

COOPERS PARK CORPORATION
(the “Corporation”)

Management’s Discussion and Analysis of Operations
for the three months ended March 31, 2008

Introduction

This discussion and analysis should be read in conjunction with the unaudited consolidated financial statements of the Corporation for the three months ended March 31, 2008 and the notes thereto. The unaudited consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles (“GAAP”). This discussion and analysis is prepared as of May 22, 2008.

Forward-Looking Information

This discussion and analysis may contain forward-looking information within the meaning of applicable securities laws in Canada relating to the Corporation. The words “anticipate”, “believe”, “estimate”, “expect” and similar expressions, as they relate to the Corporation or its management, are intended to identify forward-looking information, although not all forward looking information may be identified by these words. This forward-looking information relates, inter alia, to sufficiency of working capital, construction costs and interest rate risk. The forward-looking information is based upon assumptions made by management and upon information available to the Corporation. Such statements reflect the current views of the Corporation with respect to future events and are subject to certain risks, uncertainties and assumptions. These and other risk factors that may affect the actual results achieved by the Corporation are contained in this discussion and analysis. Many factors could cause the actual results, performance or achievements of the Corporation to differ from any current expectations that may be expressed or implied in such forward-looking information and these differences may be material. All forward-looking information in this discussion and analysis is qualified entirely by this cautionary statement and, except as may be required by applicable law, the Corporation undertakes no obligation to revise or update any forward-looking information as a result of new information or future events or otherwise after the date hereof.

Formation of the Corporation and Commencement of Business

The Corporation did not own any material assets or carry on any business prior to January 21, 2005. On January 21, 2005, the Corporation entered in an agreement (the “Purchase Agreement”) to purchase certain building sites (“Building Sites”) from an affiliate of Concord Pacific Group Inc. (“CPGI”) at Concord Pacific Place in Vancouver, British Columbia.

The following is a summary of the principal terms of the Purchase Agreement:

Purchase Price for each Building Site

<u>Building Site</u>	<u>Purchase Price⁽¹⁾⁽²⁾</u>
6A	\$ 9.5 million
6BD	35.2 million
Total	<u>\$44.7 million</u>

Notes:

- (1) The purchase price includes a portion of the estimated costs to be incurred by CPGI in constructing the recreational facilities included in a building adjacent to the Building Sites, to which residents of the buildings on the Building Sites are to have access, and includes costs incurred in attaining a development permit for each Building Site.
- (2) The purchase price will be increased by the percentage increase in a stipulated market based housing price index from December 1, 2004 to the completion of the purchase of the Building Sites.

Deposit

The Corporation paid \$12.5 million to CPGI as a deposit, to be applied, pro rata, against the purchase price payable for a Building Site upon completion of the purchase of that Building Site.

Environmental Matters

Under the Purchase Agreement, CPGI has agreed to take all actions to remove or otherwise remediate any contaminates on the Building Sites.

Construction of Required Infrastructure

Under agreements entered into with the City of Vancouver (the "City") in connection with the zoning for the Building Sites, before an occupancy permit is issued by the City for any building to be constructed on a Building Site, certain infrastructure work must be completed to the satisfaction of the City.

CPGI has agreed, in the Purchase Agreement, to carry out and pay for all work required to obtain a development permit from the City for each building to be constructed on the Building Sites, and to construct and complete the infrastructure.

Completion of Purchase

On January 25, 2008, the Corporation completed the purchase of Building Site 6A. The final purchase price was \$15,997,731 after taking into account the increase in the purchase price by the percentage increase in the stipulated market based housing price index in accordance to the Purchase Agreement.

Had the completion of the purchase of the Building Site 6BD occurred on March 31, 2008, the stipulated market based housing price index was 1.7083 (December 31, 2007 - 1.6560) resulting in an estimated purchase price for Building Site 6BD on that date of \$60,132,160 (December 31, 2007 - \$58,291,000). The Corporation expects to complete the purchase of Building Site 6BD in the fourth quarter of 2008.

Vision, Core Business and Strategy

The Corporation, through its subsidiaries, is involved in the construction and marketing of three residential condominium buildings on Building Sites it has agreed to acquire from CPGI. In the future, the Corporation may engage in other opportunities in the real estate and technology sectors, depending upon market conditions and available financing. In August 2006, the Corporation acquired certain preferred shares of D-Wave Systems Inc., a privately held technology company, from CPGI. In June 2007, the Corporation acquired certain preferred shares of Sutus Inc., a private technology company. Before the reorganization of the Corporation in January 2005, the Corporation's wholly owned subsidiary, Coopers Park Real

Estate Development Corporation (formerly called “Infowave Software, Inc”) was an early stage information technology company.

The Corporation completed the construction of the building on Building Site 6A in November 2007. As at March 31, 2008, the Corporation completed the sale of 76 units in this building. Three units are under contract for sale, and the sales are expected to be completed later in 2008. Seven units in this building are unsold.

As at March 31, 2008, the Corporation had entered into sales agreements with purchasers for 125 of the 133 residential condominium units in the building known as Mariner under construction on Building Site 6BD. This building is expected to complete in December 2008.

As at March 31, 2008, the Corporation had entered into sales agreements with purchasers for 96 of the 112 residential condominium units in the building known as Flagship under construction on Building Site 6BD. This building is expected to complete in October 2008.

Critical Accounting Policies and Estimates

This discussion and analysis is made with reference to the Corporation’s unaudited consolidated financial statements for the three months ended March 31, 2008 (the “reporting period”), the end of the first quarterly reporting period of the Corporation. The unaudited consolidated financial statements of the Corporation were prepared in accordance with GAAP. The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of our financial statements, and the reported amount of revenues and expenses during the period. These estimates are based on our historical experience and various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgements about the reported amounts of revenues and expenses, and the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results could differ from these estimates.

The Corporation has identified the accounting policies and estimates outlined below as critical to an understanding of the Corporation’s business operations and our results of operations. The impact and any associated risks related to these policies and estimates on the Corporation’s business operations are discussed throughout this discussion and analysis.

The Corporation’s Audit Committee reviews the Corporation’s accounting policies and all annual and interim filings, and recommends adoption of our annual and interim financial statements to our Board of Directors.

The Corporation’s critical accounting policies and estimates are as follows:

Adoption of new accounting standards

On January 1, 2008, the Corporation adopted Canadian Institute of Chartered Accountants (CICA) Handbook Section 1535, “Capital Disclosures”; Section 3862, “Financial Instruments – Disclosures”; and Section 3031, “Inventories; and the amendments to CICA Handbook sections and accounting guidelines resulting from the issuance of these sections.

a) **Capital Disclosures**

This new standard requires the disclosure of the Corporation's objectives, policies and processes for managing capital, quantitative data about what the entity regards as capital, and whether the Corporation has complied with any capital requirements and, if it has not complied, the consequences of such non-compliance.

b) **Financial Instruments - Disclosure**

This new standard replaces Section 3861, "Financial Instruments - Disclosure and Presentation". It revises and enhances the disclosure requirements related to the significance of financial instruments on the Corporation's financial position and performance and the nature and extent of risk from financial instruments to which the Corporation is exposed and how the Corporation manages those risks.

c) **Inventories**

This new standard prescribes the measurement of disclosure of inventories and provides guidance on the determination of cost and subsequent recognition as an expense. The measurement changes include the requirement to measure inventories at the lower of cost and net realizable value, the allocation of overhead based on normal capacity, the requirement for an entity to use a consistent cost formula for inventory of a similar nature and use, and the reversal of previous write-downs to net realizable value when there is a subsequent increase in the value of inventories. There were no material impacts by adopting the new standard.

Future accounting changes

The CICA plans to transition Canadian generally accepted accounting principles for public companies to International Financial Reporting Standards (IFRS). The effective changeover date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The impact of the transition to IFRS on the Corporation's consolidated financial statements is not yet determinable.

Principles of consolidation

The consolidated financial statements include the accounts of the Corporation and its wholly owned subsidiaries, Coopers Park Real Estate Development Corporation, Coopers Park Real Estate Trust, Coopers Park Investment Holdings Limited, Mariner Towers Limited, and Mariner Towers Limited Partnership.

All intercompany transactions and balances have been eliminated.

Properties under development

Properties under development and held for sale are recorded at the lower of cost and their estimated net realizable value.

Cost includes all expenditures incurred in connection with the acquisition, development, and construction of these properties. These expenditures consist of all direct costs, interest on debt incurred to finance the acquisition, development and construction, and certain general and administrative expenses that are directly attributable to the properties.

Incidental revenue, specifically relating to such properties earned during the holding, development and construction phases is treated as a reduction in cost.

The Corporation provides for an impairment provision where the carrying value of the particular property exceeds its estimated net realizable value.

Management's estimates of the net realizable value of its properties are based on the best available information at the time of assessment. Costs are inherently subject to fluctuation and unforeseen costs or expenses could be incurred in the holding, development and construction processes. The costs associated with the Corporation's projects could be significantly increased by events outside the Corporation's control, including increases in interest rates and increases in development and construction costs. The Corporation's anticipated revenues from its properties are based on the sale of an estimated number of units of each project at estimated prices that are subject to market forces. There can be no assurance that the various assumptions will be realized or that the properties will not be adversely affected by unforeseen economic factors, resulting in a diminution in the anticipated value of the Corporation's projects.

Revenue recognition

Revenue from the sale of condominium units is recorded when title transfers to the purchasers, they are entitled to occupancy, there is persuasive evidence of an arrangement for the sale of the property, the proceeds are fixed and determinable and collection of the sale proceeds is reasonably assured.

Cost of properties sold

Cost of properties sold is determined using the net yield method whereby the cost of properties sold for the period is a pro-rated amount of the total estimated costs for the project based on sales for the period versus projected sales for the entire project.

Warranty costs

Estimated future warranty costs are accrued and charged to cost of sales in the period in which revenues are recognized from the sale of properties. The recognized amount of future warranty costs is based on the Corporation's best information and judgment and is based in part upon management's historical experience. The inherent uncertainty associated with real estate development makes it reasonably possible that future conditions may materially affect the amount of any warranty obligations. An increase in the provision for warranty costs, with a corresponding charge to earnings, is recorded in the period in which management estimates that additional warranty obligations are likely.

Cash and cash equivalents

For purposes of determining cash flows, cash and cash equivalents consists of deposits with banks and highly liquid short-term interest bearing securities with maturities at the date of purchase of three months or less and excludes cash subject to restrictions that prevent its use for current purposes.

Prepaid expenses

Sales commissions directly associated with selling condominium units are recorded as prepaid expenses until the period in which revenue from the sale of the condominium units is recognized at which time the sales commissions are charged to selling costs.

Income taxes

The Corporation applies the asset and liability method of accounting for income taxes. Under this method, current income taxes are recognized for the estimated income taxes payable for the current period. Future income tax assets and liabilities are recognized in the current period for temporary differences between the tax and accounting bases of assets and liabilities as well as for the benefit of losses available to be carried forward to future years for tax purposes. Future income tax assets and liabilities are measured using substantively enacted tax rates and laws expected to apply in the years in which those temporary differences are expected to be recovered and settled. The effect of a change in tax rates on future income tax assets and liabilities is recognized in operations in the period that includes the substantive enactment date. A valuation allowance is recognized to the extent it is more likely than not that future income tax assets will not be realized.

Earnings per share

Earnings (loss) per common share is computed by dividing the net earnings (loss) by the weighted average number of voting and non-voting common shares outstanding during the year using the treasury stock method.

Use of estimates

The preparation of consolidated financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported and disclosed in the consolidated financial statements. Actual results may differ from those estimates.

Estimating the net realizable value of the Corporation's properties under development and future income tax assets and the fair value of the Corporation's investments requires management to make estimates and assumptions due in part to the uncertainties associated with the development of residential real estate. Accordingly, by their nature, such estimates are subjective and do not result in precise determinations. It is possible that changes may occur that could materially affect the estimated realizable amounts.

Selected Financial Information

The following financial data has been prepared in accordance with GAAP.

	March 31, 2008 \$	December 31, 2007 \$
Total assets	115,734,487	128,320,383
Total construction financing	61,822,515	61,822,515
Net earnings (loss) and comprehensive earnings (loss) for the period	2,109,074	38,677,928

Revenues and loss for the reporting period are discussed in detail in the following sections.

Total assets at the end of the reporting period consisted primarily of:

	March 31, 2008 \$	December 31, 2007 \$
Land and deposit with a related party on purchase of Building Sites	13,662,872	13,656,359
Development costs	92,884,677	82,902,271
Interest	5,871,307	5,014,331
Cost of properties sold	(25,484,419)	(21,800,827)
	86,934,437	79,772,134
Cash and cash equivalents	4,299,805	5,858,119
Cash held in trust	58,933	17,386,537
Investments	738,555	738,555
Amounts receivable and prepaid expenses	4,300,757	3,738,038
Future income taxes	19,402,000	20,827,000
	115,734,487	128,320,383

As at March 31, 2008, \$58,933 (December 31, 2007 - \$3,178,395) was held at a lawyer representing a portion of the cash proceeds received on the completion of the units of Coopers Pointe held in trust for statutory lien and deficiency holdbacks. An additional amount of \$nil (December 31, 2007 - \$14,208,142) was held in trust for GST and an amount payable to CPGI for the completion of Building Site 6A.

In addition, deposits paid by purchasers under purchase agreements for the purchase of condominium units in the buildings to be constructed on the Building Sites the Corporation has agreed to acquire are held in trust, by law, by a licensed real estate agent or a lawyer until the purchase is completed or the purchase agreements are otherwise terminated. Such amounts held in trust are not recognized in the Corporation's balance sheet.

The construction loans for Mariner and Flagship will be repaid by the earlier of six months after completion of the project and December 31, 2008.

The Corporation has an obligation to pay for the purchase price of the Building Site 6BD when CPGI completes the Remediation and Infrastructure Work. The Corporation does not expect CPGI to complete this work for Building Site 6BD until the end of 2008, at or about the time that the sales by the Corporation of the condominium units under construction on the Building Site 6BD by the Corporation are expected to be completed.

Results of Operations

Sales revenue for the reporting period from the completion of the sales of condominium units constructed by the Corporation on the Building Site 6A was \$7,443,604 (March 31, 2007 - \$nil) and the cost of these condominium units (including the cost of land) was \$3,683,592. The cost of the land was calculated based on the historical book value of Building Site 6A to CPGI of \$3,812,959 that was capitalized to properties under development during the year ended December 31, 2007. The balance of the purchase price of \$12,184,772 less income taxes of \$4,050,000 was charged to retained earnings.

Operating expenses amounted to \$155,873 for the reporting period (March 31, 2007 - \$131,107). Under an agreement with CPGI (the "Administration Agreement"), all management and administrative services required by the Corporation in the conduct of its business are provided by CPGI. The Corporation and CPGI have agreed that the amount of \$19,828 per month represents a reasonable estimate of the amount of the costs incurred by CPGI in providing these services, and is the monthly amount payable by the Corporation to CPGI for these services. The Corporation incurred legal and professional fees of \$47,639 (March 31, 2007 - \$19,869), audit and accounting fees of \$6,000 (March 31, 2007 - \$6,000) and directors' fee of \$7,500 (March 31, 2007 - \$nil) in the reporting period. The Corporation does not incur any separately identifiable selling, general and administrative expense, other than the amount of \$35,250 (March 31, 2007 - \$45,756) which was incurred in respect of insurance, office stationery, telephone, annual general meeting and miscellaneous expenses.

The Corporation has estimated a recovery of future income taxes of \$20,827,000 in 2007 based on the an opinion received from legal counsel to the effect that it is more likely than not that these losses are deductible by the Corporation in the calculation of its net income for income tax purpose. As stated in note 9 to the Corporation's consolidated financial statements, some of the non-capital losses of the Corporation for income tax purposes have been applied to the net income before taxes of the Corporation. The risk associated with the estimation is addressed in the section on Risk Management.

Net earnings and comprehensive earnings for the reporting period was \$2,109,074 (March 31, 2007 - net loss and comprehensive loss of \$130,673).

The basic and diluted earnings per share for the reporting period was \$0.03 (March 31, 2007 - \$nil).

GAAP requires the Corporation to calculate its earnings using the historical book value of Building Site 6A to CPGI. Had earnings for the reporting period been calculated on the basis of the purchase price paid by the Corporation for Building Site 6A of \$15,997,731, net earnings for the reporting period would have been \$1,208,939 and earnings per share for the reporting period would have been \$0.01.

Summary of reporting period results

The Corporation's operating results over the reporting period is summarized as follows:

	Three months ended March 31, 2008 \$	Three months ended March 31, 2007 \$
Property sales	7,443,604	-
Cost of properties sold	3,683,592	-
Selling costs	118,548	-
	3,641,464	-
Expenses		
General and administrative	108,234	111,238
Legal and professional	47,639	19,869
	155,873	131,107
Interest Income	48,483	434
Earnings (loss) before income taxes	3,534,074	(130,673)
Provision for income taxes		
Current	-	-
Future	1,425,000	-
	1,425,000	-
Net earnings (loss) and comprehensive earnings (loss) for the period	2,109,074	(130,673)
Basic and diluted earnings (loss) per share (1)	0.03	-

Note (1) After giving effect to the consolidation of the Corporation's outstanding voting and non-voting common shares on a 1-for-40 basis on April 12, 2007.

Share Capital

Details of securities issued during the reporting period are outlined below.

- There were no options granted during the reporting period.
- Authorized and issued share capital of the Corporation are as follows:

Authorized: An unlimited number of voting common shares and non-voting common shares

Issued:

	Number of voting common shares	Number of non-voting common shares	Total number of common shares	Amount \$
Balance - December 31, 2005 and 2006	33,877,884	3,205,658,126	3,239,536,010	13,500,001
Share consolidation	(33,030,931)	(3,125,516,673)	(3,158,547,604)	-
Balance – December 31, 2007 and March 31, 2008 (1)	846,953	80,141,453	80,988,406	13,500,001

Note (1) After giving effect to the consolidation of the Corporation's outstanding voting and non-voting common shares on a 1-for-40 basis on April 12, 2007.

Summary of quarterly results

The Corporation's operating results in each of the eight completed quarters are summarized as follows:

	2008	2007				2006		
	\$	\$	\$	\$	\$	\$	\$	
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Property sales	7,443,604	45,183,464	-	-	-	-	-	-
Cost of properties sold	3,683,592	21,800,827	-	-	-	-	-	-
Selling costs	118,548	788,093	-	-	-	-	-	-
	3,641,464	22,594,544	-	-	-	-	-	-
Expenses	155,873	119,667	124,739	320,378	131,107	116,264	148,729	310,205
Interest Income	48,483	445	291	1,105	434	782	236	561
Earnings (loss) before income taxes	3,534,074	22,475,322	(124,448)	(319,273)	(130,673)	(115,482)	(148,493)	(310,644)
Recovery of (provision for) future income taxes	(1,425,000)	16,777,000	-	-	-	-	-	-
Net earnings (loss) and comprehensive earnings (loss) for the period	2,109,074	39,252,322	(124,448)	(319,273)	(130,673)	(115,482)	(148,493)	(310,644)
Basic and dilute earnings (loss) per share (1)	0.03	0.48	0.00	0.00	0.00	0.00	0.00	0.00

Note (1) After giving effect to the consolidation of the Corporation's outstanding voting and non-voting common shares on a 1-for-40 basis on April 12, 2007.

Financial Position

Properties under Contract to Purchase

The Corporation has entered into the Purchase Agreement to purchase the Building Sites. See “Formation of the Corporation and Commencement of Business”.

Debt

Construction Financing

During the year ended December 31, 2006, the Corporation entered into financing agreements with a chartered bank to provide financing for its development activities. The total commitment is \$35,700,000 and \$122,000,000 for the development of Building Sites 6A and 6BD respectively. On the completion of the sales of the units on Building Site 6A, the construction loan of \$27,887,822 for the development of Building Site 6A was repaid. During the reporting period, the Corporation financed its construction and development activities with the proceeds from the completion from the sales of the condominium units on Building Site 6A and did not draw additional loan.

Liquidity and capital resources

The Corporation had a working capital deficiency of \$461,087 as at March 31, 2008 (December 31, 2007 - working capital of \$3,167,142).

The Corporation has cash on hand of \$4,299,805 as at March 31, 2008 (December 31, 2007 - cash on hand \$5,858,119).

The Corporation believes that the amount referred to under “Construction Financing” will be sufficient to finance the construction of the buildings pursuant to the current construction budgets. The loans are to be repaid at the time of the completion of the sales of the condominium units in the Building Sites.

Off-balance sheet arrangements

The commitment to purchase the Building Sites under the Purchase Agreement is a material off-balance sheet arrangement of the Corporation. See “Formation of the Corporation and Commencement of Business”.

Related Party Transactions

The Corporation has no employees. All administrative and management functions are performed by employees of CPGI under the Administration Agreement between the Corporation and CPGI. Under this agreement, the Corporation is to reimburse CPGI for the cost incurred by CPGI for all outlays and expenses incurred by CPGI in providing administrative and management services to the Corporation, plus a fee equal to 3% of these outlays and expenses. The Corporation and CPGI have agreed that \$19,828 per month is payable by the Corporation to CPGI as a reasonable estimate of the costs incurred by CPGI in providing administrative and management services to the Corporation.

During the reporting period, CPGI charged the Corporation \$59,483 (March 31, 2007 - \$59,483) for services provided by CPGI under the Administration Agreement.

The Corporation has agreed to purchase the Building Sites pursuant to the Purchase Agreement from CPGI. See “Formation of the Corporation and Commencement of Business”. The shares of CPGI are owned directly and indirectly by certain members of the family of Terence Hui, a director and President of the Corporation, and Mr. Hui is the sole director and Chief Executive Officer of CPGI.

The Corporation has engaged Centreville Construction Ltd. (“Centreville”) as project and construction manager to manage and supervise, on behalf of the Corporation, all work required in constructing and completing the buildings to be constructed on the Building Sites. The Corporation has agreed to pay Centreville a fee of 3% of the construction costs, as defined in the agreement, for these services. Centreville is a wholly-owned subsidiary of CPGI.

During the reporting period, Centreville charged the Corporation \$302,000 (March 31, 2007 - \$225,000) for services provided by Centreville.

The Corporation has engaged Prompton Real Estate Services Inc. (“Prompton”) as its exclusive agent to market and sell the condominium units in the buildings for a fee of 3% of the selling prices of the condominium units sold by it. Prompton Real Estate Services Inc. is owned by Joseph (Chi Ho) Hui, a brother of Terence Hui.

During the reporting period, Prompton charged the Corporation \$153,069 (March 31, 2007 - \$372,003) for services provided by Prompton.

Each of the above agreements has been approved by a resolution passed by the holders of the voting common shares of the Corporation. This resolution was passed by these shareholders as part of the reorganization of the affairs of the Corporation on January 21, 2005.

During the reporting period, development costs of \$388,388 (March 31, 2007 - \$2,315,537) were charged by a company controlled by members of the family of Terence Hui.

Disclosure Controls and Procedures

The Corporation maintains appropriate information systems, procedures and controls to ensure that new information disclosed externally is complete, reliable and timely. The Chief Executive Officer and the Chief Financial Officer of the Corporation evaluated the effectiveness of the Corporation’s disclosure controls and procedures (as defined in Multilateral Instruments 52-109, “*Certification of Disclosure in Issuers’ Annual and Interim Filings*”) as at March 31, 2008 and have concluded that such disclosure controls and procedures are operating effectively.

Risk Management

The Corporation faces several areas of risk. These are summarized below, along with management’s approach to mitigating these risks, where feasible.

Risks Related to the Limited Present Business Objectives of the Corporation and the Market for the Corporation's Shares

The business objectives of the Corporation are currently limited to the construction, completion, marketing and sale of the residential condominium units in the Building Sites.

The Corporation has no plan at present to engage in activities other than the construction, completion and marketing of the Building Sites and other than the investment in the shares of D-Waves Systems Inc. and Sutus Inc. While the Corporation may engage in other activities in the future, the decision to engage in these activities will depend upon market and financial conditions and the nature of the opportunities that are available to the Corporation. Consequently, the market price of the Corporation's shares may be affected by the limited business activities of the Corporation.

The Corporation has reported a recovery of future income taxes in the year ended December 31, 2007. Some of the non-capital losses of the Corporation have been utilized for income tax purposes.

There is a risk that the non-capital losses utilized by the Corporation in the calculation of its net income for the year ended December 31, 2007 and the three-month period ended March 31, 2008 may not be deductible for purposes of determining the taxable income of the Corporation. The Corporation has received an opinion from legal counsel to the effect that it is more likely than not that these losses are deductible by the Corporation in the calculation of its net income for income tax purpose. This opinion is based upon counsel's interpretation of the applicable provisions of the Income Tax Act (Canada) and judicial cases interpreting that Act. However, there can be no assurance that the interpretation of the Act will not change in a manner that would not permit the deduction of such losses in the determination of the net income of the Corporation.

Risks Related to the Construction, Completion and Sale of the Residential Condominiums and the Residential Condominium Business

The revenues from the sale of residential condominium units may be adversely affected if demand for housing declines as a result of changes in economic and business conditions.

The residential condominium and home construction industry is cyclical and is highly sensitive to changes in general economic conditions such as levels of employment, consumer confidence and income, availability of financing for acquisitions, construction and permanent mortgages, interest rate levels, inflation, in-migration trends and demand for housing. Should current economic and business conditions decline, demand for the residential condominium units to be constructed by the Corporation could be significantly affected. Moreover, during such periods, sales prices may have to be reduced and greater incentives may have to be offered to buyers to compete for sales that may result in reduced margins. Increases in the rate of inflation, and particularly in the costs of construction could adversely affect expected profit margins by increasing costs and expenses. In particular, construction costs in Vancouver have sharply increased in recent years. In times of high inflation, demand for housing may decline and the Corporation may be unable to recover its increased costs through higher sales.

Fluctuations in real estate values may require the Corporation to write-down the book value of real estate assets.

The residential condominium and home construction industry is subject to significant variability and fluctuations in real estate values. As a result, the Corporation may be required to write-down the book value of its real estate assets in accordance with GAAP, and some of those write-downs could be material. Any material write-downs of assets could have a material adverse effect on the financial condition and earnings of the Corporation.

Interest rates and the unavailability of mortgage financing can adversely affect demand for residential condominiums.

In general, housing demand is negatively impacted by increases in interest rates and housing costs and the unavailability of mortgage financing. Most buyers of residential condominiums finance their home purchases through third-party lenders providing mortgage financing. If mortgage interest rates increase and, consequently, the ability of prospective buyers to finance condominium purchases is reduced, condominium sales, gross margins and cash flow may also be adversely affected and the impact may be material.

The financial condition and results of operations of the Corporation may be adversely affected by any decrease in the value of the Building Sites that the Corporation has agreed to purchase, as well as by the associated carrying costs.

The market value of land, Building Sites and residential condominium inventories can fluctuate significantly as a result of changing market conditions.

In addition, inventory carrying costs can be significant and can result in losses in a poorly performing project or market. In the event of significant changes in economic or market conditions, the Corporation may have to sell condominium units at significantly lower margins or at a loss.

Risks beyond the control of the Corporation may increase costs, cause project delays and reduce consumer demand for housing, all of which would adversely affect results of operations and prospects of the Corporation.

As a builder of residential condominiums, the Corporation is subject to numerous risks, many of which are beyond the control of the Corporation, including: adverse weather conditions, which could damage the buildings under construction, cause delays in completion of the buildings, or reduce consumer demand for the condominium units to be constructed in the buildings and shortages in labour or materials, which could delay completion of the buildings and cause increases in the prices for labour or materials, thereby affecting sales and profitability.

Because the business of the Corporation is geographically concentrated, sales, results of operations, financial condition and business would be negatively impacted by a decline in regional economies.

The Corporation presently only expects to develop the three buildings located at Concord Pacific Place in Vancouver, British Columbia. Because the operations of the Corporation are concentrated on these buildings and in this geographic area, an economic downturn in this market could cause housing prices and sales to decline, which could have a material adverse effect on the business, results of operations, and financial condition of the Corporation.

The Corporation may not be able to compete effectively against its competitors in the residential condominium and homebuilding industry.

The residential condominium and homebuilding industry is highly competitive. Developers compete for, among other things, desirable properties, financing, raw materials and skilled labour. There are a number of residential condominium developers that are active in the market area of similar condominium sales, and with whom the Corporation competes. In addition, there may be new entrants in the market. The Corporation also competes for sales with individual resales of existing homes and with available rental housing.

The operating results of the Corporation are variable, and these variations may be material.

The residential condominium and home building industry has historically experienced, and in the future expect to continue to experience, variability in operating results on a quarterly and an annual basis. Factors expected to contribute to this variability include, among other things:

- the timing of zoning and other regulatory approvals;
- the timing of closings of sales and level of sales;
- the condition of the real estate market and the general economy;
- delays in construction due to acts of God, adverse weather, reduced subcontractor availability, and strikes;
- changes in prevailing interests rates and the availability of mortgage financing; and
- costs of material and labour.

Many of the factors affecting the results of the Corporation are beyond its control and may be difficult to predict.

Difficulty in obtaining financing could result in increased costs and delays in completion of the buildings.

The construction of residential condominiums requires significant expenditures. Construction activities may be adversely affected by any shortage or increased cost of financing. Any difficulty in obtaining sufficient financing for the construction of the buildings could cause project delays and any such delay could result in cost increases and may adversely affect sales and future results of operations and cash flows.

The success of the Corporation depends on the management expertise and experience of personnel of CPGI.

The Corporation has engaged CPGI as “project manager” for the construction of the buildings. The success of the Corporation is dependent upon the efforts and abilities of executive officers and other key employees of CPGI, many of whom have significant experience in the residential condominium industry and in the Vancouver market. The loss of the services of any of these executives or key personnel, for any reason, could have a material adverse effect upon business, operating results and financial condition of the Corporation.

Construction defects and other building-related claims may be asserted against the Corporation.

The Corporation will agree with buyers of condominium units in the buildings to rectify construction defects within one year of completion of the buildings, and will provide insurance

for longer periods. The Corporation may be liable for damages, the cost of repairs, and/or the expense of litigation surrounding possible claims.

Governmental laws and regulations may increase expenses, or delay completion of our projects.

The Corporation is subject to numerous local, provincial, federal and other statutes, ordinances, rules and regulations concerning zoning, development, building design, construction and similar matters which impose restrictive zoning and density requirements in order to limit the number of residential condominium units that can eventually be built within the boundaries of a particular area. While conditional development and building permits have been issued by the City for the Building Sites and occupancy permits for completed buildings, delays may be encountered in obtaining these permits. As a result, sales could decline and our costs increase, which could negatively affect results of operations.

The Corporation is subject to environmental laws and regulations, which may increase costs and delay completion of the Buildings.

The Corporation is subject to a variety of local, provincial, federal and other statutes, ordinances, rules and regulations concerning the environment. Under the Purchase Agreement, CPGI is to conduct all work required to remediate contaminants on the Building Sites. The completion of this work may result in delays, or, if not performed by CPGI, may cause the Corporation to incur substantial compliance and other costs.

The business of the Corporation and results of operations are dependent on the availability and skill of subcontractors.

Substantially all of the construction work is done by subcontractors with Centreville acting as the general contractor. Accordingly, the timing and quality of the construction of the buildings depends on the availability and skill of subcontractors. While Centreville generally has been able to obtain sufficient materials and subcontractors during times of material shortages and believe that its relationships with its suppliers and subcontractors are good, it does not have long-term contractual commitments with its subcontractors or suppliers. The inability to contract with skilled subcontractors at reasonable costs on a timely basis could have a material adverse effect on the business and results of operations of the Corporation.

Additional Information

Additional information related to our company is on SEDAR at www.sedar.com.