ANNUAL INFORMATION FORM

For the Year Ended December 31, 2011

Genesis Land Development Corp.
200, 3115 – 12th St. N.E., Calgary, Alberta T2E 7J2
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March 22, 2012

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DEFINITIONS

In this Annual Information Form, the capitalized terms set forth below have the following meanings:

"**ABCA**" means the *Business Corporations Act*, S.A. 1981, c. B-15 or the *Business Corporations Act,* R.S.A. 2000, c. B-9, as the context requires, together with any amendments thereto and all regulations promulgated there under;

"Area Structure Plan" means statutory plan that outlines land uses and establishes the general planning framework for turning undeveloped areas into new subdivisions and usually has several land owners within it;

"**Board**" means Board of Directors of the Corporation;

"**Breeze**" means The Breeze Inc.;

"**Common Shares**" means the common shares in the share capital of Genesis;

"**Corporation**" or "**Genesis**" means Genesis Land Development Corp. and the subsidiaries through which it conducts all of its land development and homebuilding operations;

"GBG" means Genesis Builders Group Inc.;

"Generations" means Generations Group of Companies Inc.;

"GLP#6" means Genesis Limited Partnership #6;

"GSMP" means Genesis Sage Meadows Partnership;

"ICOFR" means Internal Controls Over Financial Reporting;

"IFRS" means International Financial Reporting Standards;

"Kinwood" means Kinwood Communities Inc.;

"LPLP 2007" means Limited Partnership Land Pool 2007;

"NE Calgary Lands" means Northeast Calgary lands;

"**NI 51-102**" means Canadian Securities Administrators' National Instrument 51-102 - *Continuous Disclosure Obligations*;

"**NI 52-110**" means Canadian Securities Administrators' National Instrument 52-110 - *Audit Committees*;

"Outline Plan" means a plan for a portion of the Area Structure Plan that provides additional details such as zoning for lots, street types, school sites etc.;

"**Preferred Shares**" means preferred shares of Genesis;

"**SEDAR**" means the computer system for the transmission, receipt, acceptance, review and dissemination of information filed in electronic format known as the System for Electronic Document and Retrieval maintained by CDS Inc. and available at www.sedar.com; and

"TSX" means the Toronto Stock Exchange.

CURRENCY

In this Annual Information Form, unless otherwise noted, all dollar amounts are expressed in Canadian dollars except per share amounts or unless otherwise indicated.

FORWARD-LOOKING STATEMENTS

This Annual Information Form contains forward-looking statements and forward-looking information (collectively, "**forward-looking statements**"). These forward-looking statements relate to future events or the Corporation's future performance. All forward-looking statements contained herein that are not clearly historical in nature constitute forward-looking statements, and the words "may", "will", "should", "could", "expect", "plan", "intend", "anticipate", "believe", "estimate", "propose", "predict", "potential", "continue", or the negative of these terms or other comparable terminology are generally intended to identify forward-looking statements. Such statements represent the Corporation's internal projections, estimates or beliefs concerning, among other things, an outlook on the estimated amounts and timing of capital expenditures, anticipated future revenues or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. These statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in the forward-looking statements. In addition, this Annual Information Form may contain forward-looking statements attributed to third party industry sources. Genesis believes that the expectations reflected in these forward-looking statements are reasonable; however, undue reliance should not be placed on these forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur.

Forward-looking statements in this Annual Information Form include, but are not limited to statements with respect to real estate development, including the completion and closing dates of development, acquisitions and dispositions and the number and type of units; corporate strategy; real estate opportunities; timing of projects; timing of sales; plans for development; litigation; census estimates; financings; and project economies.

Some of the risks and other factors which could cause actual results to differ materially from those expressed in the forward-looking statements contained in this Annual Information Form include, but are not limited to:

- general economic and business conditions in Canada, the United States and globally;
- the ability of management to execute its business plan;
- current and expected future expense levels being more than what is forecast;
- actions taken by governmental authorities, including increases in taxes and changes in government regulations and incentive programs;
- risks inherent in marketing operations, including credit risk;
- the possibility that government policies or laws, including laws and regulations related to the environment, may change or governmental approvals may be delayed or withheld;
- failure to obtain industry partner and other third party consents and approvals, as and when required;
- stock market volatility and market valuations;
- mortgage rate and availability changes;
- availability of suitable undeveloped land at acceptable prices;
- availability of labour or materials;
- confidence levels of consumers;
- ability to raise capital on favourable terms;
- Corporation's debt and leverage;
- adverse weather conditions and natural disasters;
- relations with the residents of Corporation's communities;
- risks associated with increased insurance costs or unavailability of adequate coverage;
- ability to obtain surety bonds;
- competitive conditions in the homebuilding industry, including product and pricing pressures;
- ability to retain Corporation's executive officers; and
- other factors considered under "Risk Factors" in this Annual Information Form and other filings by Genesis with Canadian securities authorities.

Forward-looking statements contained in this Annual Information Form are based on the key assumptions. The reader is cautioned that such information, although considered reasonable by the Corporation may prove to be incorrect. Actual results achieved during the forecast period will vary from the forward-looking statements provided in this Annual Information Form as a result of numerous known and unknown risks and uncertainties and other factors. With respect to forward-looking statements contained in this Annual Information Form, the Corporation has made assumptions regarding: the impact of increasing competition; the general stability of the economic and political environment in which the Corporation operates; the timely receipt of any required regulatory approvals; the ability of the Corporation to obtain qualified staff and services in a timely and cost efficient manner; the ability of the Corporation to obtain financing on acceptable terms; interest rates; and the ability of the Corporation to successfully market its projects. Readers are cautioned that this information may not be appropriate for other purposes.

Readers are cautioned that the foregoing lists of factors are not exhaustive. The forward-looking statements contained in this Annual Information Form are expressly qualified by this cautionary statement.

These forward-looking statements are made as of the date of this Annual Information Form and the Corporation disclaims any intent or obligation to update publicly any such forward-looking information, whether as a result of new information, future events or results or otherwise, other than as required by applicable Canadian securities laws.

NAME, ADDRESS AND INCORPORATION

The Corporation was incorporated as Genesis Capital Corp. under the ABCA on December 2, 1997. The Corporation amended its Articles of Incorporation by Certificate of Amendment dated January 30, 1998 to remove the private company restrictions. The Corporation further amended its articles by a Certificate of Amendment dated October 29, 1998 whereby the name of the Corporation was changed from “Genesis Capital Corp.” to “Genesis Land Development Corp.” On January 2, 2002, the Corporation and its then wholly owned subsidiary, Genesis Land Developers Ltd., amalgamated pursuant to the ABCA and continued under the name “Genesis Land Development Corp.”

The Corporation is a reporting issuer under the applicable securities legislation in the provinces of Alberta, British Columbia, Saskatchewan, Manitoba, Ontario, Nova Scotia and Prince Edward Island. The Common Shares are listed and posted on the TSX under the trading symbol “GDC”.

The head office of the Corporation is located at 200, 3115 - 12th Street N.E., Calgary, Alberta T2E 7J2. The registered and records office of the Corporation is located at Centennial Place, East Tower, 1900, 520 – 3rd Avenue S.W., Calgary, AB T2P 0R3.

INTERCORPORATE RELATIONSHIPS

The percentage of votes attaching to all voting securities of the Corporation's material subsidiaries beneficially owned, or controlled or directed, directly or indirectly, by Genesis, as well as the jurisdiction where the material subsidiary was incorporated, continued, formed or organized, as the case may be, is set forth below. All subsidiaries listed below are incorporated in the province of Alberta unless otherwise indicated.

1) GLP#4 and GLP#5 were formed in 2005 to acquire the NE Calgary Lands, comprising of 610 acres of land adjacent to the eastern boundary of the City of Calgary. GLP#4 and GLP#5 collectively raised a total of $9,000,000 and acquired a 48.8% interest in the NE Calgary Lands with Genesis retaining a 51.2% ownership of the NE Calgary Lands, which it continues to retain.

2) Genesis formed GLP#6 on December 29, 2005 and GLP#7 on April 6, 2006 to obtain further cash liquidity on seven zoned and developed properties already owned by the Corporation and valued at approximately $27,545,000. Combined, GLP #6 and GLP #7 raised $25,035,000 in cash and intended to conduct joint ventures to construct multi-family dwellings, single-family homes, and commercial centres on these seven properties. Genesis retains an interest of 11.75% in these limited partnerships.

3) On December 20, 2006, Genesis formed GLP#8 and GLP#9 to raise capital for the purchase of 1,140 acres of land near Radium, British Columbia. These limited partnerships raised $10,742,000 in 2007 to complete the land purchase.

4) On June 29, 2007, Genesis formed LPLP 2007 to raise capital for the purchase of 319 acres of land adjacent to the city of Airdrie, Alberta and 618 acres of land in the hamlet of Delacour (10 minutes east of Calgary International Airport). The goal was to raise $100,000,000 to complete the land purchases. LPLP RRSP #1 and LPLP RRSP #2 were formed on July 25, 2007 and January 15, 2008 respectively to enable RRSP investors to indirectly acquire units of LPLP 2007. Combined LPLP 2007 and LPLP RRSP #1 and #2 have raised $44,042,000.

5) PHT was wholly acquired by the Corporation on October 9, 2003 for an aggregate consideration of $6,562,000. PHT is an income trust, which had provided the Corporation with tax losses and is currently inactive.

6) GBG is a wholly owned subsidiary of the Corporation. The Corporation purchased the assets of Point Grey Homes Ltd. in June 2006 and created the subsidiary as a result of the purchase.

7) Generations is a wholly owned subsidiary of Genesis, and was formed in 2008 to construct multi-family projects.

8) Breeze is a wholly owned subsidiary of GBG. It was formed as Bayside Phase 2 Multi-family Inc., and renamed as The Breeze Inc., to construct the Breeze project in Airdrie in partnership with GLP#6.

9) Genpol was formed on August 3, 2004 to hold and develop certain lands in northeast Calgary transferred from the Corporation. The Corporation subscribed for 19.88% of the units in Genpol with PHT obtaining the remaining 80.12%. The Corporation had acquired PHT in order to gain access to substantial non-capital losses that had accumulated in PHT. Genpol was formed to make efficient use of these losses from an income tax perspective.

10) Kinwood was formed on April 30, 2010. Genesis entered into a joint venture agreement with another real estate development corporation to form a joint venture corporation for the purpose of conducting residential development of certain real estate holdings. Genesis contributed 75 acres (net of JV interests) and has a 50% interest in Kinwood.

11) GSMP is a registered partnership that was formed on March 31, 2010. The partnership was created to hold the Evansridge/Sage Meadows land parcel in Symons Valley; a portion of the land was sold during the year for $35,000,000.

For a complete list of subsidiaries, please refer to the note 22 of the consolidated financial statements for the year ended December 31, 2011, which can be found on SEDAR.

GENERAL DEVELOPMENT OF THE BUSINESS

Three-Year History of Genesis

The significant events during last three financial years and to the date of this Annual Information Form are as follows:

2009

During the year, the Corporation received final land use approval for an additional 241 acres within the city of Airdrie, which provided additional development of up to 2,295 residential units consisting of single-family and multi-family units as well as mixed-use commercial/residential development.

In 2009, Corporation's conceptual scheme for 307 acres of land at Delacour in the Calgary area was approved by the County of Rocky View. The conceptual scheme guides the subsequent development of a comprehensively planned, mixed-use community comprised of country homes, single-family detached dwellings, multi-family dwellings as well as commercial and institutional land uses. The approved parcel of land is expected to yield a total of approximately 850 residential lots to Genesis and is part of the Corporation's approximately 70% owned base of 2,093 acres of land in the Delacour area (LPLP 2007 owns approximately 30%).

In 2009 two land acquisitions were closed. The Corporation in conjunction with LPLP 2007 closed the $30,258,000 purchase of 1,476 acres of residential land at Delacour in County of Rocky View, northeast of Calgary, as well as the $20,733,000 purchase of 319 acres of residential land bordering the City of Airdrie.

During the year, the Corporation terminated the employment of Mr. Frank Devcich, Chief Financial Officer and Mr. Gobi Singh, Chief Executive Officer. The Corporation appointed Messrs Dale P. Kearns, Brent Ling and John Latimer to act as Interim Chief Financial Officer, Interim Chief Operating Officer and Interim Chief Executive Officer, respectively. These interim officers resigned during the year and Mr. Gobi Singh was subsequently re-appointed as Chief Executive Officer of the Corporation. Messrs Jeff Blair, Simon Fletcher and Frank Devcich were appointed as Chief Operating Officer, Chief Financial Officer and Senior Financial Advisor, respectively.

In 2009, Mr. Dan Teows and Gerald Albert resigned from the Board. The new Board appointments included Keith Ferrel, Akhil K. Manro and Kevin Reed.

2010

The year 2010 was the most profitable year in the history of the Corporation with a net profit of $0.76 per share and total revenue of $137.4 million.

During the year, ended December 31, 2010, the Corporation completed sales of four development land parcels for a total amount of $42,512,000 From the total proceeds, $35,000,000 was applied to the Corporation's land debt.

The Corporation initiated the servicing of the new communities of Saddlestone and Sage Meadows, all in the City of Calgary. The servicing of the first two phases of both communities was substantially completed during 2010, which added 363 single-family lots and 4 multi-family sites to the Corporation's land inventory.

In February 2010, Genesis entered into an agreement to cancel the sale transaction of 107 fully serviced lots previously sold to a special purpose entity ("SPE") while retaining the sale contract of a 207 unit multi-family site to this same entity for $6,650,000. In March 2010, Genesis used these 107 lots as security for a $10,000,000 financing which was partially used to pay out the remaining $4,000,000 balance of the loan that was obtained by the SPE to finance the initial deposit of the original sales contract. These lots are presently being marketed to external builders and will include participation from GBG, the Corporation's internal single-family builder.

In September 2010, Genesis acknowledged that the Alberta Securities Commission ("ASC") issued a Notice of Hearing alleging the Corporation's President and Chief Executive Officer and director Gobi Singh and former Chief Financial Officer Frank Devcich breached Alberta securities laws by allowing Genesis to file consolidated financial statements for the three and nine months ended September 30, 2008 and 2007 (the "Financial Statements") that were not prepared in accordance with the Canadian Generally Accepted Accounting Principles, and by falsely certifying that the Financial Statements were fairly presented. The ASC staff also alleged that the Corporation's current Chief Financial Officer, Simon Fletcher failed to correct a misrepresentation made by Mr. Devcich to the Genesis auditors. Genesis filed restated Financial Statements on February 4, 2009. The Corporation was not named as a respondent in the Notice of Hearing.

During the year, Messrs Elias Foscolos, Mark W. Mitchell, Yazdi Bharucha, Doug N. Baker and Steven Glover were appointed to the Board. Mr. Kevin Reed and Mr. Keith Ferrel resigned from the Board and Mr. Doug N. Baker was appointed as the Chairman of the Board.

2011

On January 5, 2011, the Corporation announced that it had entered into a conditional purchase and sale agreement with a real estate development company to sell an approximate 27.5 acre parcel of zoned commercial land within Genesis' Sage Hill Crossing project for approximately $25.6 million. The purchaser exercised an option to increase the sale to 33.45 acres for approximately $31.7 million. The agreement was subject to the purchaser's completing due diligence and Genesis completing servicing and subdivision of the site. The purchaser satisfied or waived the conditions on September 7, 2011. The servicing by Genesis and closing of the sale is expected to be completed in 2012.

On April 7, 2011, the Corporation announced that it had entered into a Letter Agreement (the "Letter Agreement"), dated April 5, 2011 with Jupiter Acquisition Ltd. ("Jupiter") whereby Jupiter proposed to acquire all of the issued and outstanding common shares of Genesis and all common shares issuable upon the exercise of currently outstanding stock options at a price of $5.80 per common share (the "Proposed Transaction"). The Proposed Transaction was subject to a number of conditions including but not limited to Jupiter arranging for satisfactory financing to complete the transaction. The Letter Agreement terminated as Jupiter was unable to satisfy or waive the conditions to complete the Proposed Transaction on or before June 7, 2011. A special committee of the Board was established to evaluate and oversee the Proposed Transaction, and was comprised of independent members of Genesis's Board. On June 20, 2011, the Corporation announced that the Board initiated a process to explore and consider possible strategic alternatives for enhancing shareholder value, including a possible sale of the Corporation and engaged Desjardins Securities Inc. as its financial advisor. On February 21, 2012, the Corporation announced that it had concluded the strategic alternatives process that was commenced on June 20, 2011, as the process did not result in a transaction adequately reflecting value.

On August 29, 2011, Mr. Gobi Singh resigned as an officer and director of the Corporation pursuant to the terms of a Settlement Agreement and Undertaking ("SAU") reached with the ASC arising from a re-statement of Genesis'

Financial Statements. Under the SAU, Mr. Singh agreed to a 7 year ban from acting as an officer and director. On November 30, 2011, the Corporation entered into an Advisory Services Agreement with Mr. Singh to provide support and advisory services on an as-needed basis during the strategic review process.

On October 13, 2011, Mr. Jeff Blair, was appointed as the interim Chief Executive Officer of the Corporation.

2012

On February 21, 2012 the Corporation announced that it had concluded the strategic alternatives process that was commenced on June 20, 2011.

NARRATIVE DESCRIPTION OF THE BUSINESS

General Description

The Corporation is a Calgary-based real estate development company that has carried on business since 1992. Genesis is focused primarily on the development and sale of residential, commercial and light industrial properties and owns development lands primarily in and around the cities of Calgary and Airdrie. The Corporation also has lands in the City of Edmonton and the town of Cochrane in Alberta; and in and around the cities of Prince George, Kamloops and the town of Radium in British Columbia. The Corporation holds over 7,000 acres of land in the provinces of Alberta and British Columbia for future development. The Corporation's vertically integrated operations include:

- The acquisition of raw land held for future development, including the planning, servicing and marketing of urban communities and resort destinations in western Canada;
- The construction and sale of single- and multi-family homes through GBG; and
- The development of commercial, industrial and office properties.

The Corporation currently has four distinct operating divisions: (1) Land Development (the "Land Division"); (2) Single-Family Home Building; (3) Multi-Family Home Building; and (4) Commercial Development (the "Commercial Division").

The Corporation, through the activities of its operating subsidiaries, develops land mainly for its own communities and sells lots to third parties. The Corporation also designs, constructs and markets single-family and multi-family homes.

Divisional Operations

The Corporation operates with four separate divisions: Land Division; Single-Family Home Building; Multi-Family Home Building; and Commercial Division.

In 2011, total revenues, net of interest and other income, were as follows:

	Year ended December 31,	
$'s	2011	2010
Residential lot revenue	40,739,000	35,570,000
Development Land Sales	22,523,000	42,512,000
Residential home sales	32,054,000	58,569,000
	95,316,000	136,651,000

The Corporation uses project specific credit facilities to fund land development costs and a construction operating line for home construction purposes. It is the intention of the Corporation to avoid the use of debt to finance acquisitions of raw lands, although this has occurred in the past when other sources of financing were not available.

Land Division

The Land Division principally develops residential lots in the cities of Calgary and Airdrie, Alberta. There is also a development in Prince George, B.C. that has 58 lots partially serviced. The lots will be completed when the local economic conditions are favourable. There are land holdings in Spur Valley (Radium) and Kamloops, B.C. Genesis is exploring various development opportunities in these markets.

The Land Division will continue to pursue subdivision opportunities in its core development area of Calgary and surrounding communities, and will consider, on a selected basis, development opportunities elsewhere. While the real estate market in the Calgary area followed a downward trend during the last half of 2008, conditions began to improve in 2010 and continue to recover. Forecasts are optimistic for continued economic growth in the Calgary market.

The following is a brief summary of the land projects (developed and undeveloped) that the Corporation owns as at the date of this Annual Information Form. Detailed descriptions of projects currently being developed by Genesis follows the tables:

Development Projects - Lot Summary
Alberta

		Acreage Remaining			Scheduled	# of Residential Lots/Acres(1)	
Project	**Location**	**Gross(2)**	**Net(2)**	**Scheduled Start Date**	**Completion Date**	**Lots**	**Acres**
Saddlestone	NE Calgary	103	101	2010	2016	1,026	6
Sage Meadows	NW Calgary	79	79	2002	2015	240	9
Kinwood	NW Calgary	48	48	2002	2015	272	9
Sherwood	NW Calgary	6	6	2002	2015	-	6
Sage Hill Crossing	NW Calgary	106	106	2002	2015	-	106
Mountain View Village	East Calgary	144	144	2012	2017	400	-
Canals/Bayside	Airdrie	400	390	1997	2020	1,667	9
Mitford Crossing	Cochrane	156	156	2013	2020	585	15
LP 4/5 Northeast Calgary Lands(3)	Calgary	610	312	2012	2019	-	312
LPLP 2007	Airdrie	319	-	2015	2025	-	-
LPLP 2007	Delacour	617	-	2013	2035	-	-
Delacour	County of Rocky View	1,476	1,476	2014	2035	8,116	135
Acheson	Parkland County	122	122	2012	2015	-	122
Alberta Totals		**4,186**	**2,940**			**12,306**	**729**

Notes:
(1) Lots refer to single-family lots and acres refer to multi-family, commercial retail and office development acres.
(2) Gross refers to total acreage; net refers to Genesis' percentage ownership of total.
(3) This project is being participated in as a limited partnership.

British Columbia

Project	Location	Acreage Remaining Gross[2]	Acreage Remaining Net[2]	Scheduled Start Date	Scheduled Completion Date	# of Residential Lots/Acres[1] Lots	# of Residential Lots/Acres[1] Acres
Buena Vista/Ranches	Kamloops	1,653	1,653	2014	2021	4,280	-
Woodlands[3]	Prince George	114	114	1995	2013	343	14
Dawson Creek	Dawson Creek	4	4	2012	2015	7	4
Spur Valley	Radium	32	32	2012	2018	91	10
LP 8/9	Radium	1,140	1,040	2012	2018	278	143
British Columbia Totals		**2,943**	**2,843**			**4,999**	**171**
Company Totals		**7,129**	**5,783**			**17,305**	**900**

Notes:

(1) Lots refer to single-family lots and acres refer to multi-family, commercial retail and office development acres.
(2) Gross refers to total acreage; net refers to Genesis' percentage ownership of total.
(3) This project is being participated in as a joint venture.

Current Projects

The Corporation specializes in the development of residential subdivisions in western Canada.

Airdrie, Alberta

The Canals and Bayside (100% interest)

The Corporation commenced development of this 720-acre parcel located in the City of Airdrie in 1997. All lands comprised within the 720 acres have land use. The project is located 25 minutes north of downtown Calgary and incorporates a unique canal system throughout the property. The concept plan provides for a linear park system running parallel to the canal system, consisting of two fresh water lakes and a canal system that provides year round recreation facilities such as canoeing and ice skating. The concept plan also provides for more multi-family and commercial sites within the property along with an additional school site.

The Canals consists of nine (9) phases, of which eight (8) are fully developed and six (6) fully sold out. There are only 23 lots remaining in phase 5 and 7B. Canals Phase 6 is the final phase in the community and development is anticipated to commence on 148 lots and a 3.50 acre multi-family site in 2012 with servicing completed by end of the year.

Bayside consists of fifteen (15) phases; six (6) phases have been developed and an additional nine (9) phases are available for the future. Bayside phases 1 and 2 are completely developed and sold out. Bayside phase 3 is a 5.72 acre commercial site that is owned 90/10 by LP6 and Genesis. Bayside Phase 4 (203 lots) was serviced in 2007 and 197 lots have been sold. The remaining lots are expected to be sold in 2012. Bayside Phase 6, which included an 8-acre multi-family site, is complete and 2 lots remain in inventory. The development of Bayside Phase 7 (150 lots) was completed in late 2010, and 48 lots have been sold to date. Bayside Phase 9 (107 lots) was developed and all but one was sold to the SPE along with the Bayside phase 6 multifamily site. The SPE surrendered the 106 lots back to Genesis in 2010. Only 78 lots remain to be sold. Subsequent to December 31, 2011, on March 1, 2012 the SPE defaulted on payment of the Bayside 6 multi-family site, and Genesis is taking steps to recover the site.

Future lands (Bayview) to the west of the existing Bayside and Canals communities are in the planning stage.

Calgary, Alberta

Taralake/Saddlestone (100% interest)

Located in northeast Calgary this project is approximately 20 minutes from downtown Calgary and is a comprehensive community package of affordable housing, adult and senior living with convenient amenities. The development comprises of a variety of single-family houses with prices ranging from $250,000 to in excess of $800,000 and an interconnected parks system, 3 storm water retention lakes, 8 acre shopping centre along with several school and multi-family sites.

Taralake (Phases 9 to 17) are completely developed and sold out.

Saddlestone consists of 166 acres, which has received Outline Plan and land use approval and will be developed in twelve (12) phases. Development on the first two phases with 163 single-family lots and 3 multi-family sites is complete. 133 lots are sold and 30 remaining lots are expected to be sold in 2012. Phases three (3) and four (4) consisting of 132 lots is substantially completed and will be on the market in the first quarter of 2012.

Symons Valley (100% interest)

The Corporation commenced development of this 775-acre parcel in northwest Calgary in the fall of 2002. The entire project comprises approximately 4,200 lots, plus multi-family parcels, mixed-use sites and a 136-acre regional commercial lot. The area consists of the communities of Sherwood, Kincora, Sage Meadows and Evansridge along with the Sage Hill Crossing commercial site.

This development has several topographical features including West Nose Creek, valley escarpments, ravines and coulees, providing the Corporation with development opportunities including Symons Valley's system of natural areas and parks connected to Nose Hill Regional Park to the south. This project has been designed to include an interconnected pedestrian pathway system, which will provide walking, jogging and cycling facilities surrounded by scenic views of the natural topography. The area is directly north of the new Stoney Trail Ring Road, which greatly improves access to the area. Housing prices to date have exceeded $500,000 on average. The Symons Valley Community Plan (Area Structure Plan) received the approval of Calgary's City Council in April 2001, paving the way for submission of detailed development and rezoning plans.

Outline Plan and land use approval has now been completed on all the Corporation's lands in Symons Valley.

Sage Hill Crossing – Genesis has a 136-acre mixed-use/Regional commercial project under the Area Structure Plan called Sage Hill Crossing. Sage Hill Crossing commenced development in 2007. See "Narrative Description of Business - Commercial Division" below.

Sherwood – The community of Sherwood consists of seven (7) phases, which are completely developed and sold out except for 5 lots and a 6.27 acre multi-family site.

Kincora – This project consists of only one phase (152 lots and a 5.02 acre multi-family site), which is completely sold out.

Sage Meadows – The community of Sage Meadows consists of six (6) phases adjacent to Symons Valley Road and West Nose Creek. This project will take advantage of the excellent access off Symons Valley Road and the natural area amenity along West Nose Creek. Development is complete on the first two residential phases (200 lots). GBG is also participating as a builder in the development. Planning has commenced on the third phase, a 9.58 acre mixed-use (residential/office/retail) site. Design has started on the concept plan for the site. The community also includes a 2 acre site for the new Symons Valley Fire Hall which has been sold to the City of Calgary. Sage Meadows Phases 1 and 2 (200 lots) were serviced and 94 lots were sold in 2011. The remaining lots are expected to be sold in 2012. Planning and designs have also begun on a future phase that will contain approximately 62 lots. Servicing is scheduled to begin in 2012 with completion in 2013.

Kinwood – The community of Kinwood consists of approximately 150 acres of land including 26.9 acres of multi-family parcels of which Genesis has 50% interest. Genesis is involved in a joint venture arrangement in this community and is entitled to 50% of all lots and multi-family parcels as per the agreement with its other partner. Phase 2 will commence servicing in 2012 and contains 125 lots. The first phase of development has been serviced in

2011; it consisted of 192 single-family lots and 2 multi-family land parcels. The joint venture sold 135 single-family lots of which 30 were purchased by GBG. The remaining lots are expected to sale in 2012.

The Evansridge property which is situated on the top of the escarpment overlooking West Nose Creek Valley formed part of the Sage Meadow, Evansridge Outline Plan and land Use approval area. By way of a purchase and sale agreement the Evansridge property consisting of +/-147 acres was sold in 2010 for $35,000,000.

Mountain View Village (100% interest)

The Corporation has re-commenced development planning of this 144-acre parcel located 4 minutes east of Calgary city limits on Glenmore Trail and a short 20 minute drive to downtown Calgary. The community was initially proposed to consist of single-family homes on larger lots providing country living for workers in the nearby Foothills and Blackfoot Industrial Parks. However, due to recent recommendations of the Calgary Regional Plan, the site is now being reconsidered for industrial / commercial uses.

NE Calgary Lands - LP 4/5 (approx. 51.2% interest)

This 610 acre parcel of raw land borders the Calgary city limits in northeast Calgary (80th Ave. and 84th St.). Genesis raised $9,000,000 via limited partnerships to finance the land acquisition. The Corporation retains 51.2% of the lands. The planning process has begun and the Corporation is evaluating various development opportunities for this site including mixed-use commercial, industrial and residential development. The location of this property adjacent to the completed east leg of the ring road provides exceptional access and exposure to this property.

Delacour (100% interest)

These 1,476 acres of raw land are adjacent to the hamlet of Delacour and the Delacour LPLP 2007 lands (617 acres) and thus provide opportunities to incorporate utility infrastructure which will support the LPLP 2007 development lands. This property will also provide for future growth and expansion upon completion of the initial development within the Delacour area. Planning has commenced. The concept is to develop the lands as a self-sustaining community with employment and recreational opportunities.

Home Building Division

Single-Family

The Single-Family Home Building division of Genesis was started in 2005 as Reliant Homes Inc., now GBG. In its first year of operation, the Corporation realized and closed one housing unit. In 2006, the Corporation purchased an established home building company, Point Grey Homes Ltd., to provide itself with established market presence and integration within the home building market. The vision of the Single-Family Home Building Division has evolved since its inception and now operates as GBG that builds single-family and multi-family product in the starter, move-up and estate markets, respectively.

GBG emerged as an extension of Genesis' mission to continuously provide innovative products such as spice kitchens, nanny suites and side-by-side bungalows. Home sales by GBG help accelerate lot sales in all Genesis communities. With customer satisfaction as the ultimate goal, GBG builds exceptional homes through solid relationships with its homeowners, trades and suppliers.

GBG has sold 65, 101 and 114 homes in 2011, 2010 and 2009 respectively. GBG is active in northeast and northwest Calgary, and Airdrie, building for homeowners entering the market for the first time, as well as those moving up to estate homes. In 2012, GBG will be active in six communities in north Calgary and Airdrie, with nine professionally designed and staged show homes. In addition, GBG will be introducing row housing projects in The Brownstones of Sage Meadows in northwest Calgary, The Saffron in northeast Calgary and The Gardens in northeast Calgary.

Multi-Family

In 2008, the Corporation started a Multi-Family Building Home division called Generations. The division has completed its first project, The Breeze, in Genesis' community of Bayside in 2009. The project, a joint venture between Breeze and GLP#6, consists of 36 town homes and an 89-unit apartment complex for a total of 125 units.

The Corporation sold 3, 49, and 72, units in 2011, 2010 and 2009, respectively. The final unit was sold subsequent to the year end.

A development permit for the Montura project – a +/-190 unit multi-family rental project in the community of Saddlestone - is expected within the second quarter of 2012. Development is anticipated to take place in three phases. With target monthly revenues of approximately $1,000 per unit once completed, the Corporation intends to retain Montura as a revenue producing property.

Commercial Division

In 2006, the Corporation created a Commercial Division that is responsible for servicing and sales or leasing and developing of all commercial properties within the land holdings of the Corporation. The division aims to develop innovative mixed-use centers, community shopping centres and industrial developments within our communities. These next generation mixed-use centers will include a mix of leisure shopping, theatre, restaurants and residential living all synthesized within an attractive village environment.

The long range planning that goes into the Corporation's new communities provides a gateway to commercial and mixed-use opportunities within residential projects. The Corporation has also acquired land holdings exclusively for commercial or mixed-use developments.

Genesis is currently pursuing approvals or servicing six commercial developments including Bayside Village in Airdrie, Saddlestone Commercial in northeast Calgary, Sage Hill Crossing Town Centre and Sage Meadows mixed-use in Symons Valley, NE Industrial lands in the County of Rocky View and Acheson Industrial in Parkland County west of Edmonton.

<u>Bayside Village (20.49% interest)</u>

The latest census data confirmed that the City of Airdrie's population exceeded 43,000 last year. Bayside Village shopping centre expects to capture 50,000 square feet of neighbourhood retail and commercial convenience within an attractive maritime theme.

Genesis has received several offers and is currently in negotiations to sell this property.

<u>Taralake Plaza (11.75% interest)</u>

With a shortage of high grade retail sites in Calgary's booming northeast communities of Saddleridge and Taradale, Genesis is well positioned to target stores and services such as pharmaceutical, banking, medical, dental and convenience all within 50,000 square feet when fully built. Genesis entered into a Purchase and Sale Agreement to sell this site in 2010. The sale closed in 2011.

<u>Saddlestone Commercial (100% interest)</u>
This 1.56 acre commercial site is located in the centre of one of Genesis' two new communities. Genesis entered into a purchase and sale agreement to sell this site in 2010.

This sale is expected to close in late 2012 or early 2013 when the east Saddlestone stormwater facility is operational.

<u>Sage Hill Crossing Town Centre (100% interest)</u>

This well-positioned 116-acre mixed-use site located in Calgary's northwest was approved for land use in October of 2005. Revised land-use was approved in 2008 providing for 130 acres of mixed-use development of 1.2 million square feet of retail, approximately 1 million square feet of office, 4,450 residential units, cinemas, hotel, a community recreation center and an integrated transit hub.

In 2010 Genesis executed a Purchase and Sale Agreement to sell 27.5 acres in Stage I of the project to a Real Estate Income Trust increased to 33.5 acres in 2011. This Agreement is unconditional. Closing is subject to Genesis completing subdivision and servicing of Stage I. Genesis entered into a Development Agreement with the City of Calgary in 2011 and completed the majority of the deep utilities in the fall. The remaining Stage I servicing is anticipated to be completed in 2012.

Sage Hill Crossing is attracting strong interest from a list of retailers wanting to locate in this centre.

Sage Meadows Mixed-use

This 9.52 acre mixed-use site is located in Genesis' new community of Sage Meadows, ideally located adjacent to Symons Valley Road. It will include a combination of multi-family residential, office and retail uses.

Genesis is evaluating an offer to purchase this site.

NE Industrial (51.2% interest)

This land holding is comprised of 610 acres directly adjacent to the City of Calgary within the county of Rocky View. Located directly east of the recently constructed interchange at Stoney Trail and Airport Trail, Genesis is planning on developing a commercial/industrial park on these lands.

Genesis has initiated the process required to rezone these lands to allow for commercial and industrial uses.

South Acheson Industrial (100% interest)

The Acheson Industrial Area is located west of the City of Edmonton in Parkland County between Edmonton and Spruce grove. This project has 122 acres with highway frontage onto Highway 16A. The lands are zoned for commercial/industrial uses and have now been stripped and graded. A tentative plan has been approved creating 58 lots.

The challenges with Parkland Count acquiring the Rights of Way for the access road from the adjacent land owners has been resolved allowing development of these lands to resume. Genesis is currently evaluation listing options on this property.

Employees

The Corporation currently employs 48 employees in its Calgary head office.

Corporate Objective and Strategy

Genesis corporate objective is to maximize shareholder returns through the development and sale of its properties.

Strategic elements that help achieve these objectives:

Focus on core business activity

Implement innovative planning to develop the present approved lands and maximize market share through creative marketing and packaging of the developed product to include single-family homes, multi-family homes and commercial and industrial development. A significant component of our growth is anticipated through development of existing and approved land inventory.

Development Strategy

The Corporation takes the property acquired through the rezoning process to increase property values. Following zoning, property is serviced to further enhance value and provide inventory to the Corporation's single and multi-family home construction divisions, and to external builders. The Corporation will also look at market conditions and sell the "approved" but undeveloped subdivision or developed property to another party if this is economically attractive. The Corporation is working towards developing residential, commercial and mixed-used properties with a long-term revenue generating potential.

Asset Management

The management team reviews the portfolio and optimizes it by identifying non-core properties and divesting such properties; the funds generated are used to strengthen its core property base or to pay down existing debt.

Acquisition strategy

Acquire strategically located land in areas where there is an expectation of a significant market upturn, where development can commence between 2 - 10 years and with the expectation to capture a significant market share. This is accomplished by creating communities that include recreational amenities such as parks, biking and walking trails, efficient traffic flows, schools and public service facilities. Integrate land planning and development with housing product design in order to deliver lifestyle, comfort and value. The Corporation has strong land reserves and does not intend to make cash purchases for land but rather would participate as a joint venture partner while earning ownership in lands through the use of its development expertise.

Management of business segments

The Corporation operates through four business divisions, structured to create vertical integration; Land Division develops and sells lots; Single-Family Home Building under GBG constructs single-family homes; Multi-Family Home Building under Generations constructs multi-family units and Commercial Division develops and markets retail, office and industrial properties.

Sales Strategy

The Corporation has a strong sales and marketing team in place, which uses innovative and effective sales techniques and competitive pricing to attract new customers and strategies to ensure satisfaction of customers as well as consistent and sustainable increase of market share.

Cost Reduction

While quality of development is of prime importance, Genesis monitors its operating costs to ensure that operations are efficient and cost effective. Budgets are used to monitor costs on projects. The Corporation uses its relationships with trades and service providers to obtain best pricing while maintaining acceptable quality standards.

Personnel and Employee Strategy

The Corporation strives to establish good working relationships by (a) promoting team work, open communication and professional standards to all participants (b) enhancing employee productivity through flexible work environment and (c) increasing employee satisfaction by offering benefits and compensation in line with the market and providing a respectful environment for working.

Corporate Identity

The Corporation strives to develop a solid corporate identity in our targeted market areas by producing consistent results of highest quality standards while providing exceptional customer service.

Ethics and Compliance

The Corporation continues to build and sustain an ethical and honest culture, promote a strong compliance environment and the integration of effective controls within the Corporation. The Corporation maintains a comprehensive system that communicates behaviour expectations, training and coaching on ethics and compliance issues, and professional accountability.

Financial Management

The Corporation uses a balanced approach to using debt financing to fund its operations. Genesis strives to use debt financing mainly for projects and to reduce any non-project related financing and at the same time maintain a conservative liquidity position. Management monitors accounts receivable and ensure timely collection from debtors.

Diversification

The Corporation reviews various diversification options such as spreading the activities across various regions, cities, and across communities as well as across various types of properties including development land, single-family, multi-family, commercial and industrial.

Project Economics

The Corporation maintains certain equity, revenue, profit margin and yield criteria for its projects, which criteria are applied in respect of all of its divisions. These criteria have been established from a combination of industry norms and corporate experience and are summarized as follows:

In general, gross profit (revenue less direct project costs and selling costs), as a percentage of revenue, should meet or exceed 30%. The Corporation has reported a gross margin as a percent of revenue as follows:

32% in the year ended December 31, 2011
50% in the year ended December 31, 2010
29% in the year ended December 31, 2009

Margins are blended and include land development, single- and multi-family home building.

In general, non-recourse, project-specific debt financing is utilized to pay for project development costs, including construction, engineering, marketing and interest expenses. Subject to project specific situations and housing market conditions, the typical required equity contribution (as a percentage of total project costs) is anticipated to be 30% to 40%. This equity contribution normally takes the form of land owned by the Corporation and utilized in the project.

RISK FACTORS

Credit and Liquidity Risk

This arises from the possibility that builders that acquire lots from Genesis may experience financial difficulty and be unable to fulfill their lot payout commitments. The corporation does sell to a variety of builders to alleviate this risk. Credit assessments are conducted with respect to all new builders and the Corporation obtains a non-refundable deposit and maintains title to lots that are sold until payment is received in full.

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they fall due. The Corporation's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risk to the Corporation.

General

In the normal course of business, the Corporation is exposed to certain risks and uncertainties inherent in the real estate development industry. Real estate development is a cyclical business; as a result, the profitability of the Corporation could be adversely affected by external factors beyond the control of management. Currently, the Corporation is seeing gradual market stabilization from the general downturn of 2008 and 2009 in the national and local economies. Although Genesis had experienced a slowdown in lot sales, it is using this economic correction to strongly position itself when the market turns around. With a diversified land base, the Corporation is well positioned to focus on the real estate projects offering the best return in the market place going forward.

Industry Risk

Real estate investments are generally subject to varying degrees of risk, depending on the nature of the property. These risks include (i) changes in general economic conditions, (ii) changes in local conditions (such as an oversupply of land or a reduction in demand for real estate in the area), (iii) changes to government regulations (such as new or revised building codes) and (iv) competition from other developers or builders. Raw land is relatively illiquid. Such illiquidity will tend to limit Genesis' ability to rebalance its portfolio promptly in response to changing economic or investment conditions. In addition, financial difficulties of other developers and landowners, resulting in distress sales, may depress real estate values in the markets in which the Corporation operates.

Environmental Risk

As an owner of real estate, Genesis is subject to federal, provincial and municipal environmental regulations. These regulations may require the Corporation to fund the costs of removal and remediation of certain hazardous substances on its properties or releases from its properties. The failure to remediate such properties, if any, could adversely affect the Corporation's ability to borrow using the property as collateral or sell the real estate. Genesis is not aware of any material noncompliance with environmental laws at any of its properties. The Corporation has made, and will continue to make, the necessary capital expenditures to comply with environmental laws and regulations. Environmental laws and regulations can change rapidly, and the Corporation may become subject to more stringent environmental laws and regulations in the future.

Supply and Demand

The Corporation's performance would be affected by the supply and demand for land, single-family housing, multi-family housing and commercial properties in its geographic areas of ownership. Key drivers of demand include employment levels, population growth, demographic trends and consumer confidence. The potential for reduced sales revenue exists in the event that demand diminishes or supply becomes over abundant thereby driving down prices for the Corporation's properties.

Competition

Each segment of the real estate business is competitive. Numerous residential developers and builders compete for potential customers. Although it is Genesis' strategy to be the premier land developer or builder in the marketplaces in which it operates, some of the Corporation's competitors may provide a better product or may be better located or better capitalized. The existence of alternative lots, housing or commercial properties could have a material adverse effect on Genesis' ability to sell lots, single and multi-family homes or commercial properties and could adversely affect Genesis' revenues and ability to meet its obligations.

General Uninsured Losses

Genesis carries comprehensive insurance with policy specifications, limits and deductibles customarily carried for similar companies. There are, however, certain types of risks (generally of a catastrophic nature) that are either uninsurable or not economically insurable.

Interest Rates

This is the combined risk that the Corporation would experience a loss as the result of its exposure to a higher interest rate environment (Interest Rate Risk) and the possibility that at the time of maturity of a mortgage the Corporation would be unable to renew the maturing debt either with the existing lender or with a new lender (Renewal Risk). The Corporation structures its debt so as to stagger the maturity dates, thus reducing exposure to any short-term fluctuations in rates. To mitigate against renewal risk, the Corporation has established relationships with a number of different lenders. The Corporation has historically been successful in obtaining refinancing on maturing debt where it has sought it. In addition, Genesis has been able to finance at loan-to-fair values of 50% to 60%, as applicable.

Development and Construction Costs

The Corporation may experience loss due to higher prices of labour & consulting fees and costs of materials. Genesis closely monitors the costs of services and materials and looks for long-term commitments for those prices wherever possible. Costs of development and building have fluctuated over the past several years and are typically passed on to the customer through higher pricing by Genesis. Any significant increase that the Corporation cannot pass on to the customer may have a negative material impact on Genesis.

Management Risk

Relates to the continuity of management. The success of the Corporation is largely dependent on the quality of its management and personnel. Loss of such personnel or the inability to attract personnel of equivalent ability could materially affect the operations and prospects of the Corporation. The Corporation continuously provides coaching, training and educational opportunities to its employees, as well as periodically evaluates a need to attract human resources of high professional quality and appropriate experience.

Other factors which affect Genesis' ability to operate successfully include:

- Shifts in population patterns;
- Delays in regulatory approvals;
- Availability of land; and
- Availability of labour;

To generally mitigate risks, Genesis has taken the following steps:

- Constant monitoring of market trends and conditions.
- Substantial pre-sales are in place before commencing a project where prudent to do so.
- Raw land acquisitions generally financed with equity and development costs funded with short-term financing. All regulatory requirements are met on time.
- Adequate financing is established prior to commencement of project development.
- Strategic planning of current and future land development projects.

Mortgage Rates and Financing

Virtually all of our customers finance their home acquisitions through lenders providing mortgage financing. Prior to the recent volatility in the financial markets, a variety of mortgage products were available. As a result, more homebuyers were able to qualify for mortgage financing. Increases in mortgage rates or decreases in the availability of mortgage financing could depress the market for new homes because of the increased monthly mortgage costs to potential homebuyers. Even if potential customers do not need financing, changes in mortgage interest rates and mortgage availability could make it harder for them to sell their homes to potential buyers who need financing, which would result in reduced demand for new homes. As a result, rising mortgage rates and reduced mortgage availability could adversely affect our ability to sell new homes and the price at which we can sell them.

Governmental Regulation

We must comply with extensive and complex regulations affecting the land development and homebuilding process. These regulations impose on us additional costs and delays, which adversely affect our business and results of operations. In particular, we are required to obtain the approval of numerous governmental authorities regulating matters such as permitted land uses, levels of density, the installation of utility services, zoning and building standards. These regulations often provide broad discretion to the administering governmental authorities as to the conditions we must meet prior to being approved for a particular development or project, if approved at all. In addition, new development projects may be subject to various assessments for schools, parks, streets and highways and other public improvements, the costs of which can be substantial. When made, these assessments can have a negative impact on our sales by raising the price that homebuyers must pay for our homes. We must also comply with a variety of local, state and federal laws and regulations concerning the protection of health and the environment, including with respect to hazardous or toxic substances. These environmental laws sometimes result in delays, cause us to incur additional costs, or severely restrict land development and homebuilding activity in environmentally sensitive regions or areas.

DESCRIPTION OF SHARE CAPITAL

General Description of Share Capital

Genesis is authorized to issue an unlimited number of Common Shares without nominal or par value, of which, as at the date hereof, 44,486,162 Common Shares are issued and outstanding as fully paid and non-assessable. In addition, 1,665,096 Common Shares are reserved for issuance pursuant to options granted to directors, officers, employees and consultants of Genesis. Genesis is also authorized to issue an unlimited number of Preferred Shares without nominal or par value. To date, no Preferred Shares have been issued.

Common Shares

The holders of Common Shares are entitled to dividends as and when declared by the Board, to one vote per share at meetings of shareholders of Genesis and, upon liquidation, to receive such assets of Genesis as are distributable to the holders of the Common Shares.

Preferred Shares

The Preferred Shares may be issued from time to time in one or more series, each series consisting of the number of Preferred Shares as determined by the Board who may also fix the designations, rights, privileges, restrictions and conditions attaching to the shares of each series of Preferred Shares.

The Preferred Shares of each series shall, with respect to payment of dividends and distributions of assets in the event of liquidation, dissolution or winding-up of Genesis, whether voluntary, or involuntary, or any other distribution of the assets of Genesis among its shareholders for the purpose of winding-up its affairs, rank equally with the Preferred Shares of every other series and shall be entitled to preference over the Common Shares, and the shares of any other class ranking junior to the Preferred Shares.

DIVIDENDS OR DISTRIBUTIONS

Since incorporation, other than distributions made to unit holders of the limited partnerships (see below), neither Genesis nor any of its subsidiaries have declared any cash dividends or made any distributions on any of their securities. Dividends (or distributions) on securities of Genesis or its subsidiaries will be paid (or made) solely at the discretion of the Board after taking into account the financial condition of Genesis and the economic environment in which it is operating. Certain of the Corporation’s financing agreements presently do not allow for dividend payments. It is the intention of the Corporation to make dividend payments in a future period as the financing agreements and cash flow stream allows.

The Corporation paid the following cash distributions to unit holders of the limited partnerships during the years ended December 31, 2011, 2010 and 2009, respectively:

$'s	2011	2010	2009
GLP#6 and GLP#7	140,000	2,886,000	1,018,000
GLP#8	328,000	-	298,000
	468,000	2,886,000	1,316,000

MARKET FOR SECURITIES

The following table sets forth the reported price ranges and the trading volumes for the Common Shares on the TSX, trading under the symbol "GDC", as reported by sources Genesis believes to be reliable for the periods indicated during 2011:

	Price Range ($)		
Date	**High**	**Low**	**Monthly Trading Volume**
January	3.51	3.21	417,302
February	4.00	3.45	366,039
March	4.45	3.65	546,889
April	5.07	4.23	1,883,521
May	4.75	4.17	544,520
June	4.40	3.37	541,440
July	3.95	3.20	167,212
August	3.75	2.56	551,209
September	3.33	2.80	1,756,700
October	3.24	2.30	1,200,066
November	3.45	3.00	1,921,111
December	3.20	2.60	259,511
Summary for 2011	**5.07**	**2.30**	**10,155,520**

PRIOR SALES

No securities of the Corporation that are outstanding but not listed or quoted on a marketplace were issued during the financial year ended December 31, 2011.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

As of the date hereof, and to the knowledge of the officers and directors of Genesis, there are no securities that are pooled, subject to escrow, held under a voting trust agreement or other similar agreement or subject to a contractual restriction on transfer.

DIRECTORS AND OFFICERS

The following table sets forth the name, municipality of residence, respective office and position held with the Corporation, and principal occupation for the past five years of each of the directors and executive officers of Genesis. The note to the table discloses the members of each committee of the Board. The term of office of each director will expire at the end of the next annual meeting of shareholders of Genesis.

Name, province and country of Residence	Office	Present Occupation and Positions Held During the Last Five Years
Douglas N. Baker[(4)] Alberta Canada	Director since May 27, 2010	Mr. Baker is an independent businessman and Chairman of the Board of Directors of the Corporation. He was Vice-President and Chief Financial Officer of Valiant Energy Inc. prior to its takeover by Peerless Energy Inc. in September 2006. Prior thereto he served as President and Chief Financial Officer of Forte Resources and its predecessors since August 2001. Since 2007 he has served as managing Director of a private company, Thoroughbred Resources Ltd., an oil and gas investment management company.
Yazdi J. Bharucha[(2)(3)] Ontario Canada	Director since November 23, 2010	Mr. Bharucha was Chief Financial Officer of Canadian Apartment Properties Real Estate Investment Trust (CAPREIT) since 1997 until September 2009. Mr. Bharucha is a Chartered Accountant and holds the Institute Certified Director Designation, ICD.D, from the Institute of Corporate Directors.

Name, province and country of Residence	Office	Present Occupation and Positions Held During the Last Five Years
Elias Foscolos(2)(3) Alberta Canada	Director since June 29, 2010	Mr. Foscolos is an independent businessman. Mr. Foscolos currently serves as the President of Amalgamated General Partner Ltd. and President of Accretive Financial Corp.
Steven J. Glover(1)(2) Alberta Canada	Director since November 23, 2010	Mr. Glover is a Fellow of the Chartered Accountants, currently serving as financial consultant to oil and gas companies. He is currently a member of the board of directors, and Chair of the Audit Committee of an Alberta crown corporation, Travel Alberta.
Akhil K. Manro(1) Alberta Canada	Director since May 22, 2009	Mr. Manro is a realtor in the Province of Alberta and registered with Roman Real Estate (2009) Ltd. and a mortgage associate with DLC Westcor Mortgage Inc.
Mark W. Mitchell(1) British Columbia, Canada	Director since June 29, 2010	Mr. Mitchell serves as President of Reliant Capital Limited, Chairman of the Canadian Constitution Foundation, Vice-Chairman of the Fraser Institute, Trustee of The W. Garfield Weston Foundation and Trustee of the Free Market Research Foundation.
Jeff Blair Alberta Canada(5)	Interim Chief Executive Officer and Chief Operating Officer	Mr. Blair has been the Interim Chief Executive Officer of Genesis since October 13, 2011 and Chief Operating Officer of Genesis since December 9, 2009, and prior to that he was Manager of Acquisitions and Planning of Genesis.
Simon Fletcher Calgary, Alberta Canada(5)	Chief Financial Officer	Mr. Fletcher has been the Chief Financial Officer of Genesis since October 2, 2009. He has also held the positions of Corporate Controller and Manager of Financial Reporting since he joined Genesis in May 2007. Prior to joining Genesis he served as a co-controller of a private real estate company. Mr. Fletcher also has over 7 years of public practice experience.
Donald B. Edwards, Alberta, Canada	Corporate Secretary	Mr. Edwards is a partner of Borden Ladner Gervais LLP (law firm).

Note:

(1) Member of the Governance Committee, Compensation Committee and Nominating Committee
(2) Member of the Audit Committee
(3) Member of the Executive Committee
(4) Member of the Disclosure Committee

As at the date hereof, the directors and officers of Genesis, as a group, beneficially own, directly or indirectly, or control or direct, 394,300 Common Shares or approximately 0.89% of the issued and outstanding Common Shares. The information as to the Common Shares, not being within the knowledge of Genesis, has been furnished by the respective directors and officers of Genesis individually.

Corporate Cease Trade Orders or Bankruptcies

Other than as set forth below, to the best of Genesis's knowledge, no director or executive officer is, or within the ten years prior to the date hereof has been, a director, chief executive officer or chief financial officer of any corporation (including the Corporation) that: (a) while that person was acting in that capacity, was subject to a cease trade or similar order or an order that denied such corporation access to any exemptions under securities legislation, that was in effect for a period of more than 30 consecutive days; or (b) was subject to a cease trade or similar order or an order that denied such corporation access to any exemptions under securities legislation, that was in effect for a period of more than 30 consecutive days that was issued after that person ceased to act in such capacity and which resulted from an event that occurred while that person was acting in such capacity.

Elias Foscolos, who is a director of Banff Rocky Mountain Resort Ltd., the general partner of Banff Rocky Mountain Resort Limited Partnership, which limited partnership was, from May 12, 2008, subject to cease trade orders of the Alberta Securities Commission and the Ontario Securities Commission for failing to file audited financial statements for the year ended December 31, 2007, such cease trade orders being revoked on November 28, 2008.

Bankruptcies

To the best of Genesis's knowledge, no director or executive officer of the Corporation, or shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation: (a) is, as at the date of this Annual Information Form, or has been within the past 10 years, a director or executive officer of any corporation (including the Corporation) that while the person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (b) has, within the past 10 years before the date of this Annual Information Form become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Penalties or Sanctions

To the best of Genesis's knowledge, no director or executive officer of the Corporation, or shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation, except as follows, has been subject to:

(i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(ii) any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

The Alberta Securities Commission concluded an SAU with the Corporation's former President, Chief Executive Officer and Director Gobi Singh for breaching Alberta securities laws by authorizing, permitting or acquiescing in Corporation's failure to provide prescribed disclosure in accordance with Canadian Generally Accepted Accounting Principles. In the SAU, Mr. Singh agreed to pay the Alberta Securities Commission $100,000 towards investigation and legal costs and agreed to cease acting as director and officer of any issuer for a period of seven years.

PROMOTER

No person is or has been within the two most recent completed financial years or during the current financial year, a promoter of Genesis or a subsidiary of Genesis.

CONFLICTS OF INTEREST

There are potential conflicts of interest to which the directors and officers of Genesis will be subject in connection with the operations of Genesis. In particular, certain of the directors and officers of Genesis and its subsidiaries are involved in managerial or director positions with other companies whose operations may, from time to time, provide financing to, or make equity investments in, competitors of Genesis. Conflicts, if any, will be subject to the procedures and remedies available under the ABCA. The ABCA provides that in the event that a director has an interest in a contract or proposed contract or agreement, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement unless otherwise provided by the ABCA.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

To the knowledge of the Corporation, there are no legal proceedings material to the Corporation to which the Corporation is or was a party to or of which any of its properties is or was the subject of, during the financial year ended December 31, 2011, nor are there any such proceedings known to the Corporation to be contemplated.

To the knowledge of the Corporation, there were no: (i) penalties or sanctions imposed against the Corporation by a court relating to securities legislation or by a securities regulatory authority during the Corporation's last financial year, (ii) penalties or sanctions imposed by a court or regulatory body against the Corporation that would likely be considered important to a reasonable investor in making an investment decision; or (iii) settlement agreements the Corporation entered into before a court relating to securities legislation or with a securities regulatory authority during the last financial year.

AUDIT COMMITTEE

Under NI 52-110 the Corporation is required to include in its Annual Information Form the disclosure required under Form 52-110F1 with respect to its audit committee, including the text of its audit committee charter, the composition of the audit committee and the fees paid to the external auditor. This information is provided in Appendix A attached hereto.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

The management of the Corporation is not aware of any material interest, direct or indirect, of any of the following persons or companies in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect Genesis or a subsidiary of Genesis:

(a) a director or executive officer of Genesis;

(b) a person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10 percent of the issued and outstanding Common Shares; and

(c) an associate or affiliate of any of the persons or companies referred to in paragraphs (i) or (ii).

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Common Shares is Computershare Trust Company of Canada at its principal offices in Calgary, Alberta and Toronto, Ontario.

MATERIAL CONTRACTS

Other than contracts entered into in the ordinary course of business, the Corporation has not entered into any contracts within the most recently completed financial year or before the most recently completed financial year, but still in effect, which can reasonably be regarded as presently material.

INTEREST OF EXPERTS

There is no person or company who is named as having prepared or certified a report, valuation, statement or opinion described or included in a filing, or referred to in a filing, made under NI 51-102 by Genesis during, or relating to the Corporation’s most recently completed financial year, and whose profession or business gives authority to the report, valuation, statement or opinion made by the person or company, other than MNP LLP, the independent auditor of Genesis.

MNP LLP, Chartered Accountants, has prepared an opinion with respect to the consolidated financial statements as at and for the fiscal year ended December 31, 2011. MNP LLP, is independent in accordance with the Rules of Professional Conduct as outlined by the Institute of Chartered Accountants of Alberta.

No director, officer or employee of MNP LLP, is or is expected to be elected, appointed or employed as a director, officer or employee of Genesis, as the case may be, or of any associate or affiliate of Genesis.

ADDITIONAL INFORMATION

Additional information including directors' and officers' remuneration and indebtedness, principal holders of the Corporation's securities, options to purchase securities and securities authorized for issuance under equity compensation plans will be contained in the Corporation's management information circular relating to its most recent annual meeting of shareholders held on June 28, 2011. Additional financial information is provided in the Corporation's comparative financial statements and management's discussion and analysis for the year ended December 31, 2011. Additional information relating to the Corporation may be found on SEDAR at www.sedar.com.

APPENDIX A
INFORMATION CONCERNING AUDIT COMMITTEE

I. The Audit Committee's Mandate

The following is the text of the Audit Committee's Mandate and Terms of Reference:

Purpose

1. The purpose of the Audit Committee (the "**Committee**") of the Board of Directors (the "**Board**") of Genesis Land Development Corp. (the "**Corporation**") is to:

   (a) provide oversight of the accounting, financial reporting, internal audit and financial risk management functions, and procedures, practices and policies of the Corporation related thereto;

   (b) review and recommend to the Board for acceptance, prior to their public release, all material financial information required to be disclosed by the Corporation;

   (c) oversee management designed and implemented accounting and financial reporting systems and internal controls;

   (d) oversee the appointment and the ongoing relationship with the external auditor to the Corporation; and

   (e) perform any other task assigned by the Board.

Composition

2. The following shall guide Committee composition:

   (a) the Committee will be comprised of at least three members of the Board each of whom will at all times be independent and financially literate as those terms are defined in National Instrument 52-110 and possess:

      (i) an understanding of the accounting principles used by the Corporation to prepare its financial statements;

      (ii) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves;

      (iii) experience with preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation's financial statements, or experience actively supervising one or more individuals engaged in such activities; and

      (iv) an understanding of internal controls and procedures for financial reporting.

   (b) Committee members and the Chair of the Committee will be appointed by the Board following the annual meeting of the Corporation or from time to time, as necessary and shall serve at the pleasure of the Board until the immediately following annual meeting, unless their office is earlier vacated.

Meetings

3. The following shall guide the calling and conduct of meetings:

   (a) The Committee is required to meet in person, or by telephone conference call, at least once each quarter and as often thereafter as required to discharge the duties of the Committee.

   (b) The Chair of the Committee will, in consultation with the members, determine the schedule, time and place of meetings, and after consultation with management and the external auditor, establish the agenda for meetings.

   (c) A quorum for a meeting of the Committee shall be a majority of members of the Committee present in person or by conference call.

   (d) Notice of the time and place of every meeting shall be given in writing, by email or facsimile to each member of the Committee at least 48 hours prior to the time fixed for such meeting, provided that a member may in any manner waive a notice of meeting. Notice of the time and place of every meeting shall be given in writing, by email or facsimile to all members of the Board not appointed members of the Committee at least 48 hours prior to the time fixed for such meeting. All members of the Board not appointed members of the Committee shall be entitled to attend and participate as non-voting members of the Committee at all meetings of the Committee.

   (e) The Committee Chair in consultation with the members of the Committee determines guests who may attend a meeting, in whole or in part.

   (f) Members of the Committee shall be entitled to reasonable compensation for the services performed by them in discharging their duties and to be reimbursed for all out of pocket expenses incurred by them in performance of these services. All members of the Board not appointed members of the Committee will not be entitled to any compensation or reimbursement for expenses for attending a meeting of the Committee.

Responsibilities

4. The Committee's responsibilities are the following:

   (a) **External auditors**:

      (i) ensure the external auditor reports directly to the Committee;

      (ii) recommend to the Board the external auditor to be nominated;

      (iii) review and approve the external auditor's compensation and pre approve all audit services;

      (iv) evaluate the external auditor's qualifications, performance and independence;

      (v) review and pre-approve any engagements for non-audit services to be provided by the external auditor and its affiliates in light of the estimated fees and impact on the external auditor's independence;

      (vi) delegate, as considered appropriate authority to pre-approve any engagements for non-audit services to the Chair of the Committee or any member of the Committee, in which case the pre-approval is reported to the next meeting of the Committee;

      (vii) oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services, including meeting regularly with the external auditor in camera;

      (viii) review with the external auditor:

A. proposed changes in accounting policies;

B. new accounting standards likely to have an impact on the Corporation

C. the presentation and impact of significant risks and uncertainties; and

D. key estimates and judgments that may be material to financial reporting; and

(ix) resolve disagreements between management and the external auditor;

(x) ensure that the external auditor is answerable to the Committee, as representatives of the shareholders and monitor the rotation of partners on the audit engagement team in accordance with applicable regulations;

(xi) meet with the external auditor prior to the audit to review and approve the annual audit plan, including the scope and general extent of the annual audit planning and staffing the audit and the factors considered in determining the audit scope, including risk factors;

(xii) review significant changes to the audit plan, if any, and any disputes or difficulties with management encountered during the audit, including any disagreements which, if not resolved, would have caused the external auditor to issue a non-standard report on the Corporation's financial statements;

(xiii) the level of co-operation received by the external auditor during its audit including access to all requested records, data and information;

(xiv) review with the internal and external auditors the degree of coordination between the two audit groups to determine the efficiency, effectiveness and completeness of the audit programs and the appropriate reliance on internal controls and systems;

(xv) review control weaknesses identified by the external auditor, any significant communications to and from regulators, and any incidents of fraud, misstatement or similar incidents and management's response;

(xvi) review with the external auditor its view of the qualifications and performance of the key financial and accounting executives; and

(xvii) review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Corporation.

(b) **Financial statements, management discussion and analysis and all external reporting or disclosure of financial statements or information (prior to public disclosure):**

(i) review annual or quarterly financial statements, including the specific items noted below and develop a recommendation to the Board regarding the filing of the financial statements:

A. financial statements and management discussion and analysis of financial condition and results of operations;

B. significant accounting judgments and reporting principles, practices and procedures applied in preparing the financial statements, including newly adopted accounting policies and the reasons for their adoption;

C. related party transactions, particularly those with current or former officers or directors;

D. officer certifications and any sub-certifications that noted matters of significance;

E. issues of its choosing with the external auditor, management and corporate counsel including but not limited to potential claims, assessments, contingent liabilities, and legal and regulatory matters that may have a material impact on the financial statements of the Corporation; and

F. results of any audit or independent review of the financial statements or internal controls over financial reporting;

(ii) review the financial component of the following documents prior to public release:

A. prospectuses, take-over bid circular, issuer bid circular, rights offering circular, offering memoranda and other fund raising activities of the Corporation prior to their filing;

B. relevant sections of the annual report, annual information form and management information circular containing financial information;

C. forecasted financial information and forward looking statements;

D. press releases and other documents in which financial statements, earnings forecasts, results of operations or other financial information is disclosed;

(c) **Accounting systems, disclosure controls and procedures, internal controls and related systems and procedures**

(i) oversee the management and operations of the finance group to ensure the integrity of accounting and financial reporting and the underlying systems;

(ii) review the process for selection and performance evaluation of the Chief Financial Officer ("**CFO**") and other key members of the finance group in consultation with the Chief Executive Officer ("**CEO**") and CFO and make recommendations as appropriate to the CEO, CFO and/or the Board;

(iii) periodically review whether the disclosure controls and policies and the internal controls over financial reporting (including relevant IT systems), as those terms are defined in National Instrument 52-109, provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the Corporation's accounting policies and generally accepted accounting principals applicable to the Corporation;

(iv) periodically review the Corporation's system for certifications and sub-certifications related to quarterly and annual reporting;

(v) oversee the Corporation's processes for independent appraisal of real estate property, including the selection and engagement of the independent appraiser, and any public disclosure of the results of the appraisal;

(vi) review and approve the Corporation's policies regarding officer and director expenses and transactions with the Corporation, and may review the expense claims of any officer or director;

(vii) oversee the Corporation's risk management policies and systems related to major financial risks, including litigation matters;

(viii) oversee the Corporation's tax policies and systems related to tax planning, payments, reporting, audits and assessments;

(ix) as considered appropriate, direct the external auditor’s examinations to particular issues;

(x) meet separately with executive management or finance personnel as deemed appropriate;

(xi) independently or together with the Board, investigate any identified fraud, illegal acts and conflicts of interest;

(xii) oversee the procedures for the confidential anonymous submission by employees of the Corporation of concerns or complaints regarding questionable accounting, internal accounting controls or auditing matters, including procedures for the retention (for at least 7 years) of copies of complaints or concerns expressed and evidence of investigations;

(d) **Internal audit**

(i) maintain direct communications and discuss and review specific issues, as appropriate, with the internal auditor;

(ii) review the audit plans of the internal auditor and the coordination with the external auditor;

(iii) review the quarterly certification and sub-certification process and the internal audit role with respect to the process;

(iv) review the significant findings of the internal audit programs or the sub-certification process, together with management’s response thereto;

(v) as considered appropriate, direct the internal auditor’s examinations to particular issues;

(vi) review the adequacy of the resources of the internal auditor and the objectivity and independence of the internal audit function; and

(vii) meet separately with the internal auditor as deemed appropriate.

Duties of the Committee Chair

5. In addition to fulfilling his or her duties as an individual director, the duties of the Committee Chair are to:

(a) serve as the Committee’s role model for responsible, ethical and effective decision making;

(b) lead the Committee in discharging all duties set out in the Committee Mandate and as are delegated to the authority of the Committee by the Board;

(c) take reasonable steps to ensure that the Committee members execute their duties pursuant to their Mandate;

(d) manage the affairs of the Committee to ensure that the Committee is organized properly and functions effectively;

(e) arrange for a Committee secretary to assist with agendas, minutes and logistical matters;

(f) ensure that notice of all meetings of the Committee are provided to the external auditor;

(g) preside at, and together with the members of the Committee, management, external auditors and advisors, as appropriate, call, schedule and prepare the agenda for each meeting of the Committee;

(h) ensure that the Committee meets in closed sessions with the external auditors;

(i) coordinate with the CFO, Corporate Secretary, management and the external auditors such that:

(i) documents are delivered to members in sufficient time in advance of Committee meetings for a thorough review;

(ii) matters are properly presented for the member's consideration at meetings;

(iii) the members have an appropriate opportunity to discuss issues at each meeting;

(iv) the members have an appropriate opportunity to question management, employees and the external auditors regarding financial results, internal controls, the collection of financial information and all other matters of importance to the Committee; and

(v) the members work constructively towards their recommendations to the Board;

(j) communicate with each Committee member to ensure that:

(i) each member has the opportunity to be heard and participate in decision making; and

(ii) each member is accountable to the Committee;

(k) arrange for the preparation, accuracy and distribution of all minutes of the Committee to:

(i) members of the Committee;

(ii) each member of the Board;

(iii) the external auditor; and

(iv) the CEO and CFO;

(l) ensure that the Committee, following each meeting:

(i) reports to the Board regarding its activities, findings and recommendations; and

(ii) makes Committee information available to any director upon request; and

(m) assist in maintaining effective working relationships between Committee members, the Board, the CEO and CFO, external auditors, internal auditors, advisors, executive officers and management and may call for separate meetings with any of these parties as the Chair deems appropriate.

Reporting

6. The following shall guide reporting by the Committee:

(a) following each meeting, to report to the Board regarding its activities, findings, recommendations, any issues that arise with respect to the quality or integrity of the Corporation's financial statements, compliance with applicable law, the performance and independence of the external auditor and the effectiveness of the internal audit function;

(b) the Committee will prepare any reports required to be prepared by the Committee under applicable law including reports regarding ongoing investigations made pursuant to the Corporation's Whistleblower Policy.

Governance

7. The Committee is responsible to annually review and in its discretion make recommendations to the Board regarding changes to its Mandate and the position description of its Chair.

Access to Personnel and Materials

8. The Committee has access to all books, records, facilities and personnel of the Corporation necessary for the discharge of its duties.

Advisors

9. The Committee has the power, at the expense of the Corporation, to retain, instruct, compensate and terminate independent advisors to assist the Committee in the discharge of its duties.

Duties and Reliance

10. In exercising their powers and discharging their duties under this mandate and applicable law, each member of the Committee must:

    (a) act honestly and in good faith with a view to the best interests of the Corporation; and

    (b) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

11. Each member of the Committee will be entitled to reasonable reliance, or reliance in good faith, on:

    (a) financial statements of the Corporation represented to the member of the Committee by an officer of the Corporation or in a written report of the external auditor of the Corporation to reflect fairly the financial condition of the Corporation;

    (b) the Corporation's disclosure compliance system and on the Corporation's officers, employees and others whose duties would in the ordinary course have given them knowledge of the relevant facts; and

    (c) a report, statement or opinion of an expert, being a person or company whose profession gives authority to a statement made in a professional capacity by the person or company including, without limitation, an accountant, actuary, appraiser, auditor, engineer, financial analyst, geologist or lawyer.

II. Composition of the Audit Committee

The Audit Committee of the Corporation is composed of the following individuals:

Steven J. Glover	Independent(1)	Financially literate(2)
Elias Foscolos	Independent(1)	Financially literate(2)
Yazdi J. Bharucha	Independent(1)	Financially literate(2)

Notes:

(1) A member of an Audit Committee is independent if the member has no direct or indirect material relationship with the Corporation which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment.

(2) An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

III. Relevant Education and Experience

The Board assesses overall business experience and financial literacy as they relate to the Corporation's primary business segment, real estate, in its selection of Audit Committee members.

Steven Glover is a Fellow of the Chartered Accountants, currently serving as Vice-President, Finance and Chief Financial Officer of Western Plains Petroleum and KDC Energy Ltd., both listed on the TSX Venture Exchange. He is currently a member of the board of directors, and Chair of the Audit Committee of an Alberta crown corporation, Travel Alberta. Mr. Glover also served as the Executive Director of the Institute of Chartered Accountants of Alberta from 1984 to 2005. His extensive board and governance experience includes chairing the Audit Committees for the Caritas Health Group and the Edmonton Community Foundation and is a past member of the board of the Edmonton Concert Hall Foundation. From 1998-99, he served as President of the Edmonton Downtown Rotary Club.

Mr. Foscolos holds a M.S. from the Carnegie Mellon University and B.S. from University of Calgary. He is currently the president of Amalgamated General Partner Ltd. and President of Accretive Financial Corp. Also, currently he is serving as director of Banff Rocky Mountain Resorts and Seaway Energy Services Inc. In the past he has been on the board of directors for Madison Energy Corp. and Western Plains Petroleum Ltd. During his career he has worked with investment firms including Merrill Lynch Canada and Yorkton Securities Ltd. He has also worked as a financial analyst with Nexen Inc. and UNOCAL Corp. in Los Angeles, California.

Yazdi Bharucha is a Chartered Accountant and holds the Institute Certified Director Designation, ICD.D, from the Institute of Corporate Directors. He is a former CFO of Canadian Apartment Properties Real Estate Investment Trust (CAPREIT). Mr. Bharucha's previous experience includes Vice President and Controller of MPI Group Inc, a real estate investment and development company. He has also held the position of Controller of MICC Properties Inc., a real estate investment and development company and was previously responsible for financial planning, accounting, reporting and management of real estate operations with Guaranty Properties Limited, a subsidiary of Guaranty Trust Company of Canada.

IV. Reliance on Certain Exemptions

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on any exemption from NI 52-110 other than in Section 2.4 of NI 52-110 (De Minimus Non-audit Services) and the exemption provided by section 3.2(2) of NI 52-110 from the requirement that every Audit Committee member must be independent.

V. Audit Committee Oversight

At no time since the commencement of the Corporation's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

VI. Pre-Approved Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services.

VII. External Auditor Service Fees (By Category)

The aggregate fees billed by the Corporation's external auditors in each of the last two fiscal years are as follows:

Financial Period Ending December 31	Audit Fees(1)	Audit Related Fees(2)	Tax Fees(3)	All Other Fees(4)
2011	$253,000	$126,000	$Nil	$111,000
2010	$293,000	$194,000	$Nil	$205,000

Notes:

(1) The aggregate audit fees billed or accrued by the Corporation's external auditor for audit services.

(2) The aggregate fees billed or accrued by the Corporation's external auditor for assurance and related services that are reasonably related to the performance of the quarterly reviews of the Corporation's financial statements that are not reported under 'Audit Fees'.

(3) The aggregate fees billed or accrued by the Corporation's external auditor for professional services rendered for tax compliance, tax advice and tax planning.

(4) The aggregate fees billed or accrued by the Corporation's external auditor for all other services provided such as but not limited to IFRS conversion, procedures relating to ICOFR as defined in NI 52-109 and other misc. services.