WALL FINANCIAL CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITIONS AND
RESULTS OF OPERATIONS

YEAR ENDED JANUARY 31, 2022

April 14, 2022

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This Management's Discussion and Analysis of Financial Conditions and Results of Operations ("MD&A") of Wall Financial Corporation (the "Company", "we", or "us") includes material financial information as of April 14, 2022. This MD&A should be read in conjunction with the Company's audited consolidated financial statements and related notes for the years ended January 31, 2022 and 2021 (the "Financial Statements"), prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. Historical results, including trends which might appear, should not be taken as indicative of future operations or results.

All amounts presented in this MD&A are in Canadian dollars.

The Board of Directors of the Company (the "Board"), on the recommendation of the Audit Committee of the Company, approved the content of this MD&A on April 14, 2022.

The role of the Audit Committee and the Board in respect of financial information included in this MD&A and the Financial Statements is set out in the Overview section of this MD&A. Additional information relating to the Company, its activities and operations, including the annual information form, is available through the System for Electronic Document Analysis and Retrieval website at www.sedar.com.

FORWARD-LOOKING STATEMENTS

Certain information included in this MD&A contains forward-looking statements within the meaning of applicable securities laws including, among others, statements concerning the Company's future objectives, strategies to achieve those objectives, as well as statements with respect to management's plans, estimates, and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "anticipate," "believe," "continue," "estimate," "expect," "intent," "objective," "outlook," or "plan," or similar expressions or statements that events, conditions or results "will," "may," "could," or "should" occur or be achieved. Such forward-looking statements reflect management's current beliefs, expectations, estimates, projections and assumptions that were made in light of management's experience and perception of historical trends, as well as information currently available to management.

This MD&A contains forward-looking statements concerning anticipated changes in revenue from operations, timing for commencement and completion of construction projects and renovations, the Company's policy to acquire land for development which is zoned for its intended use, or where the required rezoning is contemplated and encouraged by the governing authorities, anticipated timing of the closings of sales, anticipated timing and approval of rezoning and subdivision applications, anticipated growth, anticipated cost and financing of planned projects, anticipated resources being sufficient to carry the Company's operations through uncertain times, increases in demand for rental housing and the resulting impact on vacancies and rent, anticipated increasing operating costs, the Company having sufficient sources of liquidity to cover its cash obligations, the Company being able to convert loans repayable on demand into long-term, capital expenditures and investments, property acquisitions, development plans, outlook with respect to financing availability and operating and financial conditions, undrawn available general corporate credit facilities positioning the Company to weather the COVID-19 pandemic, plans to make the necessary capital and operating expenditures to facilitate compliance with environmental laws and other requirements and the impact of those expenditures, providing financial capacity and flexibility to meet the Company's strategic objectives, prevention and mitigation of the impact of catastrophic loss of life and property through the provision of safe work sites, safe living areas and maintenance of adequate and cost effective insurance, credit requirements for the current fiscal year, continual evaluation and modification of disclosure controls and procedures and internal controls over financial reporting, anticipated improvement in occupancy rates and forward bookings, and the Company's outlook for operating conditions including potential impacts of the COVID-19 pandemic on the Company's rental apartments, hotel operations and development properties.

These forward-looking statements are not a guarantee of future performance and are based on the Company's estimates and assumptions, which include, but are not limited to assumptions based on management experience, historical results, current expectations and analyses, trends, government policies, and current business and economic conditions, including the Company's analysis of its business and services and its expectations regarding the effects of anticipated business and service changes and the potential benefits of such efforts and activities on the Company's results of operations in future periods. Forward-looking statements are subject to inherent uncertainties and risks, including, but not limited to: general business and economic conditions in the Company's operating regions, the Company's joint-venture operations, adverse government and environmental regulations, national and international economic forces and conditions, local supply/demand, pricing pressures and other competitive factors, the geographic concentration of the Company's assets, failure to maintain properties at a competitive level, changes in the labour market, increased construction costs, potential environmental remediation responsibilities, results of the Company's ongoing efforts to reduce costs, successfully market its developments for sale, the ability to obtain rezoning and subdivision of certain properties, the availability and terms of financing, interest rate and credit risks, liquidity risks, catastrophic loss, cybersecurity risks, and changes in market and economic conditions as a result of the ongoing COVID-19 pandemic. Consequently, actual results and events may vary significantly from those included in, contemplated or implied by such statements. The Company, except as required by applicable law, undertakes no obligation to publicly update or revise any forward-looking statements.

OVERVIEW

The Company is a real estate investment and development company incorporated under the laws of the Province of British Columbia in January 1969.

All of the Company's current revenue is generated from assets that are situated in Metro Vancouver and the Lower Mainland of British Columbia. The Company's activities are concentrated as follows: development and management of residential and commercial rental units, development and construction of residential housing units for sale, and development and management of hotel properties.

The Company is governed by the Board which follows the corporate governance guidelines established for public companies. In January 2005, the Company formalized its governance policy by adopting a Code of Business Conduct and Ethics, a Disclosure Policy, and an Insider Trading Policy. The Board has three committees: the Audit Committee, the Management and Investment Committee, and the Governance and Nomination Committee.

The Audit Committee consists of three directors, all of whom are independent directors. The Audit Committee operates pursuant to the Audit Committee Charter of the Company and meets quarterly to review internal controls and financial disclosure including the Financial Statements and MD&A.

The Management and Investment Committee consists of three directors, all of whom are independent directors. The Management and Investment Committee meets quarterly or as needed to review new development projects, operations, and to review and administer agreements related to the participation of related parties in development projects.

The Governance and Nomination Committee consists of three directors, all of whom are independent directors. The Governance and Nomination Committee meets annually and as needed to review the Board composition and the effectiveness of the Board, to review all significant proposed related party transactions for any potential conflict of interest, to monitor and review the Company's Code of Business Conduct and Ethics, and to review and recommend executive compensation.

RECENT EVENTS

Assets Held for Sale

As at January 31, 2022, the Company classified an investment property with a carrying value of $43,460,555 as assets held for sale. Liabilities associated with assets held for sale is comprised of a deposit of $7,500,000 and an extension fee of $1,000,000 paid by the purchaser. On March 4, 2022, the property sold for gross proceeds of $76,000,000.

Continuing Impact from COVID-19 in the Hospitality Sector

The outbreak of COVID-19 in March 2020 resulted in governments enacting measures including travel restrictions and social distancing. These measures significantly impacted the Company's operations, most prominently, its hotel operations.

At the onset of COVID-19, the Company implemented cost reduction programs including the closure of one of the two towers at one of its hotels in Vancouver, the furlough of staff, a reduction to senior management salaries, and the reduction of expenses to preserve cashflow. During the first half of the year ended January 31, 2022, the Company's hotel operations continued to experience a decline in guest bookings. During the second half of the year, the Company fully reopened its hotels and brought back previously furloughed staff. Occupancy level have improved but are not yet at the levels before COVID-19.

STRATEGIES AND RISK MANAGEMENT

Strategies

The hotel, residential, and commercial properties owned by the Company provide an income stream and capital appreciation that is utilized for acquisitions, investments in development properties, reduction of debt, and payment of dividends to the Company's shareholders. At present, the Company owns and manages 934 hotel units (188 at the Westin Wall Centre, Vancouver Airport, and 746 at the Sheraton Vancouver Wall Centre). It also owns and manages 1,406 residential and commercial rental units located in Metro Vancouver.

The Company develops for sale residential housing units with a primary focus on high-rise multi-family projects. It is the Company's strategy to acquire land for development that is zoned for its intended use or where the required rezoning is contemplated and encouraged by the governing authorities. There are three properties under active development as at January 31, 2022: Eagle Mountain subdivision in Abbotsford, B.C.; the Ivy on the Park ("Ivy on the Park") project next to the University of British Columbia in Vancouver, B.C.; and the Trails project in the City of North Vancouver, B.C.

Risk Management

All real estate investments are subject to a degree of risk and uncertainty. In the normal course of its business, the Company is exposed to various risks that could adversely impact the Company's financial condition, results of operations, and the value of the Company's common shares. A description of some of these risks and the Company's actions are summarized below. The risks set out below are not the only risks faced by the Company. Other risks and uncertainties may also affect our business, financial condition and results of operations.

General risks

We are exposed to the micro- and macro-economic conditions that affect the markets in which the Company operates and owns assets. In general, a decline in economic conditions will result in downward pressure on the Company's margins and asset values as a result of lower demand for the services and products offered by the Company. Specifically, the following factors could pose a threat to our ongoing business operations: general inflation and interest rate fluctuations; population growth and migration; job creation and employment patterns; consumer confidence; government policies, regulations and taxation; and availability of credit and financing.

National and international economic forces and conditions will impact the Company's hotel business as a significant portion of the Company's hotel business is from conventions and tourists from across Canada, the US and internationally. The Company adapts its business plan to reflect current conditions and management believes that the Company has sufficient resources to carry its operations through uncertain times.

The Company participates in joint arrangements under the normal course of business that may have an effect on certain assets and businesses. These joint arrangements may involve risks that would not otherwise be present if the third parties were not involved, including the possibility that the partners have different economic or business interests or goals. Also, within these arrangements, the Company may not have sole control of major decisions relating to these assets and businesses, such as: decisions relating to the sale of the assets and businesses; timing and amount of distributions of cash from such entities to the Company and its joint arrangement partners; and capital expenditures.

Industry risks

Real estate investments are generally subject to varying levels of risk. These risks include changes to general economic conditions, government and environmental regulations, local supply/demand, and competition from other real estate companies. Real estate assets are relatively illiquid in down markets, particularly raw land. As a result, the Company may not be able to quickly rebalance its portfolio in response to changing economic or investment conditions. Management attempts to manage these risks by acquiring properties with strong economic and growth indicators, and ensuring the Company has adequate capital and liquidity to enable the Company to deal with fluctuating markets and ongoing changes in the economic environment.

Concentration of assets risk

The majority of the Company's assets are located in Metro Vancouver. Adverse changes in economic conditions in Metro Vancouver may have a material adverse effect on the Company's business, cash flows, financial condition and results of operations and ability to pay dividends. The Metro Vancouver economy is influenced by the demand for new housing in the region, which is impacted by interest rates, growth in employment, migration, and general economic conditions. Various government bodies (including the Canadian federal government, the British Columbia provincial government and the Vancouver municipal government) are exploring or enacting legislation and regulations that are intended to have an impact on the real estate industry, which could result in negative impacts on the Company and its assets.

Investment properties

Investing in properties involves the risk that the actual performance of these acquisitions may be materially different from the assumptions made in purchasing the properties, which could have a material adverse effect on the Company's business, financial condition, prospects or results of operations. In its operation of residential rental properties, the Company's primary risks are general economic conditions and local market conditions, reduced revenue growth in the event of increased vacancy rates, the inability to increase rental rates due to oversupply, restrictive government legislation or changes to government legislation, and the failure to maintain the properties at a competitive level.

The Company manages these risks by insisting on a high standard of maintenance and invests only in those locations highly desired by tenants. Over the past year, vacancy rates have decreased and rents are increasing on unit turnover. Operating costs such as property taxes, utilities, and insurance are increasing.

Hotels

In its hotel operations, the Company is exposed to a variety of risks such as changes in market and economic conditions, as we are experiencing now due to the COVID-19 pandemic, an increase in the supply of hotel rooms, currency rate fluctuations, and changes in the labour market. These risks are managed by securing long-term relationships with clients, developing and enhancing relationships with international hotel chains and their reservation systems, and ensuring a strong and open relationship with staff.

Properties under development

There are a variety of risks associated with the Company's development activities such as municipal regulatory requirements and environmental considerations that affect the approvals for planning, subdivision and use of land. During this period, the market conditions in general and/or the market for condominium units in the size and price range in the Company's developments may change dramatically. Other risks include increasing costs of construction, reduced demand for new residential units, changes in regulations and taxes, and general market risk. The Company is also subject to risk that the actual performance of properties acquired by the Company may be materially different from the assumptions made by management of the Company when purchasing the properties.

The Company manages the risks associated with its development activities as follows:

- Acquiring land for development that is zoned for its proposed use or where the required re-zoning is contemplated and encouraged by the governing authorities.
- Managing construction costs through fixed-price contracts with general contractors or sub-contractors.
- Undertaking pre-sale programs where feasible and securing the sales with non-refundable deposits.
- Encouraging purchasers to secure and lock-in purchase financing.

Disease outbreak

A local, regional, national or international outbreak of a contagious disease, including, but not limited to, the ongoing COVID-19 pandemic or any other illness could result in: a general or acute decline in economic activity in the regions the Company operates in; a decrease in the willingness of the general population to travel; staff shortages; reduced tenant traffic; mobility restrictions and other quarantine measures; supply shortages; increased government regulation; and the quarantine or contamination of one or more of the Company's apartment units, hotels or buildings. Contagion in one of the Company's buildings or a market in which the Company operates could negatively impact the Company's occupancy, its reputation or attractiveness of that market. Public health crises, pandemics and epidemics could also adversely impact the Company's tenants' ability to meet their payment obligations, impact the ability of purchasers of units to satisfy their purchase obligations or disrupt supply chains and transactional activities that are important to the Company's construction and development activities, in addition to negatively impacting local, national or global economies. To mitigate this risk, management closely monitors all evolving disease outbreaks, epidemics or pandemics, including the ongoing COVID-19 pandemic and proactively raises its level of preparedness planning to adapt its operations as risk levels rise. With regard to the specific COVID-19 pandemic, management is actively involved in business continuity and pandemic planning to monitor the evolving circumstances. All of these occurrences may have a material adverse effect on the business, financial condition and results of operations of the Company.

Environmental matters

As an owner of real property, the Company is subject to various federal, provincial and municipal laws and other requirements relating to environmental matters. Under such requirements, the Company could be liable for the costs of removal of certain hazardous substances and remediation of certain hazardous substances. The failure to remove or remediate such substances, if any, could adversely affect the Company's ability to sell such real estate or to borrow using such real estate as collateral and could potentially also result in the Company incurring expenses, including in connection with orders or claims against the Company. The Company is not aware of any material non-compliance with environmental requirements at any of its properties or otherwise affecting the Company or its business. The Company is also not aware of any pending or threatened investigations or actions by environmental regulatory authorities in connection with any of its properties or otherwise affecting the Company or its business or any pending or threatened claims relating to environmental conditions at its properties or otherwise affecting the Company or its business. The Company has policies and procedures to review, monitor and manage environmental exposure.

The Company plans to make the necessary capital and operating expenditures to facilitate compliance with environmental laws and other requirements. Although there can be no assurances, the Company does not believe that costs relating to environmental matters will have a material adverse effect on the Company's business, financial condition or results of operations. Moreover, environmental laws and other requirements can change and the Company may become subject to more stringent environmental laws and other requirements in the future, including those related to greenhouse gas emission reduction. Compliance with more stringent environmental laws and other requirements could have an adverse effect on the Company's business, financial condition or results of operation.

Catastrophic and general uninsured losses

A catastrophic loss includes the loss of or extreme damage to a property or portfolio of properties, loss of life, or disability that could have a material adverse effect on the Company's business, financial condition, prospects, results of operations, or reputation. A significant injury, loss of life or damage to property could be a result of accidents incurred by employees, contractors, or residents due to an unsafe work environment, unsafe properties, lack of appropriate safety precautions, or natural disasters, beyond the control of the Company, such as fire, flood, or earthquakes. The Company will continue to prevent and mitigate the impact of catastrophic loss of life or property by continuing to provide safe work sites for employees and contractors and providing safe living areas for residents by adhering to the Company's occupational health and safety standards. The Company mitigates the financial impact of potential losses by maintaining an adequate and cost-effective insurance program for the operation of the Company's business.

The Company carries General Liability and All Risks Property coverage including Business Interruption and Rental Income, with policy specifications, limits and deductibles customarily carried for similar properties. There are, however, certain types of risks, generally of a catastrophic nature, such as wars or environmental contamination, which are either uninsurable or not insurable on an economically viable basis. The Company's insurance is subject to certain policy limits, deductibles and self-insurance arrangements. The Company will continue to carry such insurance if it is economical to do so. Should an uninsured or underinsured loss occur, the Company could lose its investment in, and anticipated profits and cash flows from, one or more of its properties, but the Company would continue to be obliged to repay any recourse mortgage indebtedness on such properties.

Technology and information security

The Company is subject to technology and information security risk, including the risk that confidential information held by the Company is stolen or accessed causing financing or personal harm to the affected individual(s) or the Company's business. Additionally, cyber-attacks could cause disruption of operations or data corruption or result in remediation costs, additional regulatory scrutiny, litigation, and reputational damage. The Company is also subject to risks related to reliance on key personnel and catastrophic and general uninsured loss. The Company reduces this risk through enhancement of policies and procedures, and monitoring and auditing to ensure compliance related to information technology, safety of data, and secure storage of physical files.

A summary of the financial risks that arise from the Company's financial assets and liabilities are summarized under the "Financial Instruments and Risk Management" section in this MD&A.

SELECTED ANNUAL AND QUARTERLY FINANCIAL INFORMATION

The following is a summary of the Company's financial information for the three months and for the years ended January 31, 2022, 2021, and 2020:

Statements of Earnings	Three months ended January 31 2022	2021	2020	Year ended January 31 2022	2021	2020
Total revenue and other income	$ 29,566,882	$ 108,169,328	$ 32,115,807	$ 241,546,354	$ 192,275,230	$ 478,385,362
Net earnings (loss) attributable to shareholders of the Company	$ 729,736	$ 6,042,742	$ 3,461,842	14,614,710	544,293	122,456,789
Earnings (loss) per share (diluted and non-diluted)	$ 0.03	$ 0.18	$ 0.10	$ 0.45	$ 0.02	$ 3.61

Statements of Financial Position	January 31, 2022	January 31, 2021	January 31, 2020
Total assets	$ 874,063,426	$ 973,493,565	$ 1,051,671,420
Total non-current liabilities	$ 277,821,380	$ 260,243,086	$ 276,156,368
Dividends paid	$ -	$ -	$ 67,906,730
Dividends paid per share	$ -	$ -	$ 2.00

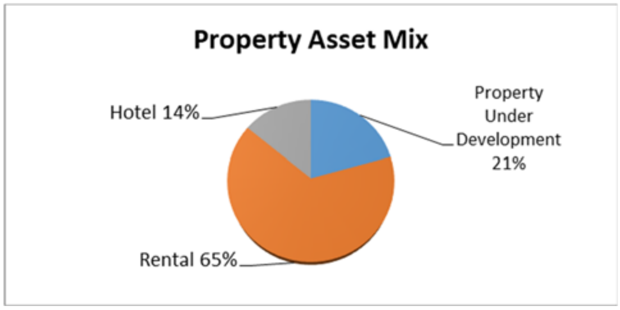
The variations in the financial data provided above are discussed in greater detail under "Discussion of Operations" in this MD&A.

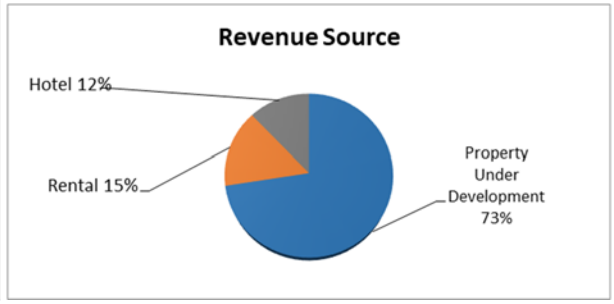
Significant variations with respect to revenues are typically the result of the timing and quantity of residential and commercial unit sales closing at the development properties. In addition, the COVID-19 pandemic has had a significant negative impact on the Company's hotel operations. The fluctuations in the total assets owned by the Company are predominantly the result of development activities undertaken by the Company. Total assets and non-current liabilities are also impacted by the acquisitions and dispositions of investment properties, which the Company manages and reviews on an ongoing basis to maximize value for shareholders. Dividends fluctuate as the Company is on a flexible dividend policy; the amount and timing of dividends will be based on the Company's availability of and need for cash flow.

OVERALL PERFORMANCE AND QUARTERLY INFORMATION

The Company operates in three different segments of the real estate industry: ownership and management of residential and commercial rental properties (investment properties), the development and sale of residential housing (referred to as development properties), and the ownership and management of hotel properties (property, plant and equipment).

The charts below show the Company's property holdings at January 31, 2022 and revenue derived from such segments for the year ended January 31, 2022.





Revenues	Three months ended January 31 2022	2021	Year ended January 31 2022	2021
Investment properties (Rental)	$ 9,624,056	$ 8,925,702	$ 36,860,385	$ 35,023,993
Property, plant, & equipment (Hotel)	8,443,681	2,081,798	29,351,337	15,394,607
	18,067,737	11,007,500	66,211,722	50,418,600
Properties under development for sale	11,402,960	96,976,545	174,837,052	141,139,840
	$ 29,470,697	$ 107,984,045	$ 241,048,774	$ 191,558,440

Earnings (loss) before income taxes and non-controlling interest	Three months ended January 31 2022	2021	Year ended January 31 2022	2021
Investment properties (Rental)	$ 1,970,303	$ 1,600,276	$ 9,116,398	$ 4,316,719
Property, plant, & equipment (Hotel)	(1,481,411)	(2,340,540)	(2,453,262)	(9,213,816)
	488,892	(740,264)	6,663,136	(4,897,097)
Properties under development for sale	2,474,558	14,736,364	27,021,131	15,280,661
Corporate expenses	(1,207,796)	(1,179,062)	(3,451,757)	(6,537,008)
	$ 1,755,654	$ 12,817,038	$ 30,232,510	$ 3,846,556

DISCUSSION OF OPERATIONS

For the three months ended January 31, 2022, the Company earned revenues of $29,470,697 (2021 – $107,984,045) with a gross margin[1] of 9,466,500 (2021 - $20,727,849). For the year ended January 31, 2022, the Company earned revenues of $241,048,774 (2021 – $191,558,040) with a gross margin[1] of $59,172,612 (2021 – $40,589,905).

During the three months ended January 31, 2022, the Company closed on the sale of 10 units at Ivy on the Park. During the year ended January 31, 2022, the Company closed on the sale of 130 units at Ivy on the Park, seven lots at the Eagle Mountain project in Abbotsford, B.C. and the remaining two commercial units at Strathcona Village project in Vancouver, B.C. Revenues and gross margins in the current period were higher than the prior period mainly due to sales at Ivy on the Park.

[1] Gross margin is a non-IFRS financial measure under National Instrument 52-112 – Non-GAAP and Other Financial Measures Disclosure. Gross margin is not a standardized financial measure under IFRS and may not be comparable to similar financial measures disclosed by other issuers. Gross margin means gross revenues less cost of sales and operating expenses. Gross margin can be calculated by taking revenue and subtracting cost of sales and operating expenses, which are directly disclosed on the Company's Financial Statements. Management believes that this measure is useful for investors to evaluate the Company's performance. Refer to the discussion of non-IFRS measures on this MD&A.

General and administrative costs for the three months and year ended January 31, 2022 were $1,087,761 and $3,086,180, respectively (2021 - $1,276,007 and $3,303,891). The costs are lower than the prior period due to cost saving measures taken in response to the impact of COVID-19 on the hotel and development operations. This includes the 50% reduction of the President's salary and director's fees and a general reduction of professional fees.

During the years ending January 31, 2022 and 2021, the Company was eligible for $7,221,886 (2021 - $4,937,837) in government assistance from COVID-19 relief programs including the Canada Emergency Wage Subsidy, the Canada Emergency Rent Subsidy, and the Tourism and Hospitality Recovery Program, of which $2,265,216 was receivable as at January 31, 2022 (2021 - $883,761). Of the total amount, $6,960,709 (2021 - $4,739,018) was recorded in the statements of earnings as a reduction to cost of sales and operating expenses. The Company recognizes government assistance when there is reasonable assurance that the entity complies with the conditions attached to them and the grants will be received.

Depreciation and amortization expense for the three months and year ended January 31, 2022 was $3,855,818 and $15,318,589, respectively (2021 - $4,005,441 and $18,127,552). The decrease is attributable to the full deprecation of furniture, fixtures and equipment at a number of the Company's rental properties over the last year as well as the amortization of the Company's sales centre costs at the Ivy on the Park project in the prior year. The basis of depreciation for furniture, fixtures and equipment is straight-line over two to seven years.

Investment and other income for three months and year ended January 31, 2022 was $96,185 and $497,580 (2021 - $185,283 and $716,790). Investment and other income are predominantly due to interest earned on surplus funds, and on interest earned on deposits held in trust in connection with condominium sales which accrue to the benefit of the Company.

Finance expense for the three months and year ended January 31, 2022 was $2,863,452 and $11,032,913, respectively (2021 - $2,921,678 and $12,560,331). Finance expense for the three months ended January 31, 2022 includes interest expense of $4,139,093 (2021 - $3,969,537) less interest of $1,399,112 (2021 - $1,047,859) capitalized to the development projects. Finance expense for the year ended January 31, 2022 includes interest expense of $16,433,063 (2021 - $22,960,456) less interest of $6,042,444 (2021 - $10,400,126) capitalized to the development projects. Finance expense for the year ended January 31, 2022 is lower than the prior period due to the combination of lower interest rates and lower average level of outstanding debt.

During the year ended January 31, 2021, the Company used interest rate swaps to eliminate the variability of interest rates on debt, converting variable interest expense into a fixed interest expense. Interest rate swaps are measured at fair value. Depending on the fair value of the swap contracts on the reporting date, the swap contracts are reported as assets (positive) or liabilities (negative) and the change in fair value is recognized in net earnings for the year as a change in fair value of the interest rate swap contracts.

The impact of the COVID-19 pandemic on the economy resulted in a significant decline in interest rates starting in March 2020. As a result of the decline in interest rates, a mark-to-market loss in the fair value of the interest rate swap of $3,468,364 was recorded on the statements of earnings for year ended January 31, 2021. All interest rate swaps were terminated during the year ended January 31, 2021.

SUMMARY OF QUARTERLY RESULTS

The following sets forth certain financial information expressed in Canadian dollars for the Company with respect to the eight most recently completed quarterly periods. This information should be read in conjunction with the applicable condensed consolidated interim financial statements and notes and management's discussion and analysis.

	Revenue and Other Income	Net Earnings (Loss)*	Per Share**
January 31, 2022	$ 29,566,882	$ 729,736	$ 0.03
October 31, 2021	30,322,631	1,716,668	0.05
July 31, 2021	64,635,819	5,843,084	0.18
April 30, 2021	117,277,126	6,331,468	0.19
January 31, 2021	108,169,328	6,042,742	0.18
October 31, 2020	20,335,199	(115,570)	-
July 31, 2020	25,025,451	(1,506,193)	(0.04)
April 30, 2020	38,745,252	(3,876,686)	(0.11)

All the financial data above is prepared in accordance with IFRS, using the same accounting policies and methods of application as described in notes 2 and 3 of the Financial Statements.
* Net earnings (loss) pertains to net earnings (loss) (diluted and non-diluted) and comprehensive income (loss) attributable to shareholders of the Company.
** Per Share pertains to net earnings (loss) per share (diluted and non-diluted) attributable to shareholders of the Company.

Variations over the quarters are generally the result of the timing of residential and commercial unit closings at the development properties and seasonal and economic fluctuations characteristic of the tourism and hospitality industry in which the Company's hotels operate. Fluctuations in earnings (loss) for the quarters will also be impacted by the timing of sales and marketing expenses incurred at the Company's development projects, which are expensed as they are incurred.

Revenue and other income[2] as well as net earnings for the quarters ended July 31, 2021, April 30, 2021 and January 31, 2021 were greater than the other quarters due mainly to the closing of residential condominium units at the Company's development projects: July 31, 2021 - 30 units at the Ivy on the Park project and 2 units at Eagle Mountain; April 30, 2021 - 81 units at the Ivy on the Park project and 5 units at Eagle Mountain; January 31, 2021 - 81 units at the Ivy on the Park project and 3 units at Eagle Mountain.

The net loss for the quarter ended April 30, 2020 was mainly due to mark-to-market losses recognized on interest rate swap contracts. The net loss for the quarter ended July 31, 2020 was due predominantly to operating losses from the Company's hotel division as a result of the COVID-19 impact on the hotel and tourism industry.

REVENUE-PRODUCING PROPERTIES

Residential and Commercial Rentals

As at January 31, 2022, the Company owned and managed 1,392 residential units and 14 commercial units in 14 properties in Metro Vancouver.

Combined revenues from the residential and commercial rental units were $9,624,056 (2021 - $8,925,702) for the three months ended January 31, 2022 with net earnings of $1,970,303 (2021 - $1,600,276). For the year ended January 31, 2022, revenues from rental operations were $36,860,385 (2021 - $35,023,993) with net earnings of $9,116,398 (2021 - $4,316,719).

[2] Revenue and other income is a non-IFRS financial measure under National Instrument 52-112 – Non-GAAP and Other Financial Measures Disclosure. Revenue and other income is not a standardized financial measure under IFRS and may not be comparable to similar financial measures disclosed by other issuers. Revenue and other income means gross revenue plus investment and other income. Revenue and other income can be calculated by taking revenue and adding investment and other income which is directly disclosed in the Company's Financial Statements. Management believes that this measure is useful for investors to evaluate the Company's performance, its ability to generate cash flows and its financial condition.

All residential units are leased primarily for a one-year term and all residential leasing arrangements are governed by the Residential Tenancy Act (British Columbia), which requires that fixed term residential tenancies automatically become month-to-month at the end of their term. Historically, rental rates may be increased to the maximum percentage equal to British Columbia's Consumer Price Index on tenant turnover or on the anniversary date of each tenant's date of occupancy. Effective January 1, 2022, the provincial government confirmed that rent increases of 1.50% may be issued.

Acquisitions and Dispositions

During the three months ended January 31, 2022, 3 units in the Shannon Wall Centre Kerrisdale Phase 2 project with a carrying amount of $1,993,385 were reclassified to revenue producing properties from properties under development.

During the year ended January 31, 2022, the Company acquired a commercial property located at 1290 Hornby Street in Vancouver for $45,000,000 and three commercial strata lots for $4,428,000.

During the year ended January 31, 2022, the property representing Phase 2 at Trails North Vancouver with a carrying amount of $50,334,411 was reclassified to revenue producing properties out of properties under development.

As at January 31, 2022, a property located in Vancouver with a carrying value of $43,460,555 was classified as assets held for sale. On March 4, 2022, the property sold for gross proceeds of $76,000,000.

During the year ended January 31, 2021, the Company acquired two condominium units at a property located at 1050 Burrard Street in downtown Vancouver, B.C. at a cost of $1,832,000.

Hotels

The Company owns and manages two hotel properties in Metro Vancouver: the Sheraton Vancouver Wall Centre Hotel ("Wall Centre Downtown") and The Westin Wall Centre Vancouver Airport Hotel ("Wall Centre Richmond").

The combined revenues for the hotel properties for the three months and year ended January 31, 2022 were $8,443,681 (2021 - $2,081,798) and $29,351,337 (2021 - $15,394,607), respectively. The combined net loss for the three months ended January 31, 2022 before income taxes from hotel operations was $1,481,411 (2021 - $2,340,540). For the year ended January 31, 2022, loss before income taxes from hotel operations was $2,453,262 (2021 - $9,213,816)

The Wall Centre Downtown is the largest single hotel property in British Columbia with 746 guestrooms and 45,000 sq. ft. of meeting space. Since the World Health Organization's declaration of the COVID-19 virus as a pandemic, current and future hotel bookings have decreased significantly but are improving. During the three months ended January 31, 2022, revenues were $6,491,885 (2021 - $1,533,660) with occupancy[3] of 40.4% (2021 - 7.0%) and an average daily rate ("ADR")[4] of $146 (2021 - $129). During the year ended January 31, 2022, revenues were $20,181,351 (2021 - $12,023,095) with occupancy of 31.5% (2021 - 14.1%) and an ADR of $153 (2021 - $171).

The Wall Centre Richmond is located near the Vancouver International Airport and consists of 188 guestrooms and 9,900 sq. ft. of meeting space. During the three months ended January 31, 2022, revenues were $1,951,796 (2021 - $548,138) with occupancy of 58.9% (2021 - 18.2%) and an ADR of $157 (2021 - $142). During

[3] Occupancy (%) is calculated by dividing the total number of rooms occupied by the total number of rooms available.

[4] ADR is the average daily rate, which represents the average rental income per paid occupied room in a given time period. ADR is calculated by dividing the room revenue earned by the numbers of rooms sold.

the year ended January 31, 2022, revenues were $9,169,986 (2021 - $3,371,512) with occupancy of 52.8% (2021 - 22.5%) and an ADR of $213 (2021 - $167). Part of the increase in revenue at this property is attributable in part to the government mandated hotel quarantine program, which ended in mid-2021.

The full extent to which the COVID-19 pandemic ultimately impacts the hotel operations will depend on future developments of the pandemic, which are highly uncertain and cannot be predicted with confidence, including the scope, severity and duration of the pandemic, and the actions taken by various government and health authorities to contain the pandemic or mitigate its impact. All these factors have a direct and indirect impact on the hotel operations.

At the onset of the COVID-19 pandemic, the Company enacted cost reduction programs, which included the closure of one of the two towers at the Wall Centre Downtown, the furlough of all non-essential staff, a reduction to senior management salary, and the elimination of all but the most necessary expenses in order to preserve cashflow. The Company also deferred significant capital improvement projects, and applied for and accessed various government programs. During the quarter ended October 31, 2021, the Company re-opened all facilities at the Wall Centre Downtown and brought back the majority of the furloughed staff. The Company is refreshing the hotels and working to secure future business while maximizing government assistance to reduce costs. The Company is well capitalized to weather the pandemic with $135,585,000 in undrawn available general corporate credit facilities.

DEVELOPMENT PROPERTIES

The asset value of properties under development for sale decreased from $306,556,574 at January 31, 2021 to $153,341,932 as at January 31, 2022. Cost of sales for closings totaling $124,837,069 and a transfer of a properties into investment properties at a carrying value of $52,327,796 were offset by development costs totaling $23,960,593.

During the three months ended January 31, 2022, the Company closed on the sale of 10 units at Ivy on the Park. During the year ended January 31, 2022, the Company closed on the sale of 130 units at Ivy on the Park, seven lots at the Eagle Mountain project and the remaining two commercial units at Strathcona Village project in Vancouver, BC. Revenues and gross margins in the current period were higher than the prior period mainly due to sales at Ivy on the Park.

Earnings before taxes from properties under development for the three months and year ended January 31, 2022 were $2,474,558 (2021 - 14,736,364) and $27,021,131 (2021 - $15,280,661). All of the closings in the current year generated a positive gross margin whereas the closings for the Trails project in the prior year generated a negative gross margin.

Properties Under Development Completed Over the Past Three Fiscal Years:

Project	Description	Fiscal Year
Strathcona Village	A three-tower mid-rise mixed-use project with 280 market residential units, and 60,000 sq. ft. of light industrial space. Sales of all 280 condominium units and 18 commercial units have closed.	2019
Wall Centre Central Park	A four-tower project consisting of 1,060 residential units located in Vancouver, B.C. Sales of all 728 condominium units in Phase 1 and all 332 condominium units in Phase 2 have closed.	2017/2019
Shannon Wall Centre Kerrisdale Phase 2	A five-acre development project consisting of 321 residential units located in the Kerrisdale neighbourhood at 57th and Granville Street in Vancouver, BC. As at April 14, 2022, 318 of the units have been closed. The remaining three units are all currently rented. The carrying value of these units have been transferred to Investment Properties.	2019

Projects Under Active Development

The Company has three projects under active development as at January 31, 2022:

Project	Description	Estimated Cost to Complete
Eagle Mountain	An 80-acre, single-family subdivision property in Abbotsford B.C. with approvals in place for 262 building lots. The property is being developed with a 15% non-controlling interest partner. Development is being phased. There are 74 lots in Phases 7 and 8 of which 66 can be sold. Of the 66 lots, 65 sales have closed and one is unsold. A rezoning application has been submitted for the final phase which proposes approximately 44 single family building lots in addition to the 262 noted above.	$225,000 (Phase 7/8)
Trails North Vancouver	On April 13, 2017, the Company, along with other investors, acquired a property located in North Vancouver, B.C. for a gross purchase price of $138,500,000 to develop approximately 307 residential units. The Company purchased a 28.57% interest in the property and guarantees all loans incurred in respect of the property. On February 4, 2022, the Company purchased an additional 14.29% interest in for $5,600,000 bringing the Company's total interest to 42.86%. Development and construction will be conducted in several phases. The first phase consists of 31 townhome and low-rise residential units. 30 units have closed and the remaining unit will be used as a sales centre for subsequent phases.	$250,000 (Phase 1A)
	On January 19, 2021, the Company purchased an additional 28.6% interest in Phase 2 for a gross purchase price of $8,065,276. Phase 2 is being developed as two strata rental properties. Construction of the first strata rental property consisting of 104 units commenced in March 2021 and is expected to complete in August 2022. As this property will be held to earn rental income, the carrying value has been transferred to Investment Properties.	$15,027,000 (Phase 2B)
Ivy on the Park	On April 12, 2018, the Company, along with a company owned by the Company's President, acquired leased land located at the University of British Columbia in Vancouver, B.C. for a gross purchase price of $82,884,000 to develop 226 residential units. The Company has a 75% interest in the development while the President's company has a 25% interest. As at April 14, 2022, 220 of the 226 units have been sold with 216 sales closed.	$229,000

Acquisitions and Dispositions

During the year ended January 31, 2022, the Company purchased an additional parcel of land at Trails North Vancouver for $2,400,000.

INVESTMENTS

There are no significant changes in investment activities or investment strategies for the year ended January 31, 2022.

BANK INDEBTEDNESS AND CREDIT FACILITIES

As at January 31, 2022 and 2021, the Company was either in compliance with or had received accommodations from lenders with respect to its related loan covenants.

Properties Under Development

At January 31, 2022, the Company has borrowed $50,569,609 (January 31, 2021 - $158,135,002) on available construction financing facilities in the form of Canadian dollar prime rate loans and bankers' acceptances. The maximum available funding under such facilities is $50,569,609 (January 31, 2021 - $166,825,000). The decrease in borrowings and credit facilities is primarily due to the repayment of construction financing on the Company's Ivy on the Park project.

The credit facilities are secured by first mortgages and insurance proceeds on the related properties under development. The borrowings are due on demand.

Investment Properties

At January 31, 2022, the Company has borrowed $119,437,038 (2021 - $100,000) on available credit and construction financing facilities in the form of Canadian dollar prime rate loans and bankers' acceptances. The maximum available funding under such facilities is $136,195,000 (2021 - $45,100,000). The increase in borrowings and credit facilities is primarily due new construction financing for the Company's Trails North Vancouver Phase 2B rental development and a new credit facility for the commercial property on 1290 Hornby Street in Vancouver.

The credit facilities are secured by first mortgages and assignment of rents and insurance proceeds on the related properties. The borrowings are due on demand.

General Corporate Debt

The Company's general corporate borrowings increased from $15,778,997 at January 31, 2021 to $17,448,539 at January 31, 2022. These facilities are made available by way of lines of credit with a maximum available aggregate amount of $153,033,000 (2021 - $161,909,000).

This debt is secured by fixed and floating demand debentures, second mortgages, and an assignment of rents on certain investment properties, and property, plant, and equipment. The borrowings are due on demand and interest rates are based on a spread over prime or banker acceptance rates.

During the year ended January 31, 2021, a mark-to-market loss in the fair value of an interest rate swap of $975,679 was recorded in finance costs in the statements of earnings. On September 3, 2020, the Company terminated $50,000,000 of an original interest rate swap of $75,000,000 at a cost of $655,500 and repaid $50,000,000 of the loan. On November 2, 2020 the balance of the interest rate swap of $25,000,000 was terminated at a cost of $282,905 and the loan repaid in full.

MORTGAGES PAYABLE

In these unprecedented times resulting from the COVID-19 pandemic, the Company focused on maximizing its liquidity to lock in the current low interest rates and working with its lenders to secure new financing.

Mortgages payable net of deferred financing fees increased from $364,313,874 at January 31, 2021 to $360,530,394 at January 31, 2022. All mortgages are secured by first charges over the Company's investment properties and property, plant and equipment as well as an assignment of rents and insurance proceeds.

Investment Properties

Mortgages payable on investment properties increased from $263,819,108 at January 31, 2021 to $283,752,234 at January 31, 2022. This increase is attributable to refinancing three rental properties which generated proceeds totaling $26,568,416 offset by principal payments made during the period. At January 31, 2022 and 2021, these mortgages bear interest at fixed rates ranging from 1.48% to 3.23%.

Property, Plant and Equipment

Mortgages payable on property, plant and equipment decreased from $107,373,822 as at January 31, 2021 to $84,688,990 at January 31, 2022. This decrease is primarily attributable to the Company exercising the option to temporarily reduce the loan balance by $20,000,000. On March 7, 2022, the Company paid down an additional $10,000,000. The loan can be re-drawn up to $30,000,000 at any time but not after January 31, 2023. As at January 31, 2022, this mortgage bears interest at 2.65% (2021 - 2.66%).

During the year ended January 31, 2021, a mark-to-market loss in the fair value of an interest rate swap of $2,492,685 was recorded in finance costs in the statements of earnings. On November 10, 2020, these interest rate swaps were terminated at a cost of $2,983,940.

COMMITMENTS AND CONTINGENCIES

The Company has entered into hotel franchise agreements in respect of its two hotel properties, with one maturing June 30, 2034 and the other maturing March 31, 2030. Fees paid are calculated based on a percentage of monthly gross hotel revenues and are paid monthly.

At January 31, 2022, the estimated costs to complete properties under construction are approximately $15,784,000 (2021 - $5,816,000). These costs predominantly reflect construction expenditures for the development projects.

LIQUIDITY AND FINANCIAL CONDITION

Cash and cash equivalents increased $2,150,721 from $17,963,096 at January 31, 2021 to $20,113,817 at January 31, 2022.

Net cash provided by operating activities for the year ended January 31, 2022 was $141,637,932 (2021 - $4,067,777). Condominium unit and lot sale closings in the year ended January 31, 2022 resulted in the recovery of costs totaling $124,837,069 (2021 - $103,034,747) and a reduction of deposits held in trust on real estate sales of $37,425,778 (2021 - increase of $33,532,671). The increase in cash was offset by a decrease in deposits payable of $26,490,873 (2021 - $20,739,502). During the year ended January 31, 2022, the Company paid interest of $16,433,063 (2021 - $22,580,987) and paid income taxes of $17,142,435 (2021 - $12,299,044).

Cash used in financing activities for the year ended January 31, 2022 was $82,627,201 primarily due to the repayment of loans from shareholder of $48,000,000 and the share purchase of $24,000,000. Bank and other indebtedness increased by $13,441,187 which consisted of an increase in general corporate debt of $1,669,542, increase in debt on investment properties by $119,337,038 offset by a decrease in construction financing for properties under development of $107,565,393. Other financing activities during the year ended January 31, 2022 included the refinancing of three rental properties for proceeds of $26,568,416 and reduction of the mortgage payable on property, plant and equipment of $20,000,000. Cash used in financing activities for the year ended January 31, 2021 was $32,107,532, primarily due to the repayment of bank indebtedness and mortgages payable totaling $129,849,285 offset by proceeds from mortgage payable of $43,579,072 and proceeds from shareholder loans of $48,000,000.

DISCLOSURE OF OUTSTANDING SHARE DATA

The authorized capital of the Company consists of 54,000,000 common shares without par value. The number of common shares issued and fully paid as at January 31, 2022 was 32,453,365 (2021 – 33,953,365).

On March 17, 2021, the Company repurchased 1,500,000 common shares of the Company (the "Common Shares") or approximately 4.42% of the 33,953,365 Common Shares that were then issued and outstanding. The purchase price was $24,000,000, or $16.00 per Common Share. Of the total, 1,100,000 Common Shares were cancelled on March 24, 2021 and the balance on April 8, 2021.

The repurchase and cancellation was made as an exempt issuer bid pursuant to section 4.7 National Instrument 62-104 - Take-Over Bids and Issuer Bids ("NI 62-104"). The price per Common Share was calculated to comply with the requirements of section 1.11 of NI 62-104.

At the Company's annual general meeting on May 29, 2008, the shareholders approved the Company's Stock Option Plan (2008) (the "Stock Option Plan"). Under the Stock Option Plan, options may be granted to any director, officer or employee of the Company. The number of Common Shares reserved for all purposes under the Stock Option Plan is 3,200,000, which represented approximately 10% of the Company's total issued and outstanding Common Shares at the date of approval.

The exercise price of an option will not be less than the price at which the last recorded sale of a board lot of common shares took place on the Toronto Stock Exchange (the "TSX") during the trading day immediately preceding the date of grant; if there was no such sale, the volume-weighted average trading price on the TSX for the common shares for the five trading days immediately preceding the date of the grant.

During the years ended January 31, 2022 and 2021, no options were granted; 1,310,000 common shares are available for future issuance under the Stock Option Plan.

DIVIDENDS

The Company has a flexible dividend policy, and the amount and timing of dividends is based on the cash flow of the Company and the cash flow required by the Company to meet planned growth and to fund future developments and investments. Given the reduction of the earnings from the hotel operations due to the negative impact of COVID - 19 on the travel and tourism industry, no dividends were paid or approved during the years ended January 31, 2022 and 2021.

CRITICAL ACCOUNTING ESTIMATES

The preparation of Financial Statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Financial Statements, and the reported amounts of revenues and expenses during the reporting period. The Company's significant accounting estimates and judgements are described in note 2 to the Financial Statements, and the Company's significant accounting policies are described in note 3 to the Financial Statements.

CHANGES IN ACCOUNTING POLICIES

The Company's significant accounting policies and standards are described in note 3 of the Financial Statements.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

Disclosure controls and procedures within the Company have been designed to provide reasonable assurance that all relevant information is identified to senior management to ensure appropriate and timely decisions are made regarding public disclosure. The Company's management, including the President, the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"), have designed internal controls over financial reporting (as defined in National Instrument 52-109 - Certification of Disclosure in Issuers' Annual and Interim Filings) to provide reasonable assurance regarding the reliability of the Company's financial reporting and its preparation of financial statements for external purposes in accordance with IFRS.

Under the supervision of the President, the CEO and the CFO, the operating effectiveness of the disclosure controls and procedures and internal control over financial reporting were assessed using the criteria set forth by the Integrated Framework issued by the Committee of Sponsoring Organization of the Treadway Commission in Internal Control Over Financial Reporting. Based on these evaluations, the CEO and the CFO concluded that as at January 31, 2022:

(i) Disclosure controls and procedures were effective to provide reasonable assurance that material information was made known to management and information required to be disclosed by the Company in its annual filings, interim filings and other reports filed by the Company under securities legislations was recorded, processed, summarized and reported within the periods specified in securities legislation.

(ii) Internal controls over financial reporting were effective to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

For the year ended January 31, 2022, there has been no change in the Company's internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting. The Company's management will continue to periodically evaluate the Company's disclosure controls and procedures and internal control over financial reporting and will make any modifications from time to time as deemed necessary.

Based on their inherent limitations, disclosure controls and procedures and internal control over financial reporting may not prevent or detect misstatements, and even those controls determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As at January 31, 2022, the Company's financial assets and liabilities consisted primarily of cash and cash equivalents, amounts receivable, deposits held in trust, notes receivable, accounts payable and accrued liabilities, mortgages payable, deposits on real estate sales, due to related party, loans from shareholders, and bank and other indebtedness. These financial instruments relate to the Company's normal course of business, with respect to the financing of its day-to-day operations, capital expenditures and acquisitions.

The carrying values of the Company's amounts receivable, deposits held in trust, notes receivable, due to related party, deposits on real estate sales, accounts payable and accrued liabilities generally approximate their fair values due to their short-term nature. The face value of bank and other indebtedness approximates its fair value, as it is due on demand. The fair value of mortgages payable is estimated by discounting the future contractual cash flows at the market interest rate that is available to the Company for similar financial instruments. The fair value of the mortgages payable at January 31, 2022 was $367,500,000 (2021 - $381,127,000).

The Company is exposed to interest rate and credit risks associated with its financial assets and liabilities. Management continually performs risk assessments to ensure that all significant risks related to the Company's operations have been reviewed and assessed to reflect changes in market conditions and the Company's operating activities. The Company does not enter into financial instrument arrangements for speculative purposes.

Interest Rate Risk

Certain debt on the Company's properties bears interest at floating rates. Fluctuations in interest rates will impact the cost of financing incurred in the future. The Company monitors its interest rate exposure on an ongoing basis.

Based on the debt outstanding at January 31, 2022, management has determined that every 1% increase or decrease in the applicable interest rates results in a corresponding $2,380,000 decrease or increase in the Company's annual earnings before income taxes.

The Company used interest rate swap contracts to effectively fix the interest rate on certain bank indebtedness and mortgages payable during the year ended January 31, 2021. As hedge accounting was not applied, the contracts were carried at fair value and reported as assets (positive) or liabilities (negative) depending on the fair value on the reporting date. The change in fair value was recognized in net earnings for the year. The fair value of the interest rate swap contracts is calculated through discounting future expected cash flows using the bankers' acceptance based swap curve adjusted for credit risk.

For the year ended January 31, 2021, a mark-to-market loss in the fair value of the interest rate swap of $3,468,364 was recorded in the statement of earnings. All interest swaps were terminated during the year ended January 31, 2021 as part of the Company's strategy to access refinancing at lower interest rates. The total mark- to-market liabilities were discharged and termination fees totaling $3,922,345 were paid during the year ended January 31, 2021.

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligation. The maximum exposure to credit risk is the full carrying value of the financial instrument.

The Company is exposed to credit risk with respect to amounts receivable. This risk is mitigated by the Company's general policy to secure loans receivables with real estate property. For its hotel operations, the Company's credit policy is designed to ensure there is a standard credit practice throughout the Company to measure and monitor credit risk. The policy outlines delegation of authority, the due diligence process required to approve a new customer or counterparty and the maximum amount of credit exposure per single entity. The Company also regularly monitors credit risk and exposure to any single customer or counterparty.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the maintenance of sufficient available credit facilities to support the Company's ongoing operational and capital requirements.

A centralized treasury function ensures that the Company maintains funding flexibility by assessing future cash flow expectations and by maintaining sufficient headroom on its committed borrowing facilities.

The Company's bank and other indebtedness are repayable on demand, which creates a liquidity risk. The Company uses these loans to finance its development operations, and believes it could convert these loans into long term if desired. As at January 31, 2022, the Company was either in compliance with or had received accommodations from lenders with respect to its related loan covenants, has made all required principal repayments, and has generated positive cash flow from its combined rental and hotel operations, which are used to fund interest costs associated with the operating loans.

The following table summarizes the Company's contractual obligations over the next five fiscal years:

As at January 31, 2022	Carrying amount	Total contractual cash flows	Less than one year	1-5 years	More than 5 years
Accounts payable and accrued liabilities	$ 21,463,405	$ 21,463,405	$ 21,463,405	$ -	$ -
Bank and other indebtedness	187,455,186	187,455,186	187,455,186	-	-
Due to related party	12,000,000	12,000,000	12,000,000	-	-
Loans from shareholder	20,000,000	20,000,000	20,000,000	-	-
Mortgages payable	368,441,224	411,853,687	104,736,710	117,389,536	189,727,441
	$ 609,359,815	$ 652,772,278	$ 345,655,301	$ 117,389,536	$ 189,727,441

Based on the performance of the Company to date and the support from its lenders, the Company believes that the liquidity risk described above is manageable and has implemented strategies, including regular monitoring of debt covenants and cash flows in order to support this conclusion.

Over the current fiscal year, the Company's credit requirements consist of the following:

- Cashflow to maintain hotel operations until the hospitality industry regains momentum following the COVID-19 pandemic.
- Capital improvements to certain investment properties which will be funded primarily from operating cash flow.
- Construction financing for properties under development. It is management's policy to not proceed with significant new construction or land purchases if financing commitments are not in place.

OFF-BALANCE SHEET FINANCING

In the normal course of development operations, the Company is required to issue letters of credit to various municipalities (or other beneficiaries) in which its developments are being conducted. These letters of credit are to secure the Company's obligations pursuant to development agreements signed with the beneficiaries and include a wide range of works and services, such as those related to off-site civil works, street lighting, on-site and off-site landscaping, public art, energy standards, and various public amenities. The beneficiaries have the right to call on the letters of credit if the Company defaults on its obligations, which obligates the Company to pay money to the beneficiaries based on terms outlined in the letters of credit.

Under IFRS, these letters of credit are disclosed as commitments of the Company and only recorded on the Consolidated Statements of Financial Position if they are drawn upon. As at January 31, 2022, the Company has total outstanding letters of credit of $16,781,405 (2021 - $16,028,824).

TRANSACTIONS BETWEEN RELATED PARTIES

As at January 31, 2022, the Company had a loan payable of $20,000,000 (2021 - $68,000,000) due to a company owned by Mr. Peter Wall, a significant shareholder of the Company. The $20,000,000 is used to fund activities for the Trails project, and is secured by a charge over that property and a guarantee from the Company, bears interest at 6.00% and is due on demand.

During the year ended January 31, 2022, the Company recorded and paid interest on these loans totaling $1,297,231 (2021 - $1,278,227).

On April 14, 2022, the Company repaid the $20,000,000 loan payable due a company owned by Mr. Peter Wall.

The Company has entered into co-owners' and project participation agreements with PWO Investments Ltd., a wholly owned company of Mr. Peter Wall, a significant shareholder of the Company, and BJW Investments Ltd., a wholly owned company of Mr. Bruno Wall, the President of the Company, (collectively referred to as the "Wall Equity Companies"), with respect to certain properties under development for sale.

The Wall Equity Companies have collectively provided up to 25% of the equity to finance such properties. In the fiscal year 2005, the Company amended its compensation plan and the project participation agreement to reduce the amount of compensation that Mr. Peter Wall and Mr. Bruno Wall receive from the Company and to increase by a corresponding amount the consideration which the Wall Equity Companies may receive pursuant to the project participation agreement, up to a maximum of 40%. The amendments do not directly or indirectly increase the Company's liabilities, obligations, or costs. Non-controlling interest at January 31, 2022 includes $4,004,397 (2021 - $4,722,200) relating to these agreements with the Wall Equity Companies.

All other agreements entered into with any related party will be based on a profit share in proportion to their capital investment in the respective projects. These agreements include the following three projects:

1. The Company has a 28.6% interest the Trails project, a property located in North Vancouver, B.C. and will guarantee all loans incurred in respect of the property and its development. The other investors in this property include a wholly owned company of Mr. Bruno Wall, the President of the Company, and a wholly owned company of Mr. Michael Redekop, a director of the Company, which in aggregate comprise an 18.60% interest in this property. All the other remaining investors are arm's length with the Company.

   At January 31, 2022, non-controlling interests relating to this project excluding Phase 2 totaled $42,824,260 (2021 - $42,685,531), and includes the interest held by Mr. Bruno Wall's company in the amount of $8,564,852 (2021 – $8,603,192), and by Mr. Michael Redekop's company in the amount of $2,569,456 (2021 – $2,580,957).

   On February 4, 2022, the Company purchased an additional 14.29% interest in this project excluding Phase 2 for $5,600,000 bringing the Company's total interest to 42.86%.

   On January 19, 2021, the Company purchased an additional 28.6% in the Trails Phase 2 for a gross purchase price of $7,631,142. The Company's total interest in Trails Phase 2 after this purchase is 57.1%.

   At January 31, 2022, non-controlling interests relating to Trails Phase 2 totaled $1,705,875 (2021 - $5,369,180), and includes the interest held by Mr. Bruno Wall's company in the amount of $568,626 (2021 - $1,789,726), and by Mr. Michael Redekop's company in the amount of $170,588 (2021 - $536,918).

2. As discussed under "Development Properties" in this MD&A, a wholly owned company of Mr. Bruno Wall holds a 25% interest in the Ivy on the Park project on leased land at the University of British Columbia.

   As at January 31, 2022, this interest represents $8,748,432 (2021 - $7,492,156) in non-controlling interests.

3. The Company, through a partnership, previously intended to jointly redevelop a property located in Vancouver, B.C. with a wholly owned company of Mr. Bruno Wall, which owns a 50% interest.

   On January 21, 2022, the Company acquired the remaining 50% interest in this property bringing the Company's total interest to 100%. On the date of the transaction, the carrying value of the 50% non-controlling interest was $20,168,532 (2021 - $20,152,277). The consideration paid included the assumption of a $12,000,000 demand loan and cash paid of $6,401,366, totaling $18,401,366. The difference was recorded as an increase to the Company's retained earnings. The $12,000,000 loan assumption is recorded as a due to related party as at January 31, 2022. On March 7, 2022, this due to related party was repaid in full.

As at January 31, 2022, a note receivable of $1,050,000 was due from PWO Investments Ltd., and notes receivable of $7,012,991 were due from BJW Investments Ltd. In relation to the project participation agreements, on February 2, 2022, the Company made distributions to PWO Investments Ltd. and BJW Investment Ltd. which was settled in full with the notes receivable.

In February 2016, the Company leased premises at the Wall Centre Downtown (the "Premise") to 1062682 BC Ltd. (the "Tenant"), a wholly owned company of Mr. Peter Wall, for a term of 10 years commencing on April 1, 2016. Under this agreement, the Tenant pays a base rent of $14,286 per month. The Tenant is responsible for its operating costs, while the Company is responsible for property taxes and utilities in respect of the Premise.

In the normal course of its business activities, the Company sells individual condominium units in properties held-for-sale to significant shareholders, directors, and officers on similar terms as sales to unrelated parties. As at January 31, 2022 and 2021, the total value of the condominium units in properties under development for sale under contract to shareholders, directors, and officers to be received upon closing is nil.

During the year ended January 31, 2021, the Company closed the sale of two condominium unit to officers of the Company for aggregate gross proceeds of $2,099,800.

These transactions are in the normal course of business and are measured at the exchange amount of consideration established and agreed to by the related parties. In management's opinion, the exchange amount approximates fair market value.

CAPITAL MANAGEMENT

The Company's primary objective when managing capital is to provide financial capacity and flexibility to meet its strategic objectives.

The Company's liquidity needs are for development costs, potential property acquisitions, scheduled debt maturities and non-recurring capital expenditures. The Company's strategy is to meet these needs with one or more of the following: cash flow from operations; credit facilities and refinancing opportunities.

The following schedule details the components of the Company's capital:

	January 31, 2022	January 31, 2021
Liabilities:		
Bank and other indebtedness	$ 187,455,186	$ 174,013,999
Loans from shareholder	20,000,000	68,000,000
Due to related party	12,000,000	-
Mortgages payable	360,530,394	364,313,874
Shareholders' equity:		
Share capital	24,099,401	24,099,401
Non-controlling interest	62,384,929	86,006,956
Total capital	$ 666,469,910	$ 716,434,230

As at January 31, 2022, the Company was either in compliance with or had received accommodations from lenders with respect to its related loan covenants, has made all required principal repayments, and has generated positive cash flow from its combined rental and hotel operations, which are used to fund interest cost associated with the operating loans.

OUTLOOK FOR OPERATING CONDITIONS

The declaration of the COVID-19 virus as a pandemic by the World Health Organization on March 11, 2020, and the subsequent governmentally imposed or suggested restrictions globally, domestically and locally have had a significant impact on the Company's hotel business over the past two fiscal years. Now that many restrictions are being lifted, the hotel operations are beginning to improve. Rental apartment operations and development projects have been much less impacted. The situation is dynamic and the ultimate duration of the impacts remain unknown.

Hotel Operations

Our hotel operations have been most profoundly impacted by the pandemic and we anticipate this will be on-going at least until May or June, 2022. We continue to benefit from Canada's THRP subsidy program which has been extended to May, 2022. Occupancy rates and forward bookings for the next 4-6 months have recently improved significantly and we anticipate this trend continuing for the rest of the year.

Our lenders remain supportive and have waived debt service covenants; we have repaid some of the debt serviced by the hotels using funds received from development projects and rental apartment re-financing.

Rental Apartments

We continue to see a notable increase in demand for rental housing resulting in lower vacancies and increasing rents for units as they turnover. Operating costs, especially for insurance, utilities and property tax, continue to increase.

We have re-commenced with renovations to older units upon tenant turnover. There was no new financing activity this past quarter.

Development Properties

Closings at Ivy on the Park continue with 216 sales closed to date and 220 firm sales in place. Our objective is to sell the remaining units by July 31, 2022.

At Trails, Phase 1B consisting of 48 units, has development permit approval and we expect to commence with construction in May, 2022.

Trails Phase 2B, which consists of 104 strata rental units is under construction with CMHC construction and term financing in place, with completion anticipated by August, 2022.

The Cambie & 43rd property was sold as of March 4, 2022.

We continue to work through the approval process for our various proposed projects. The 10 acre site on Hastings in North Burnaby is part of the Lochdale neighbourhood and the community plan for this area is under review and we anticipate approval by July, 2022 after which we can submit for a rezoning application for a mixed use residential and commercial development. At the Crofton property, on West 41st Avenue in Kerrisdale, we plan to submit a rezoning application in late 2022 or early 2023.

The rezoning application for the Hornby & Drake property was submitted in March, 2022 and we anticipate City Council to review it by October, 2022.

Financing

The Company's credit facilities are generally in good standing with our hotel lenders providing forbearance on debt coverage requirements. We have negotiated reduced interest rate financing on some of our rental properties.

NON-IFRS MEASURES

The Company has included certain non-IFRS financial measures throughout this MD&A. Management believes that in addition to conventional measures prepared in accordance with IFRS, investors use these non-financial IFRS measures to evaluate the Company's performance, its ability to generate cash flows and its financial condition. Accordingly, these non-IFRS financial measures are intended to provide additional information and should not be considered in isolation or as a substitute for performance measures prepared in accordance with IFRS. These terms are not recognized under IFRS; as a result, they do not have standardized meanings prescribed by IFRS and may not be comparable to measures used by other issuers in the real estate industry. These non-IFRS financial measures used in this MD&A are defined below.

Gross margin = gross revenues less cost of sales and operating expenses.

Revenue and other income = gross revenue plus investment and other income.