PARK LAWN COMPANY LIMITED

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016 AND 2015

(UNAUDITED)

NOTICE TO READER

The management of Park Lawn Company Limited ("the Company") is responsible for the preparation of the accompanying condensed interim consolidated financial statements. The condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and are considered by management to present fairly the consolidated financial position, financial performance and cash flows of the Company.

These condensed interim consolidated financial statements have not been reviewed by an auditor. These condensed interim consolidated financial statements are unaudited and include all adjustments, consisting of normal and recurring items that management considers necessary for a fair presentation of the consolidated financial position, financial performance and cash flows.

Frank Mills	Larry Boland
President	Vice-President and Treasurer

PARK LAWN COMPANY LIMITED
INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(UNAUDITED)

ASSETS

	March 31, 2016	December 31, 2015
Current Assets		
Cash and Cash Equivalents	$ 1,682,450	$ 824
Accounts Receivable	53,412	9,206
Deferred Income Taxes Recoverable (Note 13)	52,000	52,000
Vendor Mortgage Take Back - 57 Linelle Street (Note 15)	820,000	-
Prepaid Expenses	1,564	3,128
	2,609,426	65,158
Note Due from Park Lawn Limited Partnership (Note 11)	5,096,498	5,096,498
Investment Property - Net of Accumulated Depreciation (Note 10)	389,865	391,865
Vendor Mortgage Take Back - 57 Linelle Street (Note 15)	4,920,000	-
Land Held for Development (Note 9)	530,995	2,643,108
	$ 13,546,784	$ 8,196,629

LIABILITIES & SHAREHOLDERS' EQUITY

Current Liabilities		
Demand Loan (Note 12)	$ -	$ 396,297
Accounts Payable and Accrued Liabilities	-	$ 1,872
Income Taxes Payable (Note 13)	223,492	$ -
Current Portion of Mortgage Payable (Note 8)	11,572	$ 11,572
	235,064	$ 409,741
Long-term Portion of Mortgage Payable (Note 8)	240,373	$ 243,265
Deferred Income Taxes Payable (Note 13)	468,239	$ -
Shareholders' Equity (Note 7)		
Capital Stock	362,000	$ 362,000
Retained Earnings	12,241,108	$ 7,181,623
	12,603,108	$ 7,543,623
	$ 13,546,784	$ 8,196,629

The accompanying notes are an integral part of these financial statements

ON BEHALF OF THE BOARD

"Frank Mills"
Frank Mills, President

"Larry Boland"
Larry Boland, Vice-President and Treasurer

PARK LAWN COMPANY LIMITED
INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2016 AND 2015
(UNAUDITED)

	2016	2015
Revenue		
Interest Income from Note Due	$ 69,885	$ 69,117
Rent	1,400	4,200
Other Interest Earned	-	14
	71,285	73,331
Expenses		
Office, General and Administrative	116,875	119,449
Interest on Long-term Debt	2,126	2,202
Depreciation	2,000	2,000
Rental Property	5,564	3,060
	126,565	126,711
Net and Comprehensive Income (Loss) before the Undernoted and Income Tax	(55,280)	(53,380)
Gain on Sale of 57 Linelle Street - net (Note 15)	5,806,496	-
Net and Comprehensive Income (Loss) before Income Tax	$ 5,751,216	(53,380)
Income Tax Expense (Recovery) (Note 13)		
Current Income Taxes	311,492	-
Reduction of Income Taxes Payable upon Application of Losses Carried Forward	(88,000)	-
Deferred Income Taxes	468,239	-
	691,731	-
Net and Comprehensive Income (Loss)	$ 5,059,485	$ (53,380)
Income (Loss) per Share	$ 4.477	$ (0.047)

The accompanying notes are an integral part of these financial statements

PARK LAWN COMPANY LIMITED
INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2016 AND 2015
(UNAUDITED)

	Number of Shares	Capital Stock	Retained Earnings	Total
Balance at January 1, 2016	1,130,000	$ 362,000	$ 7,181,623	$ 7,543,623
Net Income (Loss) for the Year January 1 to March 31, 2016			5,059,485	5,059,485
Balance at March 31, 2016	1,130,000	$ 362,000	$ 12,241,108	$ 12,603,108
Balance at January 1, 2015	1,130,000	$ 362,000	$ 7,251,525	$ 7,613,525
Net Income (Loss) for the Year January 1 to March 31, 2015			(53,380)	(53,380)
Balance at March 31, 2015	1,130,000	362,000	7,198,145	7,560,145

PARK LAWN COMPANY LIMITED
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2016 AND 2015
(UNAUDITED)

	For Three Months Ended March 31, 2016	2015
Cash Provided by (Used in) Operations		
Net and Comprehensive Income (Loss)	$ 5,059,485	$ (53,380)
Add Expenses Not Requiring Cash:		-
Gain on Sale of 57 Linelle Street -Net	(5,806,496)	
Deferred Income Taxes	432,239	
Depreciation	2,000	2,000
	(312,772)	(51,380)
Net Increase (Decrease) in Working Capital Items:		
Accounts Receivable	(44,206)	3,639
Accounts Payable and Accrued Liabilities	(1,872)	44,388
Prepaid Expenses	1,564	1,876
	(357,286)	(1,477)
		-
Cash Provided by (Used in) Investing Activities:		-
Proceeds from Sale of 57 Linelle Street - Net	2,435,729	
Land Held for Development	2,373	(18,635)
	2,438,102	
Cash Provided by (Used in) Financing Activities:		
Repayment of Mortgage	(2,891)	(2,817)
Borrowings (Repayments) under Demand Loan - Net (Note 12)	(396,297)	20,635
	(399,188)	17,819
Increase (Decrease) Cash	1,681,627	(2,293)
Cash at the Beginning of the Reporting Period	824	3,340
Cash at the End of the Reporting Period	$ 1,682,450	$ 1,047
Supplemental Cash Flow Information:		
Interest Paid	$ 2,126	$ 2,202
Income Taxes Paid	$ -	$ -

The accompanying notes are an integral part of these financial statements

PARK LAWN COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2016 AND 2015
(UNAUDITED)

1. NATURE OF OPERATIONS

As at March 31, 2016, Park Lawn Company Limited ("the Company") held a 20% interest in a 2.9 acre parcel of land located at 57 Linelle Street, Toronto, Ontario (see Note 9). As at that date, the Company also held a Promissory Note in the amount of $5,096,498 due from Park Lawn Corporation (see Note 11). In addition, as at March 31, 2016, the Company held a vendor take back mortgage in the amount of $5,750,000 (see note 15 and the paragraphs of Note 1, below) of which $820,000 was due as at March 31, 2016 and which has since been received by the Company as at the date that the accompanying financial statements have were approved by the Board of Directors (see Note 2 (a) (ii)). The $820,000 was due May 6, 120 days after closing.

On November 1, 2015, the Company announced that it had entered into a binding agreement with Mattamy Development Corporation ("Mattamy"). The parties at that time had entered into an agreement for the development of the Company's property at 57 Linelle Street, Toronto, Ontario (see Notes 9 and 14). In contemplation of this or a similar transaction, the Company, in August, 2007, purchased the house and land located at 53 Linelle Street, Toronto, Ontario (see Note 10). The property at 53 Linelle Street is located immediately adjacent to the 57 Linelle Street property.

On January 6, 2016 the Company completed the agreement, as noted above, with Mattamy for the development of the Company's property at 57 Linelle Street, Toronto, Ontario. As a consequence, the accompanying statements of operations report a pre-income tax net gain, for the three-month period ended March 31, 2016, of $5,806,496 (see Notes 2 (d), 9 and 15).

The shares of Park Lawn Company Limited are listed on the Canadian Securities Exchange (CSE) under the symbol PRL.

2. SIGNIFICANT ACCOUNTING POLICIES

a) International Financial Reporting Standards ("IFRS")

i) Basis of Presentation

Unless otherwise noted, all amounts in the accompanying consolidated financial statements and these notes are presented in Canadian funds, which is the functional currency of the Company.

The accompanying interim unaudited consolidated financial statements and accompanying notes for the three-month periods ended March 31, 2016 and 2015 have been prepared in accordance with IAS 34, *Interim Financial Reporting* issued by the International Accounting Standards Board ("IASB"), and therefore, do not contain all disclosures required by International Financial Reporting Standards ("IFRS") for annual financial statements. Accordingly, the accompanying unaudited consolidated interim financial statements should be read in conjunction with the Company's most recently prepared annual audited consolidated financial statements for the year ended December 31, 2015 (the

"Financial Statements") which have been prepared in accordance with IFRS.

The accompanying interim unaudited consolidated financial statements have been prepared on the historical cost basis with the exception of certain financial instruments that are measured at fair value, as discussed elsewhere in Note 2. Historical cost is generally based on the fair value of the consideration given in exchange for assets received.

ii) Statement of Compliance

The accompanying unaudited consolidated interim financial statements have been prepared by management in accordance with International Financial Reporting Standards ("IFRS"). These interim consolidated financial statements have been consistently prepared in accordance with those IFRS standards and the International Financial Reporting Committee ("IFRIC") interpretations issued and effective or issued and early adopted for all periods and dates reported as of May 26, 2016, the date the Board of Directors approved these statements.

b) Principles of Consolidation

The accompanying unaudited interim consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries (including Kening Properties Limited and Westside Cemetery Holdings Limited). All significant accounts and transactions between consolidated entities have been eliminated. Should there be a party with a minority interest in a property that the Company controls, that minority interest would be reflected as "Non-controlling Interest" in the accompanying consolidated unaudited statements of financial position.

c) Use of 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, disclosure of contingent assets and liabilities at the dates of the consolidated statements of financial position and the reported amounts of revenues and expenses during the reporting periods. Should the underlying assumptions change, the actual amounts could differ from those estimates.

Financial statement items subject to significant management judgment include revenue recognition, the valuation of accounts receivable, note due from Park Lawn Limited Partnership, land held for development and the valuation of vendor take back mortgage, the useful lives and depreciation rates and methods of the rental property, the completeness of accounts payable and accrued liabilities and the valuation of deferred income tax assets and liabilities. No assets have been pledged as collateral in respect of the Company's liabilities except as otherwise disclosed in the notes to the accompanying interim unaudited consolidated financial statements.

Significant assumptions made by management in the preparation of the accompanying consolidated financial statements include:

- In prior reporting periods, the ability of the Company to obtain approval from the City of Toronto for the rezoning of its land held for development from that of mausoleum to residential was materially uncertain in nature. On January 6, 2016, the Company completed the transaction with Mattamy for the development of the Company's property at 57 Linelle Street, Toronto (see Notes 1 and 15). Mattamy has, as of that date, assumed responsibility for the management and completion of the approval process with the City of Toronto. As a consequence, the accompanying statements of operations report a net gain upon completion of this transaction of $5,806,496. In addition, the accompanying unaudited interim consolidated statements of financial position reflect current and long-term vendor mortgage take backs receivable of $820,000 and $4,920,000, respectively.

- Management's valuation of the Company's rental property is dependent in part on the assumptions as to current and future market prices for similar real estate assets in that area. As at the date of the accompanying unaudited interim consolidated statements of financial position, the municipality has assessed the market value of the property at an amount materially in excess of the property's current carrying value. (See Notes 2 (g), 2 (h) and 8 and 10.) As a consequence of the company's transaction with Mattamy, the Company is currently in the process of seeking a third-party purchaser for that property.
- The ability of the counter party to the Company's note receivable to be able to continue to meet its interest obligations as these come due on a monthly basis and to be able to repay the principal portion of the note receivable in full. The counter party has shown no indication of not being able to meet these obligations. (See Note 11.)
- As a consequence of the Company's transaction with Mattamy, the Company has retained a 20% interest in its land held for development (see Note 9). In the opinion of management, there is no indication that the Company, based upon current values for real estate in the City of Toronto, will not realize values for this asset significantly in excess of the carrying value of this asset upon eventual development of these properties by Mattamy.
- See also Notes 2(d) and 2(e).

d) Revenue Recognition

Revenue is recognized on the rental property as earned on the accrual basis according to the terms of the underlying rental contract when collection is reasonably assured. Interest revenue on the note due from Park Lawn Corporation is recognized on the accrual basis as earned. The Company has recognized revenue on the sale of its investment property to Mattamy under the terms of the corresponding agreement, net of corresponding legal fees and real estate commissions. (See Notes 1, 9 and 15.)

e) Income Taxes

The tax expense recognized in net and comprehensive income (loss) comprises the sum of deferred tax and current tax not recognized in other comprehensive income (loss) or directly in equity.

The tax currently payable is based on the taxable income or loss for the period. The taxable income or loss may differ from the income or loss for the period as reported in the accompanying statements of operations and comprehensive income (loss) due to the exclusion, if any, of revenue or expense items that are taxable or deductible in other periods, as well as items that are not taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax, if any, is recognized using the liability method on differences between the carrying amounts of assets and liabilities in the accompanying financial statements and their corresponding tax bases.

Deferred tax liabilities, if any, are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that future taxable income will be available against which those deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the taxable temporary difference arises from the initial recognition of goodwill or the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable income or loss, nor the income or loss for the period reported in the accompanying statements of operations and comprehensive loss.

Deferred tax liabilities, if any, are recognized, where material, for taxable temporary differences associated with investments in subsidiaries and joint ventures, if any, except where the Company is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets, if any, arising from deductible temporary differences associated with such investments are only recognized to the extent that it is probable that there will be sufficient taxable income against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured, without discounting, at the tax rates that have been enacted or substantively enacted by the end of the reporting period and applicable in the period in which the liability is expected to be settled or the asset realized. Deferred tax liabilities are always recognized in full.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow the benefit of all or part of the asset to be utilized. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable income will be available.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis. Changes in deferred tax assets or liabilities are recognized as a component of taxable revenue or expense in profit or loss, except where these relate to items that are recognized in other comprehensive income (loss) or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income (loss) or equity, respectively.

The Company follows the asset and liability method of accounting for income taxes. Under this method, future tax assets and liabilities are recognized for the future tax consequences attributable to differences between financial statement carrying amounts of assets and liabilities and their respective tax bases and are measured using the substantively enacted tax rates and laws that will be in effect when the differences are expected to reverse. A valuation allowance is established, as needed, to reduce future income tax assets to the amount that is more likely than not to be realized. Current income tax liabilities and recoveries are recognized as current liabilities and assets on the accompanying statements of financial position.

f) Earnings (Loss) per Share

Basic earnings (loss) per share is calculated on the basis of earnings (loss) attributable to the holders of common shares, divided by the weighted average number of common shares outstanding during the period. Diluted per share amounts are calculated giving effect to the potential dilution that would occur if securities or other contracts to issue common shares are exercised or converted to common shares. Diluted loss per share is equal to basic earnings (loss) per share when the effect of dilutive securities is anti-dilutive.

g) Investment Property and Depreciation

Items of property are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the assets. The costs of replacing a part of an item of property are recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within that part will flow to the Company and if its costs can be measured reliably. The carrying amount of the replaced part, is derecognized. Costs associated with the day-to-day servicing of property are recognized in operations as incurred. Gains and losses on disposals of property would be determined by comparing the proceeds with the carrying amount of the asset and would be included as part of other gains and losses in the accompanying condensed interim consolidated Statements of Operations. Depreciation is provided for on a straight-line basis over the estimated useful life of the rental property at $8,000 per annum.

h) Impairment Testing of Property

Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss would be recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value, less costs to sell, and value-in-use.

To determine the value-in-use, management estimates expected future cash flows and determines a suitable interest rate in order to calculate the present value of those cash flows. Discount factors are determined individually for each cash-generating unit ("CGU") and reflect their respective risk profiles as assessed by management. For the purpose of assessing impairment, assets are grouped at the cash-generating unit level that is the lowest level for which there are largely independent cash inflows. As a result, some assets are tested individually for impairment and some are tested at the cash-generating unit level.

Impairment losses recognized in respect of cash generating units are allocated first to reducing the carrying amount of any goodwill allocated to the CGUs (or group of CGUs) and then to reducing the carrying amount of the other assets in the CGU (or group of CGUs) on a pro-rata basis. Long-lived assets, other than goodwill, that suffer impairment are reviewed for possible reversal of the impairment at each reporting date. For such assets, an impairment charge is reversed if the CGUs or individual asset's recoverable amount exceeds its carrying amount.

i) Cash and Cash Equivalents

Cash is comprised of cash held at two Canadian chartered banks. The Company considers cash equivalents to be highly liquid, near-cash investments with original terms to maturity of three months or fewer. As at March 31, 2016 and 2015, the Company held cash equivalents of $Nil.

j) Net and Comprehensive Income (Loss)

Net and comprehensive income (loss) comprises net income (loss) and other comprehensive income (loss). Other comprehensive income (loss), if any, represents changes in shareholders' equity and includes foreign exchange gains and losses on the translation of the financial statements of the Company's foreign operations and would be presented as accumulated other comprehensive income (loss). The Company's earnings (loss) per share as presented on the accompanying unaudited interim consolidated statements of operations are based upon its net income (loss) and not its comprehensive income (loss), however the Company has not had material income or losses from these sources of other comprehensive income (loss) and, accordingly, has made no adjustments to the accompanying financial statements.

k) Equity

Common shares are classified as equity. Incremental costs directly attributable to the issuance of shares are recognized as a deduction from equity. Contributed surplus, if any, would include amounts in connection with conversion options embedded in compound financial instruments, stock-based compensation and the value of warrants. The Company's deficit comprises all current and prior period income and losses.

l) Provisions

Provisions are recognized when the Company has a present legal obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are measured based on management's best estimate of the expenditure required to settle the obligation at the end of the reporting period, and are discounted to present value where the effect is material. Additionally, the Company performs evaluations to identify onerous contracts and, where applicable, records provisions for such contracts.

Onerous Contracts:
A provision for onerous contracts would be recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision would be measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company would recognize any impairment loss on the assets associated with the contract.

m) Impairment - Financial Assets

Financial assets other than those carried at fair value through profit or loss are assessed at each reporting date to determine whether there is objective evidence of impairment. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset, in which the cash flows can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, or the disappearance of an active market for a security.

The Company maintains an allowance for doubtful accounts at an amount estimated to be sufficient to provide adequate protection against losses resulting from collecting less than the full amount due on its trade receivables. The Company considers evidence of impairment for receivables at both a specific asset and a collective level. All individually significant receivables are assessed for specific impairment.

Individual overdue accounts are reviewed, and allowances are recorded, to report trade receivables at net realizable value, when it has been determined that they are not collectible in full. All individually significant receivables found not to be specifically impaired are collectively assessed for any impairment that has been incurred but not yet identified. In assessing collective impairment the Company uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses, if any, are recognized in the accompanying condensed interim consolidated Statements of Operations and are reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognized through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss would be reversed through the same financial statements.

n) Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. Financial liabilities are derecognized when they are extinguished, discharged, cancelled or expire. Trade-date accounting is used.

At initial recognition, the Company classifies its financial instruments depending on the purpose for which the instruments were acquired, as follows:

(a) Cash, cash equivalents and demand loan are presented at fair value, with changes in fair value being recorded in net income (loss) at each reporting period end.

(b) Accounts receivable, note due from Park Lawn Limited Partnership and vendor mortgage take back are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Company's accounts receivable comprise trade receivables and are included in current assets due to their short-term nature. Accounts receivable and any notes due are initially recognized at the amount expected to be received less an allowance to reduce these assets to fair value, if any, and are subsequently measured at amortized cost. Vendor mortgage take back is presented on the accompanying statements of financial position at fair value, given the short- and long-term nature of this instrument, overall interest rates prevalent in the current market, and the interest rates and terms specific to that instrument, as well as management's assessment of counterparty risks.

(c) The Company's financial instrument liabilities, other than demand loan, are initially recognized at the amount expected to be paid. Subsequently, trade and other liabilities are measured at amortized cost. In conjunction with the Mattamy transaction, the Company, as at the date that the Board of Directors has approved the accompanying unaudited financial statements, which recognizes the entire outstanding principal.

3. FUTURE AND RECENTLY ADOPTED ACCOUNTING POLICY CHANGES

The International Accounting Standards Board ("IASB") issued the following standards, amendments and interpretations as at April 30, 2016 which the Company has adopted.

- IFRS 9 – Financial Instruments, Classification and Measurement ("IFRS 9") contains requirements for financial assets and liabilities. IFRS 9 is part of the IASB wider project to replace IAS 39 Financial Instruments – Recognition and Measurement. IFRS 9 uses a single approach to determine whether a financial asset or liability is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. IFRS is effective for annual periods beginning on or after January 1, 2018 and early adoption of this standard has not had a material effect.

- IFRS 11, Joint Arrangements ("IFRS 11") - The IASB has amended IFRS 11 to require business combination accounting to be applied to acquisitions of interests in a joint operation that constitute a business. The amendments will be effective for annual periods beginning on or after January 1, 2016, with earlier adoption permitted. Adoption of this standard has not had a material effect.

The International Accounting Standards Board ("IASB") has issued the following new standards, amendments and interpretations.

- IFRS 15, Revenue from Contracts with Customers ("IFRS 15") - IFRS 15 replaces IAS 11, *Construction Contracts*, and IAS 18, *Revenue*, as well as various interpretations regarding revenue. This standard introduces a single model for recognizing revenue that applies to all contracts with customers, except for contracts that are within the scope of standards on leases, insurance and financial instruments. This standard also requires enhanced disclosures. Adoption of IFRS 15 is mandatory and will be effective for annual periods beginning on or after January 1, 2017, with earlier adoption permitted. The Company is currently assessing the impact of adopting this standard on the Company's consolidated financial statements and related note disclosures.

- IFRS 16, Leases – Effective for annual periods beginning on or after January 1, 2019. The most significant change introduced by IFRS 16 is a single lessee accounting model, bring leases on-balance sheet for lessees. The Company is currently assessing the impact of adopting this standard on the Company's consolidated financial statements and related note disclosures.

4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As at March 31, 2016 and 2015, the Company's financial instruments comprise cash and cash equivalents, accounts receivables, note due from Park Lawn Limited Partnership, vendor mortgage take back, demand loan, accounts payable and accrued liabilities, and mortgage payable. The fair values of these financial instruments approximate their carrying values, unless otherwise noted, due to their short-term maturities or interest rates which management believes approximate those of similar instruments in the current market. Except as otherwise noted, the Company is not exposed to significant risks in relation to its financial instruments.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. There have been no changes to the Company's exposure to risks in respect of its financial instruments, and there have been no changes in respect of management's objectives, polices and processes in the management of its financial instruments from that of the prior reporting period.

The fair value of the note due from Park Lawn Limited Partnership constitutes an amount due from a related party as disclosed in Note 11. The fair value of vendor mortgage take back is due from a third party and is discussed in Note 15. There is no active and visible market for instruments of these types. In the opinion of management, these instruments are carried at fair value due to their terms and interest rates and the current financial performance of these entities.

The Company does not hold or issue derivative financial instruments for trading or speculative purposes.

Credit risk

Concentration of credit risk relates primarily to the Company's trade receivables, as the receivables principally derive from one source: rental operations. The allowance for doubtful accounts was immaterial at the reporting dates. There is no indication, as at these dates, that the debtors will not meet their obligations, except as has been provided for as bad debts during the reporting periods. Bad debt expenses were immaterial for both years. The Company manages its credit risk relating to its trade receivables through credit approval and monitoring procedures, including senior management prior approval of all rental contracts. Such approvals are based on trade information, payment history, credit rating and financial analysis, where possible.

At March 31, 2016 no material amounts, individually or in aggregate, of accounts receivable, were due beyond their stated payment terms, and none were considered impaired. Management believes that earning revenues through its current channels does not represent a significant credit risk to the Company.

Investment risk

The Board of Directors of the Company regularly reviews both compliance and performance of the investments in the note due from Park Lawn Limited Partnership and vendor mortgage take back. The Company does not consider there to be a significant credit risk for its investments based on investment grade ratings and performance criteria used in selecting these investments.

Liquidity risk

The Company is exposed to liquidity risk to the extent that it must meet its financial obligations as and when due. The Company's approach to managing liquidity risk is to ensure that it always has sufficient cash and other current financial assets to meet its obligations when due without incurring unacceptable losses or damage to the Company's reputation. Management forecasts cash flows to identify financing requirements. These requirements are then addressed through combination of cash management and access to additional capital.

Management is of the view, based on historical cash flows, that there are sufficient current and future cash flows from its operating activities and investments to sustain ongoing operations as well as maintaining the Company's rental property. Should contractual commitments require additional payments, management believes that the Company's current and future sources of liquidity are sufficient to cover these obligations. (See also note 15.)

A maturity analysis of the payments required under long-term debt is presented in Note 8. It is the intention of the Company to repay the outstanding principal on the outstanding mortgage during the fiscal 2016 year with the intended sale of the corresponding investment property.

Market risk
The Company does not believe that it has exposure to market risk with respect to the rental property at 53 Linelle Street as it is the intention of the Company to sell this investment property (as discussed in Notes 1 and 2 (c)). In addition, the Company believes that its exposure to valuation risk in respect of its vendor mortgage take back is minimal (see Notes 1, 9 and 15).

With the January 6, 2016, assumption by Mattamy of responsibility for the management and completion of the approval process with the City of Toronto for the town house project at 57 Linelle Street, Toronto (see Notes 1, 2 (c) and 15), management believes that the Company is no longer subject to material risks associated with this particular residential real estate development in Toronto. In the future, the Company may enter into additional real estate development or other projects and become subject to those risks.

Interest rate risk
Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. As at March 31, 2106, the Company has no variable market interest rate loans or other such instruments outstanding.

Fair value Hierarchy
The following summarizes the Company's financial instruments that are carried at fair values according to the fair value hierarchy, which comprises the following levels. The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's only financial instruments that are carried at fair value under the hierarchy are cash and cash equivalents which are Level 2 instruments.

Derecognition of financial instruments
A financial asset is derecognized when the contractual rights to the cash flows from the asset expire or when the Company transfers the financial asset to another party without retaining control or substantially all the risks and rewards of ownership of the asset. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

5. CAPITAL DISCLOSURES

The Company defines capital as the aggregate of shareholder equity and debt. The Company's equity comprises the shares of the Company subscribed by the shareholders and retained earnings. The Board of Directors manages the dividend policy and the pricing of products and services of the Company so as to ensure that there is adequate cash flow to fund the Company's operations and safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders.

The Company is currently not dependent on external financing to fund its activities, except for its mortgage payable, a liability of which the Company intends to repay during its 2016 fiscal year. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is optimal.

There were no changes in the Company's approach to capital management during the quarters ended March 31, 2016 and 2015. The Company is not subject to externally imposed capital requirements.

6. RELATED PARTY TRANSACTIONS

During the quarter ended March 31, 2016, the Company paid cash remuneration of $102,766 (2015 - $102,766) to Scotchbrook Holdings Inc. ("Scotchbrook") for management and professional services in relation to the Company's operations. Scotchbrook is owned by a director and an officer of the Company. These transactions were in the normal course of operations and are measured at the exchange amount which is the amount of consideration established and agreed to by the related parties. Under the terms of its agreement with Scotchbrook, the Company announced that its agreement with Scotchbrook would terminate at the end of the Company's 2018 fiscal year (i.e. within a "three-year notice period").

7. SHAREHOLDERS' EQUITY

The Company's authorized share capital comprises an unlimited number of common shares of which 1,130,000 are issued and outstanding. This figure forms the basis for the determination of net income (loss) per share for quarters ended March 31, 2016 and 2015. There was no change in the balance of common shares outstanding for the period January 1, 2016 to March 31, 2016.

8. MORTGAGE PAYABLE

The Company has one mortgage as follows:

Mortgage on 53 Linelle Street:

This mortgage is secured by a first mortgage on this property bearing interest at 3.39% per annum. The mortgage is amortized over 25 years and is due July 16, 2017. Monthly blended payments of principal and interest are $1,673. (See also Notes 1, 2 (c) and 4.) The remaining principal payments for the following calendar years, or within nine months are:

2016	11,572
2017	243,182

9. LAND HELD FOR DEVELOPMENT

On January 6, 2016 the Company completed the undernoted transaction with Mattamy Development Corporation ("Mattamy") as described in Note 1. The parties entered into an agreement for the development of the Company's property at 57 Linelle Street, Toronto. Mattamy has acquired an 80% interest in this land for $8.2 million. 30% of the purchase price was paid upon or close to closing with an additional 10% payable in 120 days (see Note 1). For the balance of 60%, the Company has taken a vendor take back a mortgage for up to three years. Interest is payable on the mortgage at 4.8% per year, with no interest payable until July 2017. The Company has retained a 20% interest in the land and has entered into a co-ownership agreement with Mattamy. The co-owners' agreement contemplates the development of the land for low-rise residential development. Under this agreement, Mattamy has assumed responsibility for managing the approval of the re-zoning process with the City of Toronto, as well as managing site servicing and the sale and construction of the units. The Company and Mattamy will divide profits from the development and sale of the land held for development with the Company receiving 20% and Mattamy 80%.

10. INVESTMENT PROPERTY

		March 31, 2016	
	Cost	Accumulated Depreciation	Net Book Value
Rental property	$436,865	$47,000	$389,865

		December 31, 2015	
	Cost	Accumulated Depreciation	Net Book Value
Rental property	$436,865	$45,000	$391,865

11. NOTE DUE FROM PARK LAWN LIMITED PARTNERSHIP

In consideration for a transfer of assets, Park Lawn Limited Partnership issued to Park Lawn Company Limited a subordinated, secured promissory note having an initial term of ten years bearing interest of 5.5% per annum. The promissory note may be repaid at any time without penalty and it is automatically renewable after the expiration of the initial term for an additional ten years with an interest rate equal to the rate that is 1.25% above the interest rate for a 10-year Government of Canada bonds at the time of renewal. This note may not be called prior to maturity date.

In June, 2012, the Company received a principal payment on the promissory note from Park Lawn Corporation of $566,277. As part of the long-term debt refinancing of Park Lawn Corporation, the Company was required to execute a postponement agreement. An agreement was negotiated to allow for the payment of 10% of the outstanding balance on the promissory note.

12. DEMAND LOAN

The credit facility that was available to the Company was repaid as to principal and all terms in full by the Company effective January 31, 2016.

13. INCOME TAXES

In its prior six annual fiscal years, the Company incurred non-capital losses for income tax purposes. Those losses were available to the Company to reduce the current portion of its income taxes payable, if any. Due to the material uncertainty of the Company obtaining from the City of Toronto approval to re-zone its land held for development from that of a mausoleum to land held for low-rise residential development (see Notes 1 and 14), the value of the non-capital losses carried forward was not recognized by the Company until the fourth quarter of the Company's 2015 fiscal year, during which the Company recognized, due to finalization of the agreement with Mattamy, the tax benefit of these losses. This resulted in the recognition of $52,000 of current future income tax assets as at December 31, 2015.

In conjunction with the finalization of the Mattamy agreement in January 2016 and the recognition of the corresponding non-capital gain with regard to the sale of an undivided 80% interest in the land at 57 Linelle Street, Toronto, Ontario to Mattamy, the Company recognized current income taxes payable, under Section 20 (1) of the Income Tax Act (Canada), a current income tax liability in the amount of $223,492, being net of the Company's anticipated utilization of its non-capital losses carried forward, as well as a long-term deferred income tax liability of $468,239 with respect to the receipt by the Company from Mattamy of the long-term portion of the vendor mortgage take back in the first quarter of the Company's 2019 fiscal year.

14. SUBSEQUENT EVENT

On May 9, 2016 the Company announced that it will be pay a special dividend of $.50 per share to shareholders of record effective May 15, 2016 and payable on May 31, 2016.

15. GAIN ON SALE OF 57 LINELLE STREET, TORONTO, ONTARIO

The gain on the sale of 80% of the Company's interest in the land located on this site to Mattamy is presented on the accompanying unaudited interim consolidated statements of operations net of corresponding legal fees and commissions on the sale. Under the terms of the agreement, the Company received prior to March 31, 2016, 30% of the gross proceeds on this sale and has received an additional 10% of the gross proceeds prior to the date that the Board of Directors approved the accompanying financial statements. The balance of the gross proceeds (specifically, $4,920,000) is receivable by the Company on or about January 6, 2019. (See Notes 1, 2 (n), 4 and 9.)