All in West!
Capital Corporation

Management's Discussion & Analysis
For The Three and Nine Months Ended September 30, 2015

Dated as at November 25, 2015

ALL IN WEST! CAPITAL CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2015

INTRODUCTION

The following management discussion and analysis ("MD&A") of the financial condition and results of operations of All in West! Capital Corporation ("All in West!" or the "Company") should be read in conjunction with the Company's audited annual consolidated financial statements for the years ended December 31, 2014 and 2013, as well as the unaudited interim consolidated financial statements for the period ended September 30, 2015 ("Q3 2015") and the notes thereto. This MD&A has been prepared taking into account material transactions and events up to and including November 25, 2015.

GOING CONCERN

These interim consolidated financial statements have been prepared on a going concern basis in accordance with International Financial Reporting Standards ("IFRS") which assumes that All in West! Capital Corporation will continue operations and be able to realize its assets and discharge its liabilities and commitments in the normal course of business for the foreseeable future. There is significant doubt about the appropriateness of the going concern assumption and ultimately the use of accounting principles applicable to a going concern because of the material uncertainties caused by successive years of operating losses, the position of default on all major debt instruments without current secured remediation, and a large working capital deficit. The Company has experienced a general decline in room revenues over the past few years, reflecting a weak economic environment and a marked decline in the natural gas industry in the vicinity of the Company's hotel properties since 2008. The outlook for the Company's hotel properties remains uncertain and the weakness is expected to continue until the economy, and natural gas activity in particular, in the area of the properties improves.

Management is continuing to assess various strategies to improve operating results and cash flows and to adjust the Company's capital structure, and has engaged a shareholder to assist in the identification of potential restructuring. Management's strategies includes the implementation of various cost reduction measures, and specific actions to address cash flow, as described in the following paragraphs. Management disposed of one of the hotel properties in fiscal 2012 and continues to consider the possibility of the disposition of other properties.

Management commenced a plan consisting of reduced payments to various stakeholders and debt holders in an effort to reduce cash outflows and improve liquidity. This plan included the voluntary waiving of asset management fees by Marwest Management Canada Ltd. ("Marwest Management"), the waiving of payments of director fees by the Directors of the Company, ceasing interest payments to the holders of its Series A Debentures, Series B Debentures and Series C Debentures, and deferring certain mortgage principal payments to mortgage holders. Management's forecast indicates that without such measures, with stakeholders and debt holders, the Company would be cash deficient during the fourth quarter of fiscal 2015. Even with reduced payments, there can be no assurance that the Company will be in a position to meet obligations as they come due.

The Company ceased making interest payments on the Series A Debentures and the Series B Debentures on April 30, 2010, and ceased making interest payments on the Series C Debentures on November 30, 2010. The non-payment of interest on all series of debentures has resulted in the Company being in a default position on these debt instruments. As a result of the defaults, the indenture trustee may in its discretion, or upon the request of the debenture holders, declare the principal and interest on all debentures then outstanding, to be immediately due and payable. If payment of the full amount of any or all series of debentures were to be demanded, the Company would not be able to satisfy these obligations without additional external funding. On March 7, 2012, the Company delivered formal notice to the indenture trustee for its Series A Debentures, which matured on March 31, 2012, that the Company would default on its obligation to repay the principal amount and accrued interest on the maturity date. On September 5, 2012, the Company delivered formal notice to the indenture trustee for its Series B Debentures, which matured on September 28, 2012, and its Series C Debentures, which matured on October 1, 2012, that the Company would default on its obligation to repay the principal amounts and accrued interest on the maturity dates.

In conjunction with the modification of certain loan agreements, the deferral of certain mortgage principal payments commenced in fiscal 2010. Despite the modifications made to certain repayment schedules, the Company continues to be in a default position on its three mortgages.

An agreement to defer mortgage principal payments with one of the lenders expired on October 31, 2010. The Company reinstated full mortgage payments on this mortgage on November 30, 2011. This mortgage, with a current carrying value of $3,740,153 became payable in full on September 14, 2012, however, pursuant to an agreement signed with the lender on November 7, 2012, a 12-month extension of existing terms had been agreed to by the parties, with the indebtedness due September 30, 2013. The mortgage was subsequently renewed and is due the earlier of demand or September 30, 2016. On June 4, 2015 a commitment letter was signed that reduced monthly mortgage payments to interest-only until April 30, 2016. This mortgage is considered to be in default by the lender due to being in arrears and a cross-default provision with respect to defaults on other loans.

On November 15, 2012, a mortgage with a carrying value of $6,494,820, held on one of the Company's investment properties, was assigned by the original lender to Lexor Management Inc. ("Lexor"), a related party by virtue of close family members of key management personnel. The original mortgage agreement and all significant terms and conditions of the mortgage remained substantially unchanged from those agreed upon with the original mortgage holder upon assignment of the mortgage. The deferral of mortgage principal payments had continued on a month-to-month basis. On June 1, 2014 the mortgage was amended to a three year interest-only term, and debt in the amount of $1,994,820 was forgiven. The mortgagor has the option of purchasing the property for the mortgage carrying value of $4,500,000 at any time during the three year period. At the end of the three year interest-only term the Company may turn ownership of the property to Lexor to satisfy repayment of the mortgage. The mortgage is considered to be in default by the lender due to being in arrears and a cross-default provision with respect to defaults on other loans as such the lender retains the right to call the property on demand.

The third mortgage, with a carrying value of $7,095,475, is considered to be in a default position as a result of a cross-default provision with other lenders. At September 30, 2015, principal and interest payments on this mortgage had been paid and were current.

If payment of the full amount of any or all of the mortgages were to be demanded, the Company would not be able to satisfy these obligations with current Company resources.

As at November 25, 2015, the indenture trustee, debenture holders or mortgage lenders have not demanded payment in full of amounts outstanding.

The success of management's planned initiatives and actions referred to above cannot be assured, and may be subject to material change or revision at any time.

If the going concern basis was not appropriate for these interim consolidated financial statements, then adjustments would be necessary in the carrying value of assets and liabilities, the reported revenue and expenses, and the balance sheet classifications used. These adjustments would be material.

FORWARD-LOOKING INFORMATION

This MD&A contains forward-looking information within the meaning of applicable securities laws. Forward-looking information may relate to the Company's future outlook and anticipated events or results and may include statements regarding the future financial position, property acquisition strategies and opportunities, business strategy, financial results and plans and objectives of the Company. Particularly, statements regarding the Company's future operating results, property acquisition strategies and opportunities and economic performance are forward-looking statements. In some cases, forward-looking information can be identified by terms such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "intend", "estimate", "predict", "potential", "continue" or similar expressions concerning matters that are not historical facts. Forward-looking information is subject to certain facts, including risks and uncertainties, that could cause actual results to differ materially from what the Company currently expects and there can be no assurance that such statements will prove to be accurate. Some of these risks and uncertainties are described under "Risks and Uncertainties" in this management discussion and analysis as well as under "Risk Factors" in the Company's prospectus dated August 26, 2009 copies of which are available at www.sedar.com. The Company does not intend to update or revise any such forward-looking information should its assumptions and estimates change.

NON-GAAP FINANCIAL MEASURES

Note: "GAAP" means the generally accepted accounting principles described by the Chartered Professional Accountants "CPA" Canada Handbook – Accounting. As a publicly accountable enterprise, the Company applies the IFRS standards described in Part I of the CPA Canada Handbook - Accounting. The Company uses non-GAAP financial measures to assess its operating performance. Securities regulators require that companies caution readers that earnings and other measures adjusted to a basis other than GAAP do not have standardized meanings and are unlikely to be comparable to similar measures used by other companies. A discussion of non-GAAP financial measures used by the Company, including a reconciliation to GAAP financial measures, can be found under "Non-GAAP Financial Measures".

ADDITIONAL INFORMATION

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

OVERVIEW

The Company was incorporated under the *Canada Business Corporations Act* on August 16, 2005. The Company's common shares were listed for trading on the TSX Venture Exchange ("TSXV") on October 11, 2005 under TSXV Policy 2.4 Capital Pool Companies (the "CPC Policy"). The Company completed its "Qualifying Transaction" under the CPC Policy on April 2, 2007.

As at September 30, 2015, the Company owned three hotel properties: Phase I of the Days Hotel & Suites located in Grande Cache, Alberta (the "Phase I Grande Cache Property"); Phase II of the Days Hotel & Suites located in Grande Cache, Alberta (the "Phase II Grande Cache Property"); and the Econo Lodge Inn & Suites ("Econo Lodge") located in Hinton, Alberta.

STRATEGY

The stated objective of the Company is to acquire and/or develop and maintain a growing portfolio of income-producing properties (other than commercial real estate properties). However, the Company currently owns three hotel properties and is operating as a going concern (see: "Going Concern").

Short-term Strategy

The Company has been experiencing losses, negative cash flow, current liabilities in excess of current assets and continued non-payment and covenant violations on its outstanding mortgages and debentures (see: "Going Concern").

During the second quarter of 2010, the Company announced an action plan to reduce Company costs. At the present time, the majority of this plan continues to be in effect. Measures in place include: the waiving of asset management fees; the waiving of director fees; ceasing interest and deferring payments to the holders of Series A Debentures, Series B Debentures and Series C Debentures; and deferring certain mortgage principal payments to mortgage holders.

Management and the Board of Directors of the Company actively continue efforts to identify and evaluate alternatives which may be available to the Company. A third party, who is also an All in West! shareholder was engaged to explore all value creating opportunities. Options being considered by the Company include: selling the Company (being acquired by or merged with another entity); listing some or all hotel assets for sale; and finding additional sources of capital. All available options are being considered with a view to the best interest of the Company.

In 2012, the Company was advised that Lexor, a related party and the Corporation's sub-property manager, had purchased the outstanding mortgage loan secured by the Econo Lodge property located in Hinton, Alberta. The Company viewed this as a positive development as Lexor had advised the Company that it had no intention to exercise its right to foreclose on the Econo Lodge property. On June 1, 2014, the Company announced that it had reached an agreement with Lexor to amend the mortgage to a new three year interest-only term and to forgive $1,994,820 of debt. The mortgagor has the option of purchasing the property for the new mortgage value of $4,500,000 at any time during the 3 year period. At the end of the 3 year term, the Company may at its option choose to satisfy the debt by turning ownership of the property to the mortgagor.

The Company is in ongoing discussions with all of its stakeholders regarding its indebtedness and the potential restructuring of such indebtedness. It has engaged the services of a capital markets advisor, who is also an All in West! shareholder to assist the Company with the restructuring process.

Management and Relationship with the Marwest Group of Companies

Marwest Management is the exclusive asset manager of the Company and provides the services of Marwest's executive officers to serve as officers of the Company. Marwest Management is also the exclusive property manager for the Company. Marwest Management currently retains third party property managers to provide hotel management services to its hotel properties. Marwest Development is the exclusive developer for the Company. Under the development agreement between the Company and Marwest Development, the Company has the following rights:

(a) the first right to provide mezzanine financing to Marwest Development in respect of the financing of the development of certain properties; and

(b) the first right to acquire certain properties which have been developed by Marwest Development.

Marwest Development, Marwest Management and their affiliates have granted a right of first refusal to the Company to acquire all properties (other than commercial properties, namely office, retail and industrial properties) which are available for acquisition, or owned by, Marwest Development, Marwest Management or their affiliates or which any of them has secured for acquisition.

PORTFOLIO SUMMARY

The table below details the properties owned by All in West! as at September 30, 2015.

Property	City, Province	Acquisition Date	Number of Rooms	Fair Value
Phase I Grande Cache Property	Grande Cache, AB	April 2, 2007	81	$8,150,769
Phase II Grande Cache Property	Grande Cache, AB	September 14, 2007	64	$4,569,231
Econo Lodge	Hinton, AB	July 16, 2007	87	$4,170,000

NON-GAAP FINANCIAL MEASURES AND PERFORMANCE INDICATORS

Included in this MD&A are certain non-GAAP financial measures, which are measures of the Company's historical or future financial performance that are not calculated and presented in accordance with GAAP. These non-GAAP financial measures may not be comparable to similar measures presented by other issuers. Such non-GAAP measures include: (i) comparable hotel operating statistics; and (ii) Funds From Operations (FFO, as defined below). A discussion of the meaning of these non-GAAP measures, and why management believes that such measures are useful supplemental measures of the Company's performance, is set forth below.

Comparable Hotel Operating Statistics

Operating statistics will be considered for properties owned by the Company for the entire current and prior periods. Management considers RevPAR (revenue per available room), ADR (average daily rate) and occupancy to be meaningful indicators of hotel operations. RevPAR measures room revenues for comparable properties and is a commonly used measure within the hotel industry to evaluate hotel operations. RevPAR is defined as the product of the ADR charged and the average daily occupancy achieved.

RevPAR does not include revenue from restaurant leases, conference room rentals, in-room movie rentals or any other services provided by hotels. Representing approximately 97% of the Company's total revenues to date, RevPAR is generally considered to be the leading indicator of the operating performance of hotels. RevPAR changes driven by occupancy typically have different implications on overall revenues and property income than do RevPAR changes driven by ADR. Occupancy increases will typically generate additional incremental revenues for ancillary services such as in-room movies but will also result in higher room-related costs. ADR increases typically do not generate additional incremental revenues for ancillary services. However, they would not result in additional costs and therefore tend to have a greater impact on profitability.

Readers should be cautioned that RevPAR and ADR as calculated by the Company may not be comparable to similar measures presented by other issuers.

Funds from Operations ("FFO")

FFO is a non-GAAP measure commonly used by Canadian real estate companies as an indicator of financial performance. While FFO does not have a standardized meaning prescribed by IFRS, it is a non-IFRS financial measure of operating performance widely used by the real estate industry. The Real Property Association of Canada ("REALpac") recommends that FFO be determined by reconciling from net income. The Company does so by taking its net income and comprehensive income and adding (or deducting) the fair value adjustment on investment properties. The Company believes that FFO and FFO per diluted share is a useful supplemental measure of the Company's operating performance and that its presentation, when combined with the primary GAAP presentation of net income (loss) and comprehensive income (loss) and basic and diluted income (loss) per share, provides beneficial information to investors.

Readers should be cautioned that FFO as calculated by All in West! may not be comparable to similar measures presented by other issuers.

RESULTS OF OPERATIONS FOR THE THREE MONTHS AND NINE MONTHS ENDED SEPTEMBER 30, 2015 AND 2014

The following table provides a summary of the operating results for the three months and nine months ended September 30, 2015 and 2014. [1]

	Three Months Ended September 30, 2015	Three Months Ended September 30, 2014	Nine Months Ended September 30, 2015	Nine Months Ended September 30, 2014
Investment Properties Revenue	1,532,351	1,549,877	3,321,412	4,229,694
Investment Properties Operating Expenses	1,094,235	842,981	2,572,801	2,386,979
Net Rental Income	438,116	706,896	748,611	1,842,715
Other Expenses (excluding fair value adjustment on investment properties and settlement of long term debt, net of costs)	485,228	494,104	1,467,680	1,532,015
Fair value adjustment on investment properties	4,003,712	69,904	4,027,472	84,469
Gain on extinguishment of long-term debt net of costs	-	-	-	(1,983,430)
Net income (loss) and comprehensive income (loss)	(4,050,824)	142,888	(4,746,541)	2,209,661
Weighted average common shares outstanding	17,315,307	17,315,307	17,315,307	17,315,307
Weighted average fully diluted shares outstanding	17,315,307	17,315,307	17,315,307	17,315,307
Basic income per share	(0.23)	0.01	(0.27)	0.13
Diluted income per share	(0.23)	0.01	(0.27)	0.13
Reconciliation to Net Rental Income [2]				
Add/(deduct):				
General and administrative	37,917	41,206	128,903	137,154
Interest expense, net	447,311	452,898	1,338,777	1,394,861
Fair value adjustment on investment properties	4,003,712	69,904	4,027,472	84,469
Gain on extinguishment of long-term debt net of costs	-	-	-	(1,983,430)
Net Rental Income	438,116	706,896	748,611	1,842,715
Reconciliation to funds from operations (FFO) [2]				
Add/(deduct):				
Fair value adjustment on investment properties	4,003,712	69,904	4,027,472	84,469
Gain on extinguishment of long-term debt net of costs	-	-	-	(1,983,430)
Funds from operations - basic and diluted	(47,112)	212,792	(719,069)	310,700
Basic FFO per share	0.00	0.01	(0.04)	0.02
Diluted FFO per share	0.00	0.01	(0.04)	0.02
Reconciliation of FFO to Cash Flow				
Cash provided (used) by operating activities (excluding changes in non-cash working capital items)	(45,566)	214,304	(714,455)	315,209
Deduct/(Add):				
Accretion on liability component of convertible debenture	-	-	-	-
Non-cash interest on long-term debt	1,546	1,512	4,614	4,509
FFO	(47,112)	212,792	(719,069)	310,700

[1]Note: See: "Going Concern"

[2]Note: See: "Non-GAAP Financial Measures and Performance Indicators"

THREE MONTHS ENDED SEPTEMBER 30, 2015 AND 2014

Effects of natural gas prices on the Q3 2015 Operating Results

The Company's hotels are located in regions of Alberta that are heavily involved with natural gas and oil exploration and drilling. Since the global economic downturn of 2008, there has been a significant reduction in global and regional demand for natural gas, leading to dramatic decreases in the market price of this commodity. Additional discoveries of new sources of gas have compounded the price depression. As a direct consequence, natural gas prices have declined to a position such that the deep-well drilling that occurs in the region is not as economically practical as it once was. Additionally, oil and natural gas prices experienced another significant decline in late 2014 continuing to the present time. Industry has responded by cutting back on capital expenditures, drilling, exploration and the laying off of personnel. As a result of these factors, there has been decreased exploration, production and general economic activity in the vicinity of the Company's hotels which has negatively impacted the Company's occupancy levels and revenues. Accordingly, a fair value adjustment was recorded and further adjustments may be required in the future.

For further information, please see "Going Concern".

Key Performance Measures

The following table provides information on RevPAR, ADR and occupancy for the three months ended September 30, 2015 and 2014.

	Three months ended September 30	
	2015	2014
Comparable Operating Statistics [1]		
Revenue per available room (RevPAR)	$ 66.51	$ 76.89
Average daily rate (ADR)	$ 125.13	$ 127.78
Occupancy	53.15%	60.17%

Note:
(1) See "Non-GAAP Financial Measures".

Investment Properties Revenue and RevPAR

Investment properties revenues for the three month period ended September 30, 2015 were $1,532,351, compared with $1,549,877 during the comparable period ended September 30, 2014. However, RevPAR was $66.51 during the three months ended September 30, 2015 whereas it was $76.89 for the comparable period ended September 30, 2014. Investment properties revenue included food sales at the Phase 1 Grande Cache Property during Q3 2015, because the property operated its restaurant, whereas there were none during Q3 2014 during which time a tenant operated the property's restaurant. The lower RevPAR numbers during Q3 2015 are a result of lower hotel room revenues earned due to lower occupancy rates during Q3 2015 compared to Q3 2014.

Investment Properties Operating Expenses

Investment properties operating expenses for the three month period ended September 30, 2015 were $1,094,235 compared to $842,981 of operating expenses during the comparable period ended September 30, 2014. The higher expenses are a result of cost of sales related to food sales at the Phase 1 Grande Cache Property during Q3 2015. There were no such costs during Q3 2014.

Net Rental Income

Net rental income for the three month period ended September 30, 2015 was $438,116 compared to $706,896 for the period ended September 30, 2014. The difference is attributed lower occupancy rates and therefore lower hotel room revenues earned at the hotel properties during Q3 2015 compared to Q3 2014.

Other Expenses

For the three months ended September 30, 2015, the Company recorded other expenses of $4,488,940 compared to $564,008 during the same period in 2014. The difference is primarily attributed to a fair value adjustment on investment properties in Q3 2015 of $4,003,712. The adjustment was made as a result of declining hotel revenues and occupancy levels. Other expenses excluding fair value adjustment on investment properties was $485,228 for Q3 2015 compared to $494,104 during Q3 2014.

FFO

FFO for the three months ended September 30, 2015 was ($47,112) which is $0.00 basic and fully diluted FFO per share. For the three months ended September 2014, FFO was $212,792 which is $0.01 basic and fully diluted FFO per share. The lower FFO is primarily the result of lower hotel revenues during Q3 2015 compared to Q3 2014.

Cash Flow

During the three months ended September 30, 2015, the Company's cash and cash equivalents decreased by $53,363 from $162,554 as at June 30, 2015 to $109,191 as at September 30, 2015. During the three months ended September 30, 2014, the Company's cash and cash equivalents increased by $58,267 from $481,565 as at June 30, 2014 to $539,832 as at September 30, 2014. The difference is primarily attributable to lower room revenues and timing on the collection of accounts receivables as well as accounts payable and other liabilities.

Operating Activities

Cash provided by operating activities was $12,553 for the period ended September 30, 2015. For the comparable period in 2014, cash provided by operating activities was $263,056. The difference between the periods Q3 2015 and Q3 2014 is attributed primarily to lower net income, timing on the collection of accounts receivables as well as accounts payable and other liabilities.

Investing Activities

Investing activities for the three months ended September 30, 2015 were $4,506 compared to $51,778 compared for 2014; the Company reduced its capital expenditures during Q3 2015 to conserve cash.

Financing Activities

During the three months ended September 30, 2015, the Company repaid $61,410 of long-term debt. This represents the scheduled principal portion of the mortgage on the Phase 1 Grande Cache property (principal payments ceased with respect to the Phase 1 Grande Cache mortgage in May 2015). During the comparable period ended September 30, 2014, the Company repaid $153,011 of long-term debt, representing the scheduled principal portion of the Phase 1 and Phase 2 Grande Cache properties.

NINE MONTHS ENDED SEPTEMBER 30, 2015 AND 2014

Effects of natural gas prices on year-to-date Operating Results

The Company's hotels are located in regions of Alberta that are heavily involved with natural gas and oil exploration and drilling. Since the global economic downturn of 2008, there has been a significant reduction in global and regional demand for natural gas, leading to dramatic decreases in the market price of this commodity. Additional discoveries of new sources of gas have compounded the price depression. As a direct consequence, natural gas prices have declined to a position such that the deep-well drilling that occurs in the region is not as economically practical as it once was. Additionally, oil and natural gas prices experienced another significant decline in late 2014 continuing to the present time. Industry has responded by cutting back on capital expenditures, drilling, exploration and the laying off of personnel. As a result of these factors, there has been decreased exploration, production and general economic activity in the vicinity of the Company's hotels which has negatively impacted the Company's occupancy levels and revenues. Accordingly, a fair value adjustment was recorded and further adjustments may be required in the future.

See: "Going Concern"

Key Performance Measures

The following table provides information on RevPAR, ADR and occupancy for the nine months ended September 30, 2015 and 2014.

	Nine months ended September 30 2015	2014
Comparable Operating Statistics [1]		
Revenue per available room (RevPAR)	$ 49.71	$ 66.00
Average daily rate (ADR)	$ 126.12	$ 125.97
Occupancy	39.42%	52.39%

Note:
(1) See "Non-GAAP Financial Measures".

Investment Properties Revenue and RevPAR

Investment properties revenues for the nine month period ended September 30, 2015 were $3,321,412, compared with $4,229,694 during the comparable period ended September 30, 2014. RevPAR was $49.71 during the nine months ended September 30, 2015 whereas it was $66.00 for the comparable period ended September 30, 2014. Investment properties revenue included food sales at the Phase 1 Grande Cache Property from during the nine months ended 2015, specifically May through September, because the property operated its restaurant. During the comparable period ended 2014, food sales were not included because a tenant operated this property's restaurant. The lower RevPAR figures achieved during the nine months ended September 30, 2015 are a true reflection of the lower hotel room revenues earned due to lower occupancy rates during the nine months ended September 30, 2015 compared to September 30, 2014.

Investment Properties Operating Expenses

Investment properties operating expenses for the nine month period ended September 30, 2015 was $2,572,801 compared to $2,386,979 during the comparable period ended September 30, 2014. The increase is attributable to cost of sales (food sales) at the Phase 1 Grande Cache Property during the nine months ended 2015 whereas there were none during the comparable period ended September 30, 2014.

Net Rental Income

Net rental income for the nine month period ended September 30, 2015 was $748,611 compared to $1,842,715 achieved during the comparable period ended September 30, 2014. The decrease in net rental income is a direct result of lower occupancy levels achieved during the nine months ended September 30, 2015.

Other Income and Expenses

For the nine month period ended September 30, 2015, the Company recorded other expenses of $5,495,152 compared to other income of $366,946. The large difference is attributable to a fair value adjustment on investment properties that occurred in 2015 as well as a gain on extinguishment of long-term debt net of costs that occurred in 2014. When excluding fair value adjustment on investment properties and the gain on extinguishment of long-term debt net of costs, other expenses were $1,467,680 during the nine months ended September 30, 2015 compared to $1,532,015 during the nine months ended September 30, 2014.

FFO

FFO for the nine months ended September 30, 2015 was ($719,069) which is ($0.04) basic and fully diluted FFO per share. FFO for the same period in 2014 was $310,700 which is $0.02 basic and fully diluted FFO per share. The lower FFO is a result of lower hotel room revenues adversely affected by weaker occupancy results during the nine months ended September 30, 2015.

Cash Flow

During the nine months ended September 30, 2015, the Company's cash and cash equivalents decreased by $298,072 from $407,263 at December 31, 2014 to $109,191 as at September 30, 2015. During the comparable nine months ended September 30, 2014, the Company's cash and cash equivalents increased by $393,457 from $146,375 at December 31, 2013 to $539,832 as at September 30, 2014. Lower hotel room revenues are the primary case of the cash flow deterioration. Additionally some of the difference can be attributed to timing of collections of accounts receivable, payable and other liabilities.

Operating Activities

Cash provided by operating activities was $81,041 for the nine months ended September 30, 2015. For the nine months ended September 30, 2014 it was $948,805. The difference in total cash surplus can be attributed primarily to differences in net income, gain on extinguishment of long-term debt, fair value adjustment on investment properties, changes in accounts receivable, payable and other liabilities.

Investing Activities

Investing activities was $64,812 for the nine months ended September 30, 2015 compared to $89,667 for the nine months ended September 30, 2014. The Company had lower additions to investment properties and higher increase in restricted cash during the nine months ended September 30, 2015 compared to the nine months ended September 30, 2014.

As at September 30, 2015 the average age of the units in the Company's portfolio is 11.4 years.

Financing Activities

During the nine months ended September 30, 2015, the Company repaid $314,301 of long-term debt. This represents the scheduled principal portion of the mortgage on the Phase 1 Grande Cache Property for nine months as well as the scheduled principal portion of the mortgage on the Phase 2 Grande Cache Property for five months. During the nine months ended September 30, 2014, the Company repaid $465,681 of long-term debt, representing the scheduled principal portion of the Phase 1 and Phase 2 Grande Cache properties for the entire nine months ended September 30, 2014.

SUMMARY OF QUARTERLY FINANCIAL RESULTS

The following table provides a summary of the quarterly operating results.

	2015			2014				2013
	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31
Operating Statistics								
RevPAR	$ 66.5	$ 30.2	$ 52.4	$ 60.8	$ 76.9	$ 60.2	$ 60.8	$ 45.9
ADR	$ 125.1	$ 124.3	$ 129.0	$ 121.8	$ 127.8	$ 128.2	$ 121.8	$ 115.8
Occupancy	53.2%	24.3%	40.7%	49.9%	60.2%	47.0%	49.9%	39.7%
Operating Results (in thousands)								
Investment Properties Revenue	$ 1,532.4	$ 634.8	$ 1,154.2	$ 1,275.1	$ 1,549.9	$ 1,287.4	$ 1,392.4	$ 1,028.7
Net Rental Income	$ 438.1	$ (137.6)	$ 448.1	$ 503.8	$ 706.9	$ 502.7	$ 633.1	$ 338.8
Net income (loss)	$ (4,050.8)	$ (641.6)	$ (54.2)	$ 878.1	$ 142.9	$ 1,951.7	$ 115.1	$ 572.0
FFO [1]	$ (47.1)	$ (634.6)	$ (70.9)	$ (9.8)	$ 212.8	$ (17.2)	$ 115.1	$ (216.0)
Per Share Results								
Diluted net income (loss)	$ (0.23)	$ (0.04)	$ 0.00	$ 0.05	$ 0.01	$ 0.00	$ 0.01	$ 0.03
Diluted FFO [1]	$ 0.00	$ (0.04)	$ 0.00	$ 0.00	$ 0.01	$ 0.00	$ 0.01	$ (0.01)

Note:
(1) See "Non-GAAP Financial Measures".

LIQUIDITY AND CAPITAL RESOURCES

For the nine months ended September 30, 2015, All in West! had cash provided by operating activities of $81,041 and as at September 30, 2015 there is a $109,191 balance of cash and cash equivalents. This compares to $948,805 and $539,832 respectively for the comparable 2014 period. Occupancy rates and hotel property revenues have been significantly weaker during the nine months ended September 30, 2015 (see: Effects of natural gas prices on year-to-date Operating Results).

The Company is subject to financial covenants on its mortgages, which are measured on a quarterly or annual basis and include customary terms and conditions for borrowings of this nature. As at September 30, 2015, the Company is in a default position on all three of its mortgages as a result of cross-guarantee provisions and/or deferral of principal payments. Consequently, at the balance sheet date, the full carrying amount of the mortgages is presented as a current liability. With respect to its mortgages, the Company is currently making full principal and interest payments on one of its mortgages and interest-only payments on its other two mortgages (see: Going Concern). The Company's lenders have the right to demand the immediate payment of their respective loan principal and outstanding interest. None of the three lenders have made any such demand to date. For further information, please see: "Going Concern" and "Risks and Uncertainties".

The Company has three series of debentures as outlined below.

Debenture Series:	Principal Amount:	Maturity Date:
Series A	$ 6,495,000	Mar 31, 2012
Series B	$ 1,180,000	Sep 28, 2012
Series C	$ 2,349,930	Oct 1, 2012

The Company defaulted on the repayment of the principal amount and accrued interest of its Series A, Series B, and Series C debentures on their respective maturity dates as noted above. The Company formed a special committee to evaluate its alternatives specifically as it relates to the outstanding debentures and to make recommendations to the Board of Directors. The committee recommended that the Company continue its current restructuring efforts and specifically work towards a favorable disposition of its remaining under performing asset. To that extent, the Company announced on June 1, 2014, that it had reached an agreement with Lexor, the mortgage lender of the Econo Lodge, to amend the mortgage to a new three year term with interest-only payments, and to forgive $1,994,820 of debt. On June 4, 2015 a formal arrangement was put in place to make interest-only payments with respect to the Phase II Grande Cache property. The Company has also engaged the services of a capital markets advisor, who is also an All in West! shareholder, to assist the Company with its ongoing restructuring process. Even with reduced principal payments, there can be no assurance that the Company will be in a position to meet obligations as they come due (see: “Going Concern”).

The Company’s performance is heavily dependent on the natural gas industry operating in the vicinity of the Company’s hotel properties. Currently, natural gas prices are depressed and as a result the Company has experienced dramatic declines in room revenues compared to several years ago (see: “Effect of natural gas prices on year-to-date Operating Results”). The outlook for the hotel industry in this region remains very much uncertain and the present weakness is likely to continue until the economy in the area of the properties improves (see: “Outlook”).

For further information, please see “Going Concern”.

Mortgages Payable

As at September 30, 2015, the Company had total mortgage debt outstanding of $15,335,628 with a weighted-average nominal rate of 6.5% As at December 31, 2014, the Company had total mortgage debt outstanding of $15,649,929 with a weighted-average nominal rate of 6.44%. During the nine months ended September 30, 2015, mortgage debt was reduced by $341,301.

Financial Commitments

The following chart summarizes the Company’s contractual future financial commitments as at September 30, 2015.

	2015	2016	2017	2018	2019
Mortgages payable - principal	$ 15,335,628	-	-	-	-
Mortgages payable - interest	$ 62,896	-	-	-	-
Convertible debentures	$ 10,024,930	-	-	-	-
Convertible debentures - interest	$ 4,270,819	-	-	-	-
Accounts Payable and Accrued Liabilities	$ 516,774	-	-	-	-
Total	$ 30,211,047	-	-	-	-

The above table represents debt payments that are due during the timeframe presented. Because the Company is currently in default with respect to its mortgages and debentures (see: “Going Concern”), these are all being presented as a current liability.

SHARE INFORMATION

As at September 30, 2015 there are 17,315,307 shares outstanding (17,315,307 as at December 31, 2014). As all Company debenture series have matured, there is presently no potential issuance of new shares.

MANAGEMENT AND DEVELOPMENT AGREEMENTS

The Company has entered into several agreements with the Marwest Group of Companies. Cornelius Martens, President and Chief Executive Officer of the Company is a member of the group of controlling shareholders of the Marwest Group of Companies. He is also an All in West! shareholder and debentureholder.

Asset Management Agreement

Pursuant to the asset management agreement between the Company and Marwest Management, Marwest provides the management individuals to serve as officers of the Company.

The Asset Management Agreement provides that Marwest Management will provide exclusive asset management, administrative and other services to the Company. The remuneration payable to Marwest Management under the asset management agreement is as follows:

(a) an annual advisory fee equal to 0.4% per annum of the Gross Book Value of the consolidated assets of the Company, payable monthly, and prorated to take into account any acquisitions or dispositions during any monthly period, where “Gross Book Value” means book value of the assets of the Company, as shown on its most recent consolidated balance sheet, plus the amount of accumulated depreciation and amortization shown thereon, less cash raised pursuant to the issue of common shares or convertible debentures which is not yet invested in properties or other assets, and subject to a minimum annual advisory fee of $250,000; and

(b) an acquisition fee equal to 0.5% of the cost of an acquired property, including, without limitation, real estate commissions, finder’s fees and any other acquisition costs payable by the Company (excluding the fees payable to Marwest Management pursuant to the asset management agreement) and all out-of-pocket costs incurred by the Company in connection with the acquisition including legal fees and disbursements, registration and filing fees, land transfer and sales taxes all calculated in accordance with generally accepted accounting principles. This acquisition fee was not payable in respect of the acquisition of the Phase I Grande Cache Property or the Phase II Grande Cache Property.

The Company also reimburses Marwest Management for all expenses incurred in connection with the operation of the Company, including third party costs, which are reasonably incurred by Marwest Management on behalf of the Company.

Marwest Management agreed to forego all asset management fees for 2010-2014 and the year-to-date period.

Property Management

Pursuant to the property management agreement between the Company and Marwest Management, Marwest Management is the exclusive property manager for the Company. The Property Management Agreement entitles Marwest Management to retain third party property managers to provide property management services. Marwest Management is entitled to the following fees pursuant to the property management agreement:

(a) an annual base fee equal to:

(i) in the case of hotel/lodging properties:

(A) one percent (1%) of gross room revenues in excess of the fee charged by any third party manager retained by Marwest to act as property manager for a particular property, not to exceed five percent (5%) of gross room revenues; and

(B) an incentive fee in the amount of 10% of net operating income achieved per property in excess of the net operating income set forth in the approved budget for such property;

(ii) in the case of retirement homes, 5% of gross revenues; and

(iii) in the case of properties other than hotel/lodging properties or retirement homes, a fee to be agreed upon between the parties, acting reasonably;

(b) an annual accounting fee in the amount of $20,000 per property; and

(c) a disposition fee equal to 0.25% of the purchase price of any property sold by the Company.

The Company also reimburses Marwest Management for all expenses incurred in connection with the operation of the properties, including third party costs, which are reasonably incurred by Marwest Management on behalf of the Company.

Development Agreement

Pursuant to the development agreement between the Company and Marwest Development, Marwest Development is the exclusive property developer for the Company. Under the development agreement between the Company and Marwest Development, the Company has the following rights:

(a) the first right to provide mezzanine financing to Marwest Development in respect of the financing of the development of certain properties; and

(b) the first right to acquire properties which have been developed by Marwest Development.

Right of First Refusal

Marwest Development, Marwest Management and their affiliates have granted a right of first refusal to the Company to acquire all properties (other than commercial properties, namely office, retail and industrial properties) which are available for acquisition, or owned by, Marwest Development, Marwest Management or their affiliates or which any of them has secured for acquisition.

RELATED PARTY TRANSACTIONS

The Company incurred asset management fees of $nil during the nine months ended September 30, 2015 (2014 - $nil) with Marwest Management. As part of its asset management agreement, Marwest Management is entitled to an annual advisory fee equal to 0.4% per annum of the Gross Book Value of the consolidated assets of the Company, subject to an annual minimum of $250,000. Marwest Management voluntarily agreed to waive the payment of the asset management fee in full for the 2010 through 2014 fiscal years (see Note 1 and Note 13a) and has continued this cost reduction through the nine months ended September 30, 2015.

The Company incurred property management fees, included in investment properties operating expenses, in the amount of $13,672 (September 30, 2014 - $12,100) during the three months ended September 30, 2015, with Marwest Management as part of its property management agreement and $31,562 (September 30, 2014 - $38,898) during the nine months ended September 30, 2015.

The Company incurred property management fees, included in investment properties operating expenses, in the amount of $43,560 (September 30, 2014 - $39,030) during the three months ended September 30, 2015, with Lexor as part of its property management agreement and $99,100 (September 30, 2014 - $121,576**)** during the nine months ended September 30, 2015.

Lexor is the holder of the mortgage loan secured against the Econo Lodge in the principal amount of $4,500,000 as at September 30, 2015. On May 30, 2014, $1,994,820 of mortgage debt was forgiven. Interest paid to Lexor was $84,375 (September 30, 2014 - $83,450) during the three months ended September 30, 2015, and $252,200 (September 30, 2014 - $284,318) during the nine months ended September 30, 2015. On June 1, 2014 concurrent with the forgiveness of debt and renegotiation of the mortgage agreement the interest rate increased from 6.41% to 7.5%.

The Company incurred accounting fees in the amount of $15,000 (September 30, 2014 - $15,000) during the three months ended September 30, 2015, with Marwest Management as part of its property management agreement and $45,000 (September 30, 2014 - $45,000) during the nine months ended September 30, 2015.

The Company incurred lease payments in the amount of $3,750 (September 30, 2014 - $3,750) during the three months ended September 30, 2015, with Adora Investment Inc., a related party by virtue of close family members of key management personnel, as part of its land lease agreement and $11,250 (September 30, 2014 - $11,250) during the nine months ended September 30, 2015. Included in other receivables is $4,279 due from Adora Investments Inc. (December 31, 2014 - $nil).

Included in accounts payable at September 30, 2015, was $47,470 (December 31, 2014 - $42,053) due to Marwest Management, $47,050 (December 31, 2014 - $22,604) due to Lexor, and $1,312 due to Adora Investments Inc. (December 31, 2014 - $nil).

OUTLOOK

The Company's outlook is closely tied to the local economic conditions of Hinton and Grande Cache, the towns where it owns hotels. Their performance is tied to the economic activity in the resource sector, especially natural gas, as well activity in the tourism sector. Historically the Company's hotels have benefited from strong local economies driven by natural gas drilling and exploration. However, since 2008, a significant decline in North American natural gas prices has occurred and exploration/drilling activities in the vicinity of the Company's hotels has slowed. In late 2014 and continuing into 2015 a further oil and gas commodities price drop has occurred which again negatively impacts oil and gas drilling and exploration activity. The Company has experienced significantly weaker results during the nine-month period ended June 30, 2015 as a result (see: Effects of natural gas prices on year-to-date Operating Results). In the foreseeable future, it is anticipated that the Company will continue to experience lower occupancy rates and lower revenues. A fair value adjustment was recorded and further adjustments may be required in the future. The Company is subject to Going Concern risk; please see: "Going Concern" and "Risks and Uncertainties".

The Company has been carefully monitoring its capital resources. It reviews its assets and maintains close communication with its stakeholders, lenders and investment bankers while looking for opportunities to improve its balance sheet and cash flows. Paramount to the Company is the rebound of natural gas prices, there is no assurance of any significant rebound at this time. If the overall economy improves and natural gas prices do eventually strengthen, the Company may benefit from such recovery. Without improvement in the short-term horizon, the Company may not be in a position to capitalize on improved market conditions when they occur. The Company has engaged the services of a capital markets service provider, who is also an All in West! shareholder, to look at restructuring opportunities. It is uncertain whether the Company will be cash-flow positive throughout 2015.

For more information please see: "Going Concern" and "Risk of Default". In the short-term horizon, there is much uncertainty for the Company.

RISKS AND UNCERTAINTIES

There are a number of risks inherent in an investment in the Company.

Going Concern Risk

These interim consolidated financial statements have been prepared on a going concern basis in accordance with IFRS which assumes that All in West! Capital Corporation will continue operations and be able to realize its assets and discharge its liabilities and commitments in the normal course of business for the foreseeable future. There is significant doubt about the appropriateness of the going concern assumption and ultimately the use of accounting principles applicable to a going concern because of the material uncertainties caused by successive years of operating losses, the position of default on all major debt instruments without current secured remediation, and a large working capital deficit. The Company has experienced a general decline in room revenues over the past few years, reflecting a weak economic environment and a marked decline in the natural gas industry in the vicinity of the Company's hotel properties since 2008. The outlook for the Company's hotel properties remains uncertain and the weakness is expected to continue until the economy, and natural gas activity in particular, in the area of the properties improves.

Management is continuing to assess various strategies to improve operating results and cash flows and to adjust the Company's capital structure, and has engaged a shareholder to assist in the identification of potential restructuring. Management's strategies includes the implementation of various cost reduction measures, and specific actions to address cash flow, as described in the following paragraphs. Management disposed of one of the hotel properties in fiscal 2012 and continues to consider the possibility of the disposition of other properties.

Management commenced a plan consisting of reduced payments to various stakeholders and debt holders in an effort to reduce cash outflows and improve liquidity. This plan included the voluntary waiving of asset management fees by Marwest Management, the waiving of payments of director fees by the Directors of the Company, ceasing interest payments to the holders of its Series A Debentures, Series B Debentures and Series C Debentures, and deferring certain mortgage principal payments to mortgage holders. Management's forecast indicates that without such measures, with stakeholders and debt holders, the Company would be cash deficient during the fourth quarter of fiscal 2015. Even with reduced payments, there can be no assurance that the Company will be in a position to meet obligations as they come due.

The Company ceased making interest payments on the Series A Debentures and the Series B Debentures on April 30, 2010, and ceased making interest payments on the Series C Debentures on November 30, 2010. The non-payment of interest on all series of debentures has resulted in the Company being in a default position on these debt instruments. As a result of the defaults, the indenture trustee may in its discretion, or upon the request of the debenture holders, declare the principal and interest on all debentures then outstanding, to be immediately due and payable. If payment of the full amount of any or all series of debentures were to be demanded, the Company would not be able to satisfy these obligations without additional external funding. On March 7, 2012, the Company delivered formal notice to the indenture trustee for its Series A Debentures, which matured on March 31, 2012, that the Company would default on its obligation to repay the principal amount and accrued interest on the maturity date. On September 5, 2012, the Company delivered formal notice to the indenture trustee for its Series B Debentures, which matured on September 28, 2012, and its Series C Debentures, which matured on October 1, 2012, that the Company would default on its obligation to repay the principal amounts and accrued interest on the maturity dates.

In conjunction with the modification of certain loan agreements, the deferral of certain mortgage principal payments commenced in fiscal 2010. Despite the modifications made to certain repayment schedules, the Company continues to be in a default position on its three mortgages.

An agreement to defer mortgage principal payments with one of the lenders expired on October 31, 2010. The Company reinstated full mortgage payments on this mortgage on November 30, 2011. This mortgage, with a current carrying value of $3,740,153 became payable in full on September 14, 2012, however, pursuant to an agreement signed with the lender on November 7, 2012, a 12-month extension of existing terms had been agreed to by the parties, with the indebtedness due September 30, 2013. The mortgage was subsequently renewed and is due the earlier of demand or September 30, 2016. On June 4, 2015 a commitment letter was signed that reduced monthly mortgage payments to interest-only until April 30, 2016. This mortgage is considered to be in default by the lender due to being in arrears and a cross-default provision with respect to defaults on other loans.

On November 15, 2012, a mortgage with a carrying value of $6,494,820, held on one of the Company's investment properties, was assigned by the original lender to Lexor, a related party by virtue of close family members of key management personnel. The original mortgage agreement and all significant terms and conditions of the mortgage remained substantially unchanged from those agreed upon with the original mortgage holder upon assignment of the mortgage. The deferral of mortgage principal payments had continued on a month-to-month basis. On June 1, 2014 the mortgage was amended to a three interest-only year term, and debt in the amount of $1,994,820 was forgiven. The mortgagor has the option of purchasing the property for the mortgage carrying value of $4,500,000 at any time during the three year period. At the end of the three year interest-only term the Company may turn ownership of the property to Lexor to satisfy repayment of the mortgage. The mortgage is considered to be in default by the lender due to being in arrears and a cross-default provision with respect to defaults on other loans as such the lender retains the right to call the property on demand.

The third mortgage, with a carrying value of $7,095,475, is considered to be in a default position as a result of a cross-default provision with other lenders. At September 30, 2015, principal and interest payments on this mortgage had been paid and were current.

If payment of the full amount of any or all of the mortgages were to be demanded, the Company would not be able to satisfy these obligations with current Company resources.

As at November 25**,** 2015, the indenture trustee, debenture holders or mortgage lenders have not demanded payment in full of amounts outstanding.

The success of management's planned initiatives and actions referred to above cannot be assured, and may be subject to material change or revision at any time.

If the going concern basis was not appropriate for these interim consolidated financial statements, then adjustments would be necessary in the carrying value of assets and liabilities, the reported revenue and expenses, and the balance sheet classifications used. These adjustments would be material.

Risk of Default

The Company has ceased making interest payments on its Series A Debentures, Series B Debentures, and Series C Debentures. These non-payments constitute an event of default under the respective trust indentures. Additionally, the Company did not repay the Series A, Series B or Series C when they matured. These defaults have resulted in the debentures becoming due on demand and the Company does not have the resources to satisfy these obligations. All of the Company's mortgages are in default through various cross-guarantees such that any Company default on its debt automatically triggers default with respect to any and all of its mortgages. Consequently, the Company is in default of all of its mortgages and its lenders have the right to declare the full amount of their loan principal to be due and payable on demand. If the payment of the full amount of any or all of the mortgages were to be demanded, the Company would not be able to satisfy these obligations. The defaults cause all debt obligations to be presented as a current liability on the Company's balance sheet (see: "Going Concern").

Risks Associated with the Business of the Company

Hotel Industry Risks

The Company owns and operates three hotels and is therefore subject to the operating risks of the hotel industry. These risks include: cyclical downturns arising from changes in general and local economic conditions; changes in the level of business and commercial travel and tourism; increases in the supply of accommodations in local markets; competition from other hotels; the recurring need for renovation, refurbishment and improvement of hotel properties; changes in wages, prices, energy costs and construction and maintenance costs; availability of financing for operating or capital requirements; seasonal fluctuations in hotel operating income produced throughout the year and other factors.

Competition

The hotel industry is highly competitive. The Company faces significant local competition from other hotels. Some competitors may have greater marketing and financial resources than the Company. The number of competitive hotel properties in a particular area could have a material adverse effect on the occupancy rates and average daily rate of properties in that particular area. New competitors entering markets in which the Company operates can also adversely affect business levels.

Customer Concentration

In the markets that the Company operates, the customer base may be concentrated due to the type of industries established in those markets. The business levels rely on the ongoing presence and financial stability of these customers. If these customers withdrew from these markets, the Company could experience a decline in revenue. This has in fact happened to a great extent with respect to customers related to natural gas exploration and drilling.

Changes to the Alberta Oil and Gas Royalties

The Company's properties are located in the province of Alberta. They derive a substantial portion of their revenue from customers in the oil and gas sector. The Alberta government announced a new framework that increased its royalties in October 2007. In November 2008, it offered companies transitional royalty rates for the period 2009-2013. In March 2009, it launched an incentive program to stimulate new and continued activity. In May 2015 Alberta elected a new government that will review all royalties. Any decline in activity in the sector as a result of government policy and regulation could result in a decline in revenues for the Company as well as fair value adjustment declines.

Availability of Additional Capital

The acquisition of properties, as well as ongoing renovations, refurbishment and improvements required to maintain and operate hotels, are capital intensive. Where the cost of capital improvements exceeds available cash on hand, the Company may be required to fund these activities by incurring additional indebtedness. Access to capital markets for additional borrowing depends on prevailing market conditions and the acceptability of the terms offered. If the Company were unable to secure additional funding for acquisitions or required improvements, it would be required to curtail these activities, which could have an adverse effect on its results of operations, financial condition and distributions.

Debt Financing

The Company incurred debt in connection with the acquisition and operation of its hotel properties, including mortgage financing, capital leases and other borrowings. Therefore, the Company is subject to the risks associated with debt financing, including the risks that cash flow from operations will be insufficient to meet required payments of principal and interest, the risk that existing debt will not be able to be refinanced or that terms of such refinancing will not be as favorable to the Company and that the risk that necessary capital expenditures for such purposes as renovations and other improvements will not be able to be financed on favorable terms or at all. In such circumstances, if the Company were in need of capital to repay indebtedness in accordance with its terms or otherwise, it could be required to liquidate one or more of its hotel properties at times which may not permit realization of the maximum return on such investments or could be required to agree to additional financing on unfavorable terms. The Company's financing arrangements contain covenants that could restrict its ability to operate its business in certain ways. The Company is not in compliance with its covenants. Please see the "Liquidity and Capital Resources" section as well "Going Concern" for further information. Failure to comply with the restrictions in its financing arrangements gives lenders the right to accelerate payment of the related debt. In connection with its financing arrangements, the Company has granted security interests over its portfolio. If the Company is unable to meet its debt service obligations, it risks the loss of some or all of its assets to foreclosure or sale. All of the Company's mortgages are in default through various cross-guarantees such that any Company default on its debt automatically triggers default with respect to any and all of its mortgages. Additionally, the Company is making interest-only payments on two of its three mortgages. Consequently, the Company is in default of all of its mortgages and its lenders have the right to declare the full amount of their loan principal to be due and payable on demand. If the payment of the full amount of any or all of the mortgages were to be demanded, the Company would not be able to satisfy these obligations. The defaults cause all debt obligations to be presented as a current liability on the Company's balance sheet (see: "Going Concern").

Reliance on Key Personnel

The Company depends on the services of certain key personnel, including in particular, Cornelius Martens as Chief Executive Officer and Jennifer Nazimek as Chief Financial Officer. As these individuals are employees of Marwest, they are not required to devote their time exclusively to the affairs of the Company. The loss of the services of any of these key personnel could have an adverse effect on the Company.

<u>Risks Related to Real Property Ownership</u>

General

The Company owns hotel properties and therefore, is subject to risks generally incidental to the ownership of real property. The underlying value of the properties and the Company's income depends on the ability of the Company to maintain or increase revenues from the properties and to generate income in excess of operating expenses. Income from the hotel properties may be adversely affected by changes in national or local economic conditions, changes in interest rates and in the availability, cost and terms of mortgage financing, the impact of present or future environmental legislation and compliance with environmental laws, the ongoing need for capital improvements, particularly in older structures, changes in real estate assessed values and taxes payable on such values (including as a result of possible increased assessments as a result of the acquisition of the hotel properties by the Company) and other operating expenses, changes in governmental laws, regulations, rules and fiscal policies, changes in zoning laws, civil unrest, acts of God, including earthquakes and other natural disasters and acts of terrorism or war (which may result in uninsured losses). When interest rates increase, the cost of acquiring, developing, expanding or renovating real property increases and real property values may decrease as the number of potential buyers decreases. Similarly, as financing becomes less available, it becomes more difficult to both acquire and to sell real property. Finally, governments can, under eminent domain laws, expropriate or take real property for less compensation than an owner believes the property is worth. Almost all of these factors are beyond the Company's control.

Liquidity

Real estate investments are relatively illiquid, with the degree of liquidity generally fluctuating in relation to demand for and the perceived desirability of such investments. Such illiquidity may limit the Company's ability to carry its portfolio promptly in response to changing economic or investment conditions. If the Company were to need to liquidate a property, the proceeds to the Company might be significantly less than the aggregate carrying value of such property. In addition, by concentrating on hotel properties, the Company is exposed to the adverse effects on that segment of the real estate market and does not benefit from a diversification of its portfolio by property type or geographical location.

Environmental Matters

The Company and its properties are subject to various federal, provincial and municipal laws relating to environmental matters. These laws provide that the Company could be liable for the costs of removal of certain hazardous, toxic or regulated substances released on or in the properties or disposed of at other locations sometimes regardless of whether the Company knew of or was responsible for their presence. The failure to remove, remediate or otherwise address such substances or locations, 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 claims against the Company by private plaintiffs. In addition, environmental laws and regulations may change in the future and the Company may become subject to more stringent environmental laws and regulations could have a material adverse effect on the Company's business, financing condition or results of operations.

Risks Related to the General Economic Environment

As with any commercial enterprise, the Company is subject to risks associated with the general economic conditions. These risks include the degree to which the overall economy is expanding or contracting, rate of inflation, unemployment rate, level of consumer confidence, and the effects of government initiatives. Any deterioration of the general economic conditions may adversely affect business levels of the Company.

CHANGES IN ACCOUNTING POLICIES

IFRS 9 - Financial Instruments - In July 2014, the IASB issued IFRS 9, “Financial Instruments” (“IFRS 9”) to replace International Accounting Standard 39, “Financial Instruments: Recognition and Measurement”. The amended IFRS 9 is a multi-phase project with the goal of improving and simplifying financial instrument reporting. IFRS 9 uses a single approach to determine measurement of a financial asset by both cash flow characteristics and how an entity manages financial impairment, replacing the multiple classification options in IAS 31 with three categories: amortized cost, fair value through other comprehensive income and fair value through profit or loss. IFRS 9 is effective for years beginning on or after January 1, 2018. Early adoption is permitted if IFRS 9 is adopted in its entirety at the beginning of a fiscal period. The Company is assessing the impact of adopting this standard on its financial statements.

IFRS 15 - Revenue from contracts with customers - In May 2014, the IASB issued IFRS 15, “Revenue from Contracts with Customers” (“IFRS 15”), a new standard that specifies the steps and timing for entities to recognize revenue as well as requiring them to provide more informative, relevant disclosures, IFRS 15 supersedes IAS 11, "Construction Contracts", and IAS 18, "Revenue", as well as various IFRIC and SIC interpretations regarding revenue. Adoption of IFRS 15 will be effective for the Company beginning on January 1, 2018, with earlier adoption permitted. The Company is assessing the impact of adopting this standard on its financial statements.

ADDITIONAL INFORMATION

Additional Information relating to the Company can be found on SEDAR located at www.sedar.com.