GULF & PACIFIC EQUITIES CORP.

MANAGEMENT DISCUSSION AND ANALYSIS

Quarterly Report for the three months ended March 31, 2011

This Management Discussion and Analysis ("MD&A") has been prepared based on information available to Gulf & Pacific Equities Corp. ("Gulf & Pacific" or the "Company") as of June 23, 2011.

This MD&A provides analysis of the Company's financial results for the three months ended March 31, 2011. The following information should be read in conjunction with the accompanying unaudited financial statements and the notes to the unaudited financial statements for the three months ended March 31, 2011 and the audited financial statements and the related notes for the year ended December 31, 2010. The Company's functional and reporting currency is the Canadian dollar.

The unaudited financial statements and related notes of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS"). Refer to the Notes of the March 31, 2011 unaudited financial statements for disclosure of the Company's significant accounting policies.

International Financial Reporting Standards

The Canadian Accounting Standards Board requires publicly accountable enterprises such as the Company to adopt IFRS for fiscal years beginning on or after January 1, 2011. Accordingly, the Company's unaudited financial statements for the quarter ending March 31, 2011 have been prepared in accordance with IFRS as published by the International Accounting Standards Board.

For each reporting period in 2011, the Company will also present comparative information for 2010, both for interim and annual financial statements, as applicable, on an IFRS basis. The financial statements for the year ending December 31, 2011, will be our first annual financial statements that comply with IFRS. As this will be our first year of reporting under IFRS, First Time Adoption of IFRS (IFRS 1) is applicable.

In accordance with IFRS 1, the Company has applied IFRS retrospectively as of January 1, 2010 (the Transition Date) for comparative purposes. In preparing our opening balance sheet in accordance with IFRS, we have adjusted amounts reported previously in our financial statements prepared in accordance with pre-conversion Canadian GAAP. For further information, please refer to the Company's unaudited Financial Statements and Notes for the three months ended March 31, 2011.

Forward Looking Statements

This MD&A includes certain statements that may be deemed "forward-looking statements". All statements in this discussion, other than statements of historical facts, that address the Company's ability to lease vacant property units, collect minimum rents, diversify its tenant base, undertake land intensification projects, refinance loans, debentures and mortgages at their maturity, complete accretive acquisitions and other events that impact the growth of the Company are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include interest rates, continued availability of capital and financing, and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and that actual results or developments may differ materially from those projected in the forward-looking statements.

Additional information including press releases have been filed electronically through the System for Electronic Document Analysis and Retrieval ("SEDAR") and are available online under our profile at www.sedar.com or the Company's website at www.gpequities.com.

Neither this document nor the financial statements have been reviewed by the Company's Auditors but they are subject to approval by the Company's Board of Directors prior to filing and distribution to the shareholders.

Gulf & Pacific Equities Corp. is publicly traded on the TSX Venture Exchange (TSX-V: **GUF**).

Company Overview

Gulf & Pacific Equities Corp. was incorporated under the Business Corporations Act (Alberta) on April 8, 1998 and on June 17, 1998 filed Articles of Amendment to remove certain private corporation restrictions. The Company is listed on the TSX Venture Exchange (TSX-V: GUF). The Company commenced active operations during the 1999 fiscal year. Gulf & Pacific is focused on the acquisition, management and development of anchored shopping centres in Western Canada.

The Company's current portfolio consists of 5 properties located in Northern Alberta and in British Columbia. In Northern Alberta, the flagship property is Tri-City Mall located in Cold Lake, Alberta with gross lease area of 142,208 sq. ft., Valley Centre Mall, in Whitecourt, Alberta with gross lease area of 80,120 sq. ft., St. Paul Shopping Centre, in St. Paul, Alberta with gross lease area of 69,089 sq. ft. and a stand alone property in Three Hills, Alberta with 9,003 sq. ft. of lease space. The Merritt property in British Columbia consists of two lots with gross lease area of 11,980 sq. ft..

First Quarter 2011 Highlights

In the first quarter of 2011, the Company:

- Worked towards securing two new anchor tenants for the St. Paul Shopping Centre which were officially announced in April, with Liquidation World Inc. and North West Company LP (Giant Tiger) being the two new anchor tenants in the mall
- Continued to work on intensification of properties, in particular, potential pad site for Tri-City Mall
- On going efforts to renew and attract new tenants for all the properties
- Increase in quarter to quarter revenue, with potential for future revenue growth from the new anchors in St. Paul
- Preparation underway for refinancing of mortgages maturing in 2011

Results of Operations

Statements of Financial Position

On the Statements of Financial Position, total assets stood at $37,911,940 as of March 31, 2011, compared to $37,896,677 as of December 31, 2010, as reported under IFRS. The total assets reported under Canadian GAAP for the 2010 audited financial statement was $28,439,690 (see note 3 of accompanying unaudited financial statements ended March 31, 2011).

The increase of $15,263 in total assets was primarily due to prepaid expenses and accrued rent receivable, offset by decreases in cash and accounts receivable.

Our cash balance decreased by $18,485 during the three months to $45,897 at March 31, 2011, from $64,382 as of December 31, 2010 due to payment of normal operations of the company. Prepaid expenses increased to $447,880 from year ended December 31, 2010 of $407,753 representing expenses incurred for new leases and new developments at current sites during the quarter, in particular at St. Paul.

As well, the prepaid expenses includes a $240,000 prepayment to the mortgage lender for our St. Paul Shopping Centre. At the writing of this report, $120,000 has been received by the Company and the remaining $120,000 plus nominal interest earned are anticipated in July of this year.

Accounts receivable decreased from $91,925 at December 31, 2010 to $72,450 as of March 31, 2011 due to collection of outstanding rents, realty taxes and common area costs. Accrued rent receivable increased to $383,713 at March 31, 2011 from $370,617 as of December 31, 2010 as a result of applying the straight-line method of recognizing rental revenue whereby the total amount of rental revenue received from all leases is accounted for on a straight-line basis over the term of the related leases. The difference between the rental revenue recognized and the amount contractually due under the lease agreements is charged to accrued rent receivable.

With respect to liabilities, mortgages payable decreased to $21,844,551 as of March 31, 2011 down from $21,989,956 as of December 31, 2010 due to regular repayment of mortgages on the Company's properties. Convertible debentures increased to $2,410,239 from $2,343,706 as of December 31, 2010. The convertible debentures are carried at an amount that increases as time passes (see note 5 to the unaudited quarterly financial statements) reflecting a non-cash allocation within the balance sheet.

The purchase price payable of $658,776 represents an agreement whereby the Company is obliged to pay the amount if the Tri-City Mall becomes fully leased subsequent to the purchase. Since the Company expects to fully lease the property in 2011, this obligation has been fully provided for.

The loans payable of $1,357,747 includes a $1,115,000 debenture with a conversion feature subject to approval by disinterested shareholders. On June 9, 2011, disinterested shareholders approved the conversion feature. The second loan in the original amount of $265,000 was incurred during 2010 and is secured by a 2nd mortgage on one of the properties. A $10,000 monthly installment commenced January 22, 2011 with a final payment of $190,000 due on December 21, 2011.

Accounts payable and accrued liabilities increased to $1,154,530 as of March 31, 2011 from $1,039,301 as of December 31, 2010 due mainly to normal payments such as property taxes, common area expenses and debenture interest.

Total liabilities increased to $27,425,843 from $27,411,739 as of December 31, 2010, an increase of $14,104. This increase is primarily due to payments made to accounts payable & accrued liabilities offset by mortgages payable for the quarter.

Shareholders' equity stood at $10,486,097 as of March 31, 2011 compared to $10,484,938 as of December 31, 2010, as reported under IFRS. The increase was due to the nominal gain for the three months, mostly from increased rental income from the properties.

<u>Statements of Comprehensive Income</u>

For the three months ended March 31, 2011 revenue increased to $994,906 from $931,531 as of March 31, 2010, an increase of 6.8%. The increase was primarily a result of new leases and lease renewals at our properties. Accordingly, rental income increased by $77,579 or 11.2% while common area and realty tax recoveries decreased by $14,177 or 6.0% for the period.

For the period ended March 31, 2011, expenses increased to $993,747 from $965,624 as of March 31, 2010, an increase of $28,123 or 2.9%. The primary reasons for the increase in expenses are increase in interest expenses of $23,754 or 4.9% and operating costs and realty taxes of $6,268 or 1.9%, offset by decrease in administration of $1,899 or 1.2%. Overall expenses are holding steady and management remains focused on controlling costs and operating efficiently.

Net income for the three months ended March 31, 2011 was $1,159 compared to a loss of $34,093 for the same period last year. As a result, income per share was nil in the three months ended March 31, 2011 compared to a loss per share of nil for the same period in 2010.

Statements of Cash Flows

On the statements of cash flows, cash gained in operations totaled $161,184 for the three months ended March 31, 2011 compared to cash used of $214,336 for the same period last year. This represents a Funds From Operations (FFO) of $0.02 per share for the period.

Financing activities for the three months recorded a funds used of $179,669 compared to funds provided of $533,366 for the same period a year ago. This is due to the debenture proceeds received during the first quarter 2010 offset by normal repayment of mortgages payable.

As at March 31, 2011, the Company had $45,897 in cash compared to $357,474 at the same time a year ago.

Selected Annual Information

The following selected financial data for each of the three most recently completed financial years are derived from the audited annual financial statements of Gulf & Pacific Equities Corp., which were prepared in accordance with Canadian generally accepted accounting principles ("C-GAAP"). The 2008 and 2009 results are presented under C-GAAP and the 2010 results are presented under IFRS based on audited statements, but have not been reviewed by the Company's auditors.

For the Years Ended December 31,	**2010 (IFRS)**	**2009 (C-GAAP)**	**2008 (C-GAAP)**
	$	$	$
Net revenue	3,829,121	3,933,594	4,388,561
Loss before discontinued operations and extraordinary items	422,555	965,187	615,512
Loss before discontinued operations and extraordinary items, per share	0.05	0.11	0.07
Loss before discontinued operations and extraordinary items, per share fully diluted	0.05	0.11	0.07
Net loss	422,555	965,187	615,512
Net loss, per share	0.05	0.11	0.07
Net loss, per share fully diluted	0.05	0.11	0.07
Total assets	37,896,677	29,443,089	29,410,862
Total long term liabilities	26,372,438	26,950,058	27,500,700
Cash dividends	-	-	-

Summary of Quarterly Results

The following selected financial data are derived from the unaudited quarterly financial statements of Gulf & Pacific Equities Corp, which were prepared in accordance with Canadian generally accepted accounting principles for the results from April 1, 2009 to December 31, 2010. For the results from January 1, 2010 to March 31, 2011, the results are presented under IFRS.

	2011 (IFRS)	2010 (IFRS)				2009 (C-GAAP)		
For the Quarters Ended	**Mar 31**	**Dec 31**	**Sep 30**	**Jun 30**	**Mar 31**	**Dec 31**	**Sep 30**	**Jun 30**
	$	$	$	$	$	$	$	$
Net Revenue	994,906	947,499	934,664	1,015,427	931,531	960,337	1,040,704	1,018,222
Income (loss) before discontinued operations and extraordinary items	1,159	(213,575)	(67,672)	(107,215)	(34,093)	(426,709)	(111,062)	(185,747)
Income (loss) before discontinued operations and extraordinary items, per share	-	(0.03)	(0.01)	(0.01)	-	(0.04)	(0.02)	(0.02)
Income (loss) before discontinued operations and extraordinary items, per share, fully diluted	-	(0.03)	(0.01)	(0.01)	-	(0.04)	(0.02)	(0.02)
Net Income (loss)	1,159	(213,575)	(67,672)	(107,215)	(34,093)	(426,709)	(111,062)	(185,747)
Net Income (loss) per share	-	(0.03)	(0.01)	(0.01)	-	(0.04)	(0.02)	(0.02)
Net Income (loss) per share, fully diluted	-	(0.03)	(0.01)	(0.01)	-	(0.04)	(0.02)	(0.02)

Liquidity and Capital Resources

The Company had cash of $45,897 as of March 31, 2011 which is sufficient to cover the Company's near term cash requirements. If addition capital resources are required, management believes that it has the ability to raise sufficient funds for the continuation of operations. While management has been historically successful in raising the necessary capital, it cannot provide assurance that it will be able to obtain the required financing.

Changes in Accounting Policies

Transition to International Financial Reporting Standards

In 2008, the Accounting Standards Board announced that Canadian publicly accountable companies would be required to converge Canadian Generally Accepted Accounting Principles (GAAP) with International Financial Reporting Standards (IFRS) effective January 1, 2011. Although IFRS employs a conceptual framework that is similar to Canadian GAAP, there are significant differences in recognition, measurement and disclosures.

The Company adopted "First-time Adoption of International Financial Reporting Standards" ("IFRS 1") with the purpose of selecting optional exemptions and certain mandatory exceptions allowed to the Company upon transition to IFRS. IFRS 1 generally requires that an entity apply all IFRS effective at the end of its first IFRS reporting period retrospectively, with specific mandatory exemptions and a limited number of optional exemptions. The Company expects to elect the following optional exemptions which is expected to have significant impact on the Company's results:

a) Investment Property

Under IAS 40 – Investment Property, investment property is defined as property held to earn rentals, capital appreciation, or both, rather than for use in the production or supply of goods or services, administrative purposes, or for sale in the ordinary course of business. The Company's investment properties, under IFRS, consist of all of the Company's income producing properties, properties under development and surplus lands.

Similar to Canadian GAAP, under IFRS, investment property is initially recognized at cost. Subsequent to initial recognition IFRS requires that an entity account for investment property using either the cost or fair value model.

First time adoption of IFRS, allows an entity, at the date of transition to IFRS, to revalue investment properties at fair value and deem this amount as cost going forward, if the entity chooses the cost model.

It is also allowable, under IFRS, for an entity to maintain historical cost and continue to use the cost model. The cost model is generally consistent with Canadian GAAP in existence at December 31, 2010, in that investment properties are carried at cost less accumulated depreciation on the balance sheet. If the cost model is chosen, the fair value is required to be disclosed in the notes to the consolidated financial statements.

The Company has chosen to use the fair value method of presenting its investment properties as it is a more meaningful measure of the Company's primary assets. The opening adjustment to fair value at the transition date will be recorded in shareholders' equity. Fair value represents the amount at which the properties could be exchanged between knowledgeable, willing parties in an arm's length transaction at the date of valuation.

The Company proposes that the fair value of investment properties will be determined on a combination of external appraisals, which will be obtained in the normal course of business for financing and other purposes, and internal valuations based on a capitalization matrix provided by independent external sources. Management will undertake annual reviews of the fair value of its investment properties to assess the continuing validity of the underlying assumptions such as cash flow and capitalization rates. Where increases or decreases are warranted, the Company will adjust the fair values of its investment properties.

Under the fair value model depreciation of investment properties will no longer be recorded. Straight-line rent, goodwill and intangible assets and liabilities which are currently reported separately under Canadian GAAP, are effectively included in the fair value of investment properties under IFRS. Straight-line rent, although effectively included in investment properties, will continue to be amortized as a reduction or increase of revenue.

The Company is reporting the fair value of each of its properties in the first unaudited interim financial statements under IFRS for the quarter ending March 31, 2011.

b) Business Combinations

IFRS 1 indicates that a first-time adopter may elect not to apply IFRS 3 Business Combination retrospectively to business combinations that occurred before the date of transition to IFRS. The Company will take advantage of this election and will apply IFRS 3 to business combinations that occurred on or after January 1, 2010.

c) Share-based payments

IFRS 1 allows that full retrospective application may be avoided for certain share-based instruments depending on the grant date, vesting terms and settlement of any real liabilities. A first-time adopter can elect to not apply IFRS 2 to share-based payments granted after November 7, 2002 that vested before the later of (a) the date of transition to IFRS and (b) January 1, 2005. The Company has elected this exemption and will apply IFRS2 to only unvested stock options as at January 1, 2010 being the transition date. As at January 1, 2010, the Company had no unvested stock options.

d) Leases

IFRS requires rental revenue to be recognized on a straight-line basis considering all rental payments from the start of each lease, whereas GAAP requires the recognition only on a prospective basis subsequent to the adoption of the accounting policy which was January 1, 2004. There is no impact of this change on the operating results of the Company.

e) Intangible Assets and Liabilities

With the adoption of IFRS, we derecognized our intangible assets and liabilities that relate to tenant leases otherwise considered in the determination of the fair value of our investment properties. This resulted in a decrease to intangible assets and liabilities.

f) Convertible Debentures

Under IFRS, the Company is required to present the conversion feature of its convertible debentures as a liability measured at fair value. Alternatively, the Company can choose to measure the entire balance of convertible debentures at fair value rather than separate the embedded derivative. In either case, the opening adjustment to fair value at the transition date would be recorded in shareholders' equity, with the changes to the fair value for each period being recorded in the consolidated statement of income and other comprehensive loss. Under Canadian GAAP, the value of the conversion feature of the Company's convertible debentures is included as a component of shareholders' equity and is not remeasured at fair value at each reporting date. The liability component of the convertible debentures is measured at amortized cost under Canadian GAAP. There is no impact of this change on the Company's operating results.

g) Income taxes

In December 2010, the IFRS Foundation issued amendments to International Accounting Standard ("IAS") 12, "Income taxes" to provide a practical approach for measuring deferred tax liabilities and deferred income tax assets when investment property is measured using the fair value model in IAS 40, "Investment Property". The amendments introduce a rebuttable presumption that an investment property measured using the fair value model is recovered entirely through sale rather than through use. The presumption is rebutted if the investment property is held within a business model whose objectives is to consume substantially all the economic benefits embodied in the investment property over time, rather than through sale. The Company has adopted the presumption that the carrying amount of the investment property will be recovered through sale and accordingly the measurement of the deferred tax liability (or asset) reflects such tax consequences. There is no impact of this change on the Company's operating results.

Financial Instruments

Financial instruments with substantive characteristics of both a financial liability and equity instrument are accounted for using the split accounting method to provide separate classification of the liability and equity elements. The initial liability balance recognized is less than the cash required to be repaid at maturity. Therefore, the liability balance is accreted over the term of the debt. The accretion of the original debt discount is charged to interest expense over the term of the debt.

The Company finances operations and capital acquisitions through the issuance of common shares, convertible debentures and warrants. The debt component of the convertible debentures is reflected as a financial liability and the equity component of the convertible debenture is included in shareholders' equity.

Outstanding Share Data

The Company is authorized to issue an unlimited number of common shares without par value. As at March 31, 2011, the Company had issued and outstanding 8,861,678 common shares with a recorded value of $2,816,462.

The Company is also authorized to issue an unlimited number of preference shares without par value, of which none have been issued.

Off-Balance Sheet Arrangements

The Company had no off-balance sheet transactions for the period ended March 31, 2011 or the year ended December 31, 2010.

Related Party Transactions

During the three months ended March 31, 2011, the Company:

a) Charged related parties rent totaling approximately $12,365. The companies are related by virtue of the fact that they have the same President. As at March 31, 2011, included in accounts receivable is an amount of $6,780 due from these related parties.

b) Was charged consulting fees of 21,775 by an officer. As at March 31, 2011, there were no amounts payable to this officer.

c) Incurred accounting fees of $35,297 with an accounting firm in which one of the Company's officers is a partner. As at March 31, 2011, accounts payable and accrued liabilities included $99,662 payable to this accounting firm.

d) Other related party transactions are disclosed in note 6 of accompanying unaudited financial statements.

These transactions are 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.

Contractual Obligations and Commitments

The Company's contractual obligations and commitments consists of loans, debentures and mortgages which are disclosed in the notes to the unaudited financial statement ended March 31, 2011 and in the notes to the audited financial statement ended December 31, 2010. The Company has lease obligations for its offices until 2013.

Internal Control over Financial Reporting

The conversion to IFRS from Canadian GAAP impacts the way we present our financial results and the accompanying disclosures. We have evaluated the impact of the conversion on our financial reporting systems, processes and controls and have noted that the most significant change to our internal control and disclosure environment is the requirement to measure and report our portfolio of investment properties at fair value. This change has required us to design and implement new processes and internal controls surrounding the determination of fair values which include, but are not limited to, management's consideration of recent and comparable transactions, discount rates, estimates of future rental rates and leasing activities, and future capital expenditures, as well as, where appropriate, engaging external specialists to assist with the determination of fair value.

Risk and Uncertainties

The Company depends on several national retail chains for a significant part of its income. If any of these chains were adversely affected by economic or business conditions, it would have a negative impact on the Company. The Company would also be adversely affected by a long standing large increase in interest rates or a severe economic slow down.

OUTLOOK

The economy continues to be weak as recent talk emerges on a possible second recession. In Northern Alberta, where our properties are located, high oil prices continues to provide a steady economy in the oil sector, but the same economic activities are not reflected in the retail sector as consumers remain cautious.

In the past quarter a number of national chains have been taken over by U.S. retailers. The Company is monitoring these changes for potential opportunities at all our properties.

Operationally, our business model has enabled the Company to weather the economic downturn better than most sectors, as our grocery anchor tenants and smaller local retailers are looking forward positively for 2011. The Company has been able to renew leases when due and secure new tenants when opportunities arise. Management has no assurance that if the economic downtown continues for a longer period than anticipated, that our smaller retail tenants can remain in business.

<u>Tri-City Mall, Cold Lake, Alberta</u>

The Tri-City Mall remains the flagship mall in the Company's portfolio and represents a major portion of the revenue generated for the Company. During the past year we renewed a number of leases and added some new tenants. Management is pleased to report that Sobeys has extended their lease for an additional 5 years, expiring in 2018. As well, we are currently exploring lease extensions with other key tenants.

Activity is picking up in the Alberta oil patch and this is good for Cold Lake. The Company is currently looking at developing a strip retail pad on our excess acreage in Cold Lake. As well, we are in discussions with national chains for the pad site. If developed, this project would add value to Gulf's portfolio as well as provide accretive cash flow.

<u>St. Paul Shopping Centre, St. Paul, Alberta</u>

In 2009, after 2 years of work, we managed to bring the first Tim Horton's to St. Paul. This restaurant/drive through opened as planned in August 2009. This has been a most welcome addition to the St. Paul Shopping Centre, and is bringing additional retail traffic to our site.

In April 2011, the Company announced that LW Stores and Giant Tiger Stores are now the two new anchor tenants leasing a combined total of 45,228 sq. ft. or 65% of leaseable space. The remaining CRU space totals 20,197 sq. ft. which is more than half filled with existing tenants on short term rental contracts. The Company intends to sign long term leases with the current tenants and is in discussion with potential tenants for the unfilled vacancies of less than 9,681 sq. ft. or 14.0% of leaseable space. The two pad sites are leased by Tim Hortons which opened in 2009, and our long term tenant Suncor. A potential third pad site is being considered and the mall is shaping up to be a strong retail centre in St. Paul, after three years of tough lease work.

Valley Centre Mall, Whitecourt, Alberta

Valley Centre Mall continues to operate at 100% occupancy and we are pleased to report that there are no major issues.

To increase revenue, management continues to explore the possibility of a pad site development with a possible national tenant. Again, construction costs and long term financing remain the main barriers to growth.

Three Hills, Alberta

Our Three Hills property continues to operate satisfactorily, since we renovated the building and moved The Bargain! Shop in the summer of 2005.

Merritt, British Columbia

The property is still vacant at this time. The Company is working with brokers and agents to try and secure a potential tenant for this 12,000 square foot building, well located in the growing community of Merritt, B.C.. We will keep shareholders posted as we continue to give our best efforts to fill this building.

The Company remains confident that the vacancies will be filled up in the near future. Management is looking at every opportunity in the market. Much effort and creativity has been placed on securing new tenants. As well, we are negotiating with potential tenants by offering many different permutations and combinations. We will be successful.

The capital markets still remain cautious and will remain so in the foreseeable future, thus making refinancing of debt instruments challenging.

The largest portion of the long term financing is the mortgages due in 2011 for the St. Paul property and early 2012 for the Cold Lake property. In anticipation of a possible interest rate increase in 2011, the Company is actively monitoring lending rates in anticipation of mortgages that will come due for renewal in 2011.

In 2010, the Company converted a loan of $1,000,000, plus accrued interest of $115,000 to a 5 year unsecured 8% convertible debenture with face value of $1,115,000. The conversion feature was subject to disinterested shareholder approval which was received on June 9, 2011. The Company currently holds three series of convertible debentures with face values of $50,000 maturing September 1, 2013, $3,606,250 maturing December 31, 2014 and $1,115,000 maturing October 31, 2015.

In April 2011, the Company renewed its Normal Course Issuer Bid, but it has not purchased back any shares during the past 12 months, as trading has been very light. The Company still maintains the view that the current stock price does not accurately reflect the inherent value of the Company. Based on current market values of similar properties in Western Canada, the Company feels that the share price should be substantially higher and the Company continues to communicate this with investors in the market.

Management continues to reduce costs at the corporate level and, when appropriate, to reduce CAM expenses on all properties.

The current economic conditions continue to provide a number of growth opportunities for the Company as many properties and real estate holding companies are dramatically undervalued and represent a buying opportunity for a strong long term return on investment. The Company intends exploring all opportunities in this regard for the benefit of our shareholders in both Canada and the US.

Management recognizes that paramount to our growth strategy is to secure equity financing for acquisitions or construction loans for intensification. The current economic situation remains challenging for new financing, in particular, financing will be difficult to obtain in the small markets where our properties are located. In addition, with possible interest rate increases, the cost of new borrowing might increase which could affect the Company's bottom line.

The Company remains optimistic about the outlook for the balance of 2011. Our business model of investing in anchored shopping centres, with a focus on everyday needs, remains to be our competitive advantage during difficult economic conditions.

We are focused on maintaining a strong relationship with our many quality tenants such as Giant Tiger Stores, Guardian Drugs, LW Stores, Reitmans, Rexall Drug Stores, Sobeys, Suncor, Tim Hortons and The Bargain! Shop. To view a complete list of our tenants please visit our website at www.gpequities.com.

As always, I would like to thank our loyal shareholders, our Board of Directors for their invaluable contribution and wise counsel, our consulting professionals, Mr. Kim Donais of West Horizon Properties, our property manager for our properties, my Executive Assistant Susan Barrowclough and my family for your help and support over the past twelve months.

Yours truly,

(signed) "Anthony J. Cohen"
Anthony J. Cohen
President & CEO
June 23, 2011