigned to these leases in the balance sheet as at YE 2015 and 2014. In the event the lease for the office building is terminated early, Genesis is liable to pay to Morguard for the loss of its income for the unexpired portion of the lease, in addition to damages and other expenses incurred by Morguard, if any.

SELECTED ANNUAL INFORMATION

	2015	**2014**	**2013**
Total revenues	**119,088**	134,245	96,077
Gross margin	**22,509**	39,001	11,135
Net earnings attributable to equity shareholders	**11,014**	17,395	5,713
Net earnings per share – basic and diluted	**0.25**	0.39	0.13
Total assets	**331,045**	309,742	313,846
Loans and credit facilities	**63,819**	23,892	50,373
Dividends per share	**0.12**	0.12	-

Refer to the Results of Operations section of this MD&A for the factors that affected our results.

Total revenues comprise residential lot sales, development land sales, residential home sales and other revenues. Residential lot volumes and sales in 2015 were lower than in 2014 and 2013. Development land sales were $3,600, $14,000 and $6,668 for 2015, 2014 and 2013 respectively and related to sale of non-core properties at low or negligible margins. Residential home sales increased from 2013 through 2015, mainly due to increasing volume but also due to the mix of homes being sold. Gross margins in 2015 and 2013 were impacted by a write-down of real estate held for development and sale. In 2014, gross margins were positively impacted by a recovery of write-downs previously made. Net earnings and net earnings per share were affected as a result of the above.

Total assets and loans and credit facilities increased in 2015 mainly due to the purchase of the southeast lands secured by a VTB. The reduction in loans and credit facilities in 2014 was due to the repayment of certain facilities with the proceeds from the sale of a non-core development land parcel and from the sale of residential lots and homes.

SUMMARY OF QUARTERLY RESULTS

	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014
Revenues	36,575	34,918	31,822	15,773	28,509	32,984	34,765	37,987
Net earnings(1)	5,365	4,256	1,333	60	2,858	4,366	7,231	2,940
EPS(2)	0.13	0.09	0.03	0.00	0.07	0.09	0.16	0.07

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

Seasonality affects the land development and home building industry in Canada, particularly as a result of winter weather conditions. Refer to the Results of Operations section of this MD&A which discusses the factors that affect our results and seasonality further.

During Q4 2015, we sold 50 residential lots to third parties, 51 homes (39 single-family and 12 townhouses) and a non-core development land parcel compared to 13 residential lots and 67 homes (56 single-family and 11 townhouses) in the third quarter of 2015 ("Q3 2015"). The increase in revenues for Q4 2015 was mainly due to higher residential lot and development lot sales. During Q4 2015, the joint venture in which Genesis is a 50% partner, sold a multi-family land parcel for which Genesis realized deferred gains and its share of net income from the joint venture. These were the main factors that resulted in higher net earnings and EPS for Q4 2015 compared to Q3 2015. Net earnings in the second quarter of 2015 were affected by a write-down of real estate held for development and sales. Revenues and net earnings were low in the first quarter of 2015 due to lower residential lot and residential home sales.

CONSOLIDATED ENTITIES

The Corporation is the general partner in four limited partnership arrangements and a 50% partner in the joint venture (refer to note 16 of the consolidated financial statements for the year ended December 31, 2015 and 2014).

SUMMARY OF ACCOUNTING CHANGES

The Corporation adopted no new IFRSs and interpretations during 2015.

STANDARDS AND AMENDMENTS TO EXISTING STANDARDS DURING 2015

The Corporation adopted no new IFRSs and interpretations during 2015.

RECENT ACCOUNTING PRONOUNCEMENTS

The Corporation has reviewed new and revised accounting pronouncements that have been issued but are not yet effective and determined that the following may have an impact on the Corporation:

IFRS 15, "Revenue from contracts with customers"

On May 28, 2014 the IASB issued IFRS 15, "Revenue from contracts with customers". IFRS 15 will replace existing standards and interpretations on revenue recognition. The standard is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The standard outlines a single comprehensive model for entities for revenue recognition arising from contracts with customers. The Corporation has not yet considered the impact of IFRS 15 on its financial statements.

IFRS 9, “Financial instruments”

On November 12, 2009, the IASB issued IFRS 9, “Financial instruments” (“IFRS 9”), which will replace IAS 39 “Financial Instruments: Recognition and Measurement” (“IAS 39”). The standard is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. IFRS 9 applies to classification and measurement of financial assets as defined in IAS 39. It uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple classification options in IAS 39. The Corporation has not yet considered the impact of IFRS 9 on its financial statements.

IFRS 16, “Leases”

On January 13, 2016, the IASB published a new standard, IFRS 16, “Leases”. The new standard brings most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. The standard is effective for annual periods beginning on or after January 1, 2019, with early application permitted but only if the entity is also applying IFRS 15, “Revenue from contracts with customers”. Under the new standard, a lessee recognizes a right-of-use asset and a lease liability. The right-of-use asset is treated similarly to other non-financial assets and depreciated accordingly. The liability accrues interest. The Corporation has not yet considered the impact of IFRS 16 on its financial statements.

CRITICAL ACCOUNTING ESTIMATES

The preparation of consolidated financial statements 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 business segments. On an ongoing basis, management evaluates its judgments and estimates in relation to revenues, expenses, assets and liabilities. Management uses historical experience 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 YE 2015 and for YE 2014. Refer to note 2(q) in the consolidated financial statements for the years ended December 31, 2015 and 2014 for additional information on judgments and estimates.

Provision for Future Development Costs

Changes in the estimated future development costs directly impact 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, specifically in land development.

Impairment 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 for impairment or whenever events or changes in circumstances indicate the carrying value may exceed NRV. The estimate is based on valuation conducted by independent real estate appraisers and in light of recent market transactions of similar and adjacent lands and housing projects in the same geographic area.

Valuation of amounts receivables

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

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

Management of the Corporation is responsible for establishing and maintaining disclosure controls and procedures (“DC&P”) and internal control over financial reporting (“ICFR”), as those terms are defined in National Instrument 52-109 *Certification of Disclosure in Issuers’ Annual and Interim Filings*. Genesis’ DC&P is designed to provide reasonable assurance that:

(i) material information relating to the Corporation, including its consolidated subsidiaries, is made known to them by others within those entities, particularly during the period in which the annual filings are being prepared; and

(ii) information required to be disclosed in the annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported on a timely basis.

Genesis' ICFR is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The ICFR have been designed using the control framework established in Internal Control – Integrated Framework (2013) published by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

On February 17, 2016, Mr. Bruce Rudichuk was replaced as President and Chief Executive Officer by Mr. Stephen J. Griggs, a Director and Chair of the Board, as interim Chief Executive Officer ("interim CEO") and Mr. Mark Scott, Executive Vice President and Chief Financial Officer also left the Corporation with immediate effect. On March 15, 2016, the Board appointed Mr. Rauf Muhammad, CPA (Colorado) as the interim Chief Financial Officer ("interim CFO") until April 18, 2016. Effective April 18, 2016 Kirsten Richter CPA, CA, will assume the position of interim Chief Financial Officer of the Corporation.

The interim CEO and interim CFO have evaluated the design and operating effectiveness of Genesis' DC&P and ICFR and concluded that, even though there was a change in management subsequent to the year end, Genesis' DC&P and ICFR were effective as at December 31, 2015. While Genesis' interim CEO and interim CFO believe that the Corporation's internal controls and procedures provide a reasonable level of assurance that such controls and procedures are reliable, an internal control system cannot prevent all errors and fraud. It is management's belief that any control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

There were no changes in the Corporation's ICFR during the three months and year ended December 31, 2015 that have materially affected, or are reasonably likely to materially affect the Corporation's ICFR.

RISKS AND UNCERTAINTIES

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

Development and Construction Costs

Genesis may experience loss due to inflation causing higher prices of labor and consulting fees, and costs of materials. Costs of development and building have fluctuated over the past several years and are typically passed on to the customer through higher pricing. Any significant increase that Genesis cannot pass on to the customer may have a negative material impact on profits.

Credit and Liquidity Risk

Credit risk arises from the possibility that builders that acquire lots from Genesis may experience financial difficulty and be unable to fulfill their lot payout commitments. Liquidity risk is the risk that Genesis will not be able to meet its financial obligations as they fall due. If Genesis is unable to generate sufficient sales and renew existing credit facilities or secure additional financing, it will impact the Corporation's ability to meet its obligations as they become due. Based on the Corporation's operating history, relationship with lenders and committed sales contracts, Management believes that Genesis has the ability to continue to renew or repay its financial obligations as they come due.

Finance Risk

Genesis uses debt and other forms of financing in its business to execute the corporate strategy. Genesis uses project specific credit facilities to fund land development costs and a construction operating line for home construction purposes. Should Genesis be unable to obtain required capital, its ability to achieve these goals could be impacted. In order to reduce finance risk, Genesis endeavors to match the term of financing with the underlying land asset. Management regularly reviews the Corporation's credit facilities and manages the requirements in accordance with project development plans and operating requirements.

There may be additional risks that management may need to consider as circumstances require. For a more detailed discussion on the Corporation's risk factors, refer to our AIF for the year ended December 31, 2015 available on SEDAR at www.sedar.com

TRADING AND SHARE STATISTICS

The Corporation's trading and share statistics for 2015 and 2014 are provided below.

	2015	2014
Average daily trading volume	**47,810**	45,322
Share price ($/share)		
High	**3.90**	5.10
Low	**2.58**	3.30
Close	**2.73**	3.85
Market capitalization at December 31	**120,932**	172,985
Shares outstanding	**44,297,602**	44,931,200

OTHER

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

ADVISORIES

Non-GAAP Financial Measures

Management has discontinued the presentation of net asset value ("NAV"), gross margin before write-down or recovery, adjusted earnings and adjusted earnings per share. Due to the widening gap between the stock price of the Corporation and its NAV, management is of the view that NAV is not a useful measure and therefore presentation of this measure has been discontinued. Gross margin before write-down or recovery, adjusted earnings and adjusted earnings per share are not useful measures due to the recurring nature of the write-downs or recoveries and therefore the presentation of these measures has been discontinued. Gross margin before write-down or recovery is calculated by excluding any write-down or recovery from the gross margin. This can be used to assess the performance of the business without the effects of write-down or recovery. Adjusted earnings is calculated as net earnings attributable to shareholders excluding any write-down or recovery and net of income taxes relating to the write-down or recovery. Adjusted earnings per share is calculated by dividing adjusted earnings by the weighted average number of common shares (basic or diluted).

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", "scheduled", "estimates", "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".

Forward-looking statements in this MD&A include, but are not limited to, statements with respect to the nature of development lands held and the anticipated inventory and development potential of such lands, ability to bring new developments to market, anticipated general economic and business conditions in 2016 and beyond, including low interest rates, low stable inflation rates, the anticipated impact on Genesis' development and home building activities, the constraint on margins and volumes in Calgary's home building industry throughout 2016 and possibly beyond, the activity levels and the revenues from the joint venture, the ability to close the book of homes with firm sales contracts and the ability to continue to renew or repay financial obligations and to meet contractual obligations as they become due. Although Genesis believes that the anticipated future results, performance or achievements expressed or implied by the 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.

Factors that could cause actual results to differ materially from those set forth in the forward-looking statements include, but are not limited to: the impact or unanticipated impact of general economic conditions in Canada, the United States and globally; the impact of election of governments in Alberta and Canada and the direction of policy which could impact the overall pace of economic growth; 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; not realizing on the anticipated benefits from transactions or not realizing on such anticipated benefits within the expected time frame; labour matters, governmental regulations, 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 this MD&A under the heading "Risks and Uncertainties" and the AIF under the heading "Risk Factors". Furthermore, the forward-looking statements contained in this MD&A are made as of the date of this MD&A 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.