TWC ENTERPRISES LIMITED

Q3 2018

CLUBLINK
ONE MEMBERSHIP
more golf®

FINANCIAL HIGHLIGHTS

The following table summarizes the consolidated financial results of the Company:

(thousands of Canadian dollars - except as indicated)	For the three months ended **September 30, 2018**	September 30, 2017	For the nine months ended **September 30, 2018**	September 30, 2017
OPERATIONS				
Operating revenue - continuing operations	**65,351**	63,818	**136,906**	135,782
Net operating income - continuing operations (1)	**14,763**	15,981	**25,553**	27,005
Operating margin (%)(1)	**22.6**	25.0	**18.7**	19.9
Net earnings from continuing operations	**8,846**	6,936	**5,770**	6,662
Net earnings from discontinued operations	**211,587**	12,530	**214,434**	14,937
Net earnings	**220,433**	19,466	**220,204**	21,599
OPERATING DATA				
ClubLink One Membership More Golf				
Canadian full privilege golf members			**15,588**	15,517
Championship rounds - Canada(2)	**558,000**	574,000	**926,000**	935,000
18-hole equivalent championship golf courses - Canada(2,3)			**42.5**	42.5
Championship rounds - U.S.(2)	**44,000**	43,000	**252,000**	261,000
18-hole equivalent championship golf courses - U.S.(2,3,4)			**11.0**	11.0
White Pass & Yukon Route				
Rail passengers	**117,000**	267,000	**279,000**	429,000
Port passengers from cruise ships	**230,000**	525,000	**590,000**	846,000
Cruise ship dockings	**94**	228	**245**	370
COMMON SHARE DATA (000)				
Shares outstanding			**27,316**	27,346
Weighted average shares outstanding	**27,334**	27,346	**27,342**	27,346
PER COMMON SHARE DATA ($)				
Basic and diluted earnings from continuing operations	**0.32**	0.25	**0.21**	0.24
Basic and diluted earnings from discontinued operations	**7.74**	0.46	**7.84**	0.55
Basic and diluted earnings	**8.06**	0.71	**8.05**	0.79
Eligible cash dividends	**0.02**	0.02	**0.06**	0.06
FINANCIAL POSITION				
Total assets			**706,172**	680,979
Gross borrowings			**152,061**	288,597
Shareholders' equity			**433,009**	252,987
Gross borrowings to shareholders' equity ratio			**0.35**	1.14
Net book value per share			**15.85**	9.25

(1) Net operating income, operating margin and net book value per share are not recognized measures under International Financial Reporting Standards (IFRS). Management believes that, in addition to net earnings, these measures are useful supplemental information to provide investors with an indication of the Company's performance. Investors should be cautioned, however, that these measures should not be construed as an alternative to net earnings determined in accordance with IFRS as an indicator of the Company's performance or to cash flows from operating, investing and financing activities, as a measure of liquidity and cash flows. TWC's method of calculating these measures is consistent from year to year, but may be different than those used by other companies (see "Management's Discussion and Analysis of Financial Condition and Results of Operations").
(2) Excluding academy courses.
(3) 18-hole equivalent championship golf courses operating during the period ended September 30.

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

This management's discussion and analysis of financial condition and results of operations ("MD&A") should be read in conjunction with TWC Enterprises Limited's ("TWC" or the "Company") unaudited consolidated financial statements and accompanying notes for the three month and nine month periods ended September 30, 2018. This MD&A has been prepared as at November 5, 2018 and all amounts are in Canadian dollars unless otherwise indicated.

In this document, unless otherwise indicated, all financial data are prepared in accordance with International Financial Reporting Standards ("IFRS").

FORWARD-LOOKING STATEMENTS

This quarterly report contains certain forward-looking information and statements relating but not limited to, operations, anticipated or prospective financial performance, results of operations, business prospects and strategies of TWC. Forward-looking information typically contains statements with words such as "consider", "anticipate", "believe", "expect", "plan", "intend", "may", "likely", or similar words suggesting future outcomes or statements regarding an outlook, or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. Readers should be aware that these statements are subject to known and unknown risks, uncertainties and other factors that could cause actual results, performance or achievements of TWC to differ materially from those suggested by the forward-looking statements, some of which may be beyond the control of management.

Although TWC believes it has a reasonable basis for making the forecasts or projections included in this MD&A, readers are cautioned not to place undue reliance on such forward-looking information. By its nature, TWC's forward-looking information involves numerous assumptions, inherent risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts and other forward-looking statements will not occur. These factors include, but are not limited to, availability of credit, weather conditions, the economic environment, environmental regulation and competition.

The above list of important factors affecting forward-looking information is not exhaustive, and reference should be made to the other risks discussed in TWC's filings with Canadian securities regulatory authorities. TWC undertakes no obligation, except as required by law, to update publicly or otherwise any forward-looking information, whether as a result of new information, future events or otherwise, or the above list of factors affecting this information.

NON-IFRS MEASURES

The Company has prepared the financial information contained in this discussion and analysis in accordance with IFRS. Reference is also made to net operating income, operating margin, cash flow from operations, funds from operations and adjusted funds from operations. The calculations of these measures can be found embedded in the MD&A.

TWC uses non-IFRS measures as a benchmark measurement of our own operating results and as a benchmark relative to our competitors. We consider these non-IFRS measures to be a meaningful supplement to net earnings. We also believe these non-IFRS measures are commonly used by securities analysts, investors and other interested parties to evaluate our financial performance. These measures, which included direct operating expenses and net operating income do not have standardized meaning under IFRS. While these non-IFRS measures have been disclosed herein to permit a more complete comparative analysis of the Company's operating performance and debt servicing ability relative to other companies, readers are cautioned that these non-IFRS measures as reported by TWC may not be comparable in all instances to non-IFRS measures as reported by other companies.

The glossary of financial terms is as follows:

Direct operating expenses = expenses that are directly attributable to the Company's business units and are used by management in the assessment of their performance. These exclude expenses which are attributable to corporate decisions such as impairment.

Net operating income = operating revenue - direct operating expenses

Operating margin = net operating income/operating revenue

Operating property, plant and equipment expenditures = capital expenditures to maintain existing operations

Expansion property, plant and equipment expenditures = capital expenditures which expand existing operations

NON-IFRS MEASURES (continued)

Funds from operations ("FFO") is a key measure of our financial performance and is defined as net income prior to non cash items such as depreciation/amortization. FFO also adjusts for the non-cash earnings impact of membership fees and excludes transaction costs on business combinations which are required to be expensed.

Our definition of funds from operations may differ from the definition used by other organizations, as well as the definition of funds from operations used by the Real Property Association of Canada ("REALPAC"), the main difference being the adjustment for the non cash component of membership fee revenue which is not considered by REALPAC.

Net operating income is an important metric used by management in evaluating the Company's operating performance as it represents the revenue and expense items that can be directly attributable to the specific business unit's ongoing operations. It is not a measure of financial performance under IFRS and should not be considered as an alternative to measures of performance under IFRS. The most directly comparable measure specified under IFRS is net earnings.

BUSINESS STRATEGY AND CORPORATE OVERVIEW

TWC operates in the golf operations business segment. Effective July 31, 2018, the rail and port operating business segment was sold. In addition, the corporate operations segment oversees the business segments. Due to the fact that the rail and port operations were divested on July 31, 2018, it is being presented as discontinued operations.

TWC's strategic objective is to grow long-term shareholder value by improving net operating income and operating margins of both underlying businesses. Management has been considering golf club acquisition opportunities in Ontario, Quebec and Florida.

In addition, management is pursuing capital investments which will grow our revenue and create long-term value for our shareholders.

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

OVERVIEW OF BUSINESS SEGMENTS

Golf Club Operations Segment

TWC is engaged in golf club operations under the trademark "ClubLink One Membership More Golf" ("ClubLink"). ClubLink is Canada's largest owner and operator of golf clubs with 53½, 18-hole equivalent championship and 3½, 18-hole equivalent academy courses, at 41 locations in two separate geographical Regions: (a) Ontario/Quebec and (b) Florida.

ClubLink's golf clubs are strategically organized in clusters that are located in densely populated metropolitan areas and resort destinations frequented by those who live and work in these areas. By operating in Regions, ClubLink is able to offer golfers in their Region a wide variety of unique membership, daily fee, corporate event and resort opportunities. ClubLink is also able to obtain the benefit of operating synergies to maximize revenue and achieve economies of scale to reduce costs.

Revenue at all golf club properties is enhanced by cross-marketing, as the demographics of target markets for each are substantially similar. Revenue is further improved by TravelLink, corporate golf events, business meetings and social events that utilize golf capacity and related facilities at times that are not in high demand by ClubLink's members.

Member and Hybrid Golf Club revenue is maximized by the sale of flexible personal and corporate memberships that offer reciprocal playing privileges at ClubLink golf clubs and, on payment of an additional fee, inter-regional play within ClubLink through the TravelLink program and ClubCorp Holdings Inc. golf clubs.

Daily fee golf club revenue is maximized through unique and innovative marketing programs in conjunction with dynamic pricing.

The TravelLink program offers two levels that allow ClubLink members inter-regional access. The first level (Basic TravelLink), a free membership benefit, provides ClubLink members inter-regional access with preferred green fee pricing. Level 2 (TravelLink 2nd Home Club) is optional and provides ClubLink members with the ability to elect a second Home Club in another region for an annual fee, and allows members to receive all the benefits of a Home Club Member (access to prime tee times, practice facilities, member events).

In recent years, ClubLink has been focusing on providing enhanced value for its memberships as well as cultivating a family-type atmosphere at its golf clubs.

ClubLink also has annual membership programs, which are unique to each Region. These product offerings include Players Card and Players Club in the Ontario/Quebec Region; as well as the ClubLink Card in the Florida Region. While traditional full privilege golf members have been declining, ClubLink has been focusing on these supplemental categories to replace annual dues revenue.

(a) Ontario/Quebec

ClubLink's Ontario/Quebec Region is organized into two clusters: the major metropolitan areas of Southern Ontario and Muskoka, Ontario's premier resort area, extending from London to Huntsville to Pickering, with a particularly strong presence in the Greater Toronto Area; and Quebec/Eastern Ontario, extending from the National Capital Region to Montreal, including Mont-Tremblant, Quebec's premier resort area.

In 2018, ClubLink is operating 27 Ontario/Quebec Region Member Golf Clubs in three categories as follows:

Prestige:	Greystone, King Valley, RattleSnake Point
Platinum:	Blue Springs, DiamondBack, Eagle Creek, Emerald Hills, Fontainebleau, Glencairn, Grandview, Heron Point, Islesmere, Kanata, King's Riding, Lake Joseph, Le Maître, Rocky Crest, Wyndance
Gold:	Caledon Woods, Country Club, Eagle Ridge, Glendale, Greenhills, GreyHawk, Hautes Plaines, National Pines, Station Creek

In 2018, ClubLink is operating six Ontario/Quebec Region Hybrid Golf Clubs in three categories as follows:

Hybrid – Prestige:	Glen Abbey
Hybrid – Gold:	Cherry Downs, The Club at Bond Head, Val des Lacs
Hybrid – Silver:	Bethesda Grange, Hidden Lake

OVERVIEW OF BUSINESS SEGMENTS (continued)

Golf Club Operations Segment (continued)

(a) Ontario/Quebec (continued)

Hybrid Golf Clubs are available for daily fee (public) play, reciprocal access by other ClubLink Members and provide a home club for Members with reciprocal access to the ClubLink system.

In 2018, ClubLink is operating two Ontario/Quebec Region Daily Fee Golf Clubs as follows:

Daily Fee: Grandview Inn, Rolling Hills

In 2018, ClubLink has approximately 400 Players Card memberships. Players Card annual memberships allow golfers unlimited access to Rolling Hills during spring and fall shoulder seasons in addition to twilight golf during the summer season. A fixed number of rounds certificates are also included with each Players Card.

In 2018, ClubLink has approximately 2,000 Players Club memberships. The Players Club memberships have varying degrees of access to ClubLink's daily fee golf clubs at different price points.

Players Card and Players Club member databases also provide ClubLink an opportunity to cultivate these relationships into a full privilege golf membership.

ClubLink owns sufficient land to develop an additional 18 holes at Cherry Downs Golf Club in Pickering, Grandview Golf Club in Muskoka and Rocky Crest Golf Club in Muskoka.

In 2018, ClubLink is operating The Lake Joseph Club, Rocky Crest Resort and Sherwood Inn.

The Lake Joseph Club and Rocky Crest Resort operate seasonally from May to October while Sherwood Inn is available during the off season for group and weekend bookings.

ClubLink's remaining Muskoka land holdings, excluding golf course development sites, include zoned and serviced land that are capable of supporting a substantial number of resort rooms/villas, conference facilities and residential homes.

On January 25, 2017, ClubLink sold the property that was formerly known as Grandview Resort in Huntsville, Ontario for proceeds of $5,600,000. This property had been closed since February 2012.

(b) United States

ClubLink's Florida Region includes eleven 18-hole equivalent championship golf courses.

In 2018, ClubLink is operating eight Florida Region Golf Clubs in six categories as follows:

Hybrid – Prestige: TPC Eagle Trace

Hybrid – Platinum: Club Renaissance, Heron Bay

Gold: Scepter

Hybrid – Gold: Woodlands

Hybrid – Silver: Sandpiper

Daily Fee: Palm Aire (Cypress/Oaks), Palm Aire (Palms)

ClubLink has been actively selling ClubLink Card Holder annual memberships in the southeast Florida marketplace. ClubLink Card Holder members have the ability to book preferred tee times at discounted green fees.

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

OVERVIEW OF BUSINESS SEGMENTS (continued)

Rail and Port Operations Segment

TWC was previously engaged in rail and port operations based in Skagway, Alaska which operate under the trade name White Pass & Yukon Route ("White Pass"). The railway stretches approximately 110 kilometres (67.5 miles) from Skagway, Alaska to Carcross, Yukon. In addition, White Pass operates three docks, primarily for cruise ships. White Pass was divested on July 31, 2018.

On June 6, 2018, TWC announced that it entered into a purchase and sale agreement to sell the White Pass rail and port operations to a joint venture for proceeds of US$290,000,000. Closing on July 31, 2018, the transaction represented a sale of the complete operations of White Pass. Consequently, this segment is being presented as discontinued operations in the financial statements.

Corporate Operations Segment

TWC's objective at the corporate level is to identify opportunities to generate incremental returns and cash flow. Historically, the nature of these investments included debt and equity instruments in both public and private organizations. Currently, management is focused on improving the returns of the existing operating business segments.

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

SUMMARY OF EXCHANGE RATES USED FOR TRANSLATION PURPOSES

The following exchange rates translate one US dollar into the Canadian dollar equivalent.

	September 30, 2018	December 31, 2017	September 30, 2017
Balance Sheet	**1.2945**	1.2545	1.2480
Statement of Earnings – First Quarter	**1.2648**	N/A	1.3230
Statement of Earnings – Second Quarter	**1.2912**	N/A	1.3450
Statement of Earnings – Third Quarter	**1.3069**	N/A	1.2526

THREE MONTH CONSOLIDATED OPERATING HIGHLIGHTS

The table below sets forth selected financial data relating to the Company's three month periods ended September 30, 2018 and September 30, 2017. This financial data is derived from the Company's unaudited interim consolidated financial statements, which are prepared in accordance with IFRS.

	For the three months ended		
(thousands of Canadian dollars - except as indicated)	**September 30, 2018**	September 30, 2017	% Change
OPERATING REVENUE	**$ 65,351**	$ 63,818	2.4%
DIRECT OPERATING EXPENSES	**50,588**	47,837	5.8%
NET OPERATING INCOME	**14,763**	15,981	(7.6%)
Operating margin (%)	**22.6%**	25.0%	(9.6%)
Amortization of membership fees	**1,807**	2,184	(17.3%)
Depreciation and amortization	**(4,040)**	(4,121)	(2.0%)
Land lease rent	**(1,097)**	(1,165)	(5.8%)
Interest, net and investment income	**(2,522)**	(3,810)	(33.8%)
Other items	**3,169**	(239)	N/A
Income tax provision	**(3,234)**	(1,894)	70.7%
NET EARNINGS FROM CONTINUING OPERATIONS	**8,846**	6,936	27.5%
NET EARNINGS FROM DISCONTINUED OPERATIONS	**211,587**	12,530	N/A
NET EARNINGS	**$ 220,433**	$ 19,466	N/A
BASIC AND DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS	**$ 0.32**	$ 0.25	28.0%
BASIC AND DILUTED EARNINGS PER SHARE FROM DISCONTINUED OPERATIONS	**7.74**	0.46	N/A
BASIC AND DILUTED EARNINGS PER SHARE	**$ 8.06**	$ 0.71	N/A

THREE MONTH CONSOLIDATED OPERATING HIGHLIGHTS (continued)

The table below sets forth selected financial data relating to the Company's three month periods ended September 30, 2018 and September 30, 2017. This financial data is derived from the Company's unaudited interim consolidated financial statements, which are prepared in accordance with IFRS.

(thousands of Canadian dollars)	For the three months ended **September 30, 2018**	September 30, 2017	% Change
Operating revenue by segment			
Canadian golf club operations	**$ 61,927**	$ 60,612	2.2%
US golf club operations	**3,424**	3,206	6.8%
Operating revenue from continuing operations	**65,351**	63,818	2.4%
Operating revenue from discontinued operations	**15,005**	33,553	(55.3%)
Operating revenue	**$ 80,356**	$ 97,371	(17.5%)
Net operating income by segment			
Canadian golf club operations	**$ 16,913**	$ 18,055	(6.3%)
US golf club operations	**(1,210)**	(1,298)	(6.8%)
Corporate operations	**(940)**	(776)	21.1%
Net operating income from continuing operations	**14,763**	15,981	(7.6%)
Net operating income from discontinued operations	**10,765**	23,486	(54.2%)
Net operating income	**$ 25,528**	$ 39,467	(35.3%)

On June 6, 2018, TWC announced that it entered into a purchase and sale agreement to sell the White Pass rail and port operations to a joint venture for proceeds of US$290,000,000. Closing on July 31, 2018, the transaction represented a sale of the complete operations of White Pass. Consequently, this segment is being presented as discontinued operations in the financial statements.

Net earnings from continuing operations increased to $8,846,000 for the three month period ended September 30, 2018 from $6,936,000 in 2017 due to a positive change in other items in the amount of $3,408,000 representing primarily insurance proceeds and a fair value increase in the Carnival shares received as part of the White Pass sale. Basic and diluted earnings from continuing operations per share was 32 cents per share for the three month period ended September 30, 2018, compared to 25 cents in 2017.

Net earnings from discontinued operations increased to $211,587,000 for the three month period ended September 30, 2018 from $12,530,000 in 2017. This increase was due to the gain on the sale of White Pass. Basic and diluted earnings from discontinued operations per share increased to $7.74 per share for the three month period ended September 30, 2018, compared to 46 cents in 2017.

Net earnings increased to $220,433,000 for the three month period ended September 30, 2018 from $19,466,000 in 2017. Basic and diluted earnings per share increased to $8.06 per share for the three month period ended September 30, 2018, compared to 71 cents in 2017.

The exchange rate used for translating US denominated earnings has changed to a quarterly average of 1.3069 for the three months ended September 30, 2018 from 1.2526 for the three month period ended September 30, 2017 due to the declining Canadian dollar over the one year period.

Consolidated operating revenue from continuing operations increased 2.4% to $65,351,000 for the three month period ended September 30, 2018 from $63,818,000 in 2017 due to a 3.3% increase in Canadian annual dues.

Direct operating expenses from continuing operations increased 5.8% to $50,588,000 for the three month period ended September 30, 2018 from $47,837,000 in 2017 due to a 7.4% increase in labour and employee benefits resulting from the Ontario minimum wage increase in 2018.

Net operating income for the Canadian golf club operations segment decreased 6.3% to $16,913,000 in 2018 from $18,055,000 in 2017 due to less championship golf rounds for the quarter in addition to the increase in labour from the Ontario minimum wage increase.

Net operating loss for US golf club operations segment decreased to US$926,000 in 2018 from US$1,038,000 in 2017.

THREE MONTH CONSOLIDATED OPERATING HIGHLIGHTS (continued)

Net operating income for the rail and port operations decreased 56.1% to US$8,198,000 from US$18,674,000 in 2017. On July 31, 2018, the Company divested the rail and port operations and consequently the amounts reflected for the three month period ended September 30, 2018 are one month of operations.

Amortization of membership fees decreased 17.3% to $1,807,000 from $2,184,000 in 2017 due to the completion of the amortization period of revenue for members that joined in 2004. This was completed in 2017.

Interest, net and investment income for continuing operations decreased 33.8% to $2,522,000 for the three month period ended September 30, 2018 from $3,810,000 in 2017 due to less borrowings outstanding.

In June 2018, the Company committed to sell White Pass which closed on July 31, 2018 for proceeds of US$290,000,000. This segment was not a discontinued operation or classified as held for sale at September 30, 2017, so the comparative Consolidated Statement of Earnings has been amended to show the discontinued operations separately from continuing operations.

The following is a calculation of the gain on the divestiture of White Pass which closed on July 31, 2018:

(thousands of Canadian dollars)	
Cash proceeds	**$ 359,041**
Proceeds in Carnival plc shares	**25,890**
Book value of assets sold	**(134,418)**
Indemnification reserve	**(6,508)**
Transaction costs and other	**(3,357)**
Realized foreign exchange upon divestiture of White Pass	**21,663**
Net gain on sale of White Pass	**$ 262,311**

NINE MONTH CONSOLIDATED OPERATING HIGHLIGHTS

The table below sets forth selected financial data relating to the Company's nine month periods ended September 30, 2018 and September 30, 2017. This financial data is derived from the Company's unaudited interim consolidated financial statements, which are prepared in accordance with IFRS.

	For the nine months ended		
(thousands of Canadian dollars - except as indicated)	**September 30, 2018**	September 30, 2017	% Change
OPERATING REVENUE	**$ 136,906**	$ 135,782	0.8%
DIRECT OPERATING EXPENSES	**111,353**	108,777	2.4%
NET OPERATING INCOME	**25,553**	27,005	(5.4%)
Operating margin (%)	**18.6%**	19.9%	(6.5%)
Amortization of membership fees	**5,145**	6,093	(15.6%)
Depreciation and amortization	**(12,153)**	(12,471)	(2.5%)
Land lease rent	**(3,292)**	(3,641)	(9.6%)
Interest, net and investment income	**(10,030)**	(11,342)	(11.6%)
Other items	**3,105**	1,725	80.0%
Income tax provision	**(2,558)**	(707)	N/A
NET EARNINGS FROM CONTINUING OPERATIONS	**5,770**	6,662	(13.4%)
NET EARNINGS FROM DISCONTINUED OPERATIONS	**214,434**	14,937	N/A
NET EARNINGS	**$ 220,204**	$ 21,599	N/A
BASIC AND DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS	**$ 0.21**	$ 0.24	(12.5%)
BASIC AND DILUTED EARNINGS PER SHARE FROM DISCONTINUED OPERATIONS	**7.84**	0.55	N/A
BASIC AND DILUTED EARNINGS PER SHARE	**$ 8.05**	$ 0.79	N/A

RESULTS OF OPERATIONS BY BUSINESS SEGMENT

The results of operations by business segment should be read in conjunction with the segmented information contained in note 15 of the unaudited interim consolidated financial statements for the period ended September 30, 2018.

(thousands of Canadian dollars)	For the nine months ended **September 30, 2018**	September 30, 2017	% Change
Operating revenue by segment			
Canadian golf club operations	**$ 120,390**	$ 117,540	2.4%
US golf club operations	**16,516**	18,242	(9.5%)
Operating revenue from continuing operations	**136,906**	135,782	0.8%
Operating revenue from discontinued operations	**36,555**	55,430	(34.1%)
Operating revenue	**$ 173,461**	$ 191,212	(9.3%)
Net operating income by segment			
Canadian golf club operations	**$ 27,878**	$ 28,189	(1.1%)
US golf club operations	**147**	1,081	(86.4%)
Corporate operations	**(2,472)**	(2,265)	9.1%
Net operating income from continuing operations	**25,553**	27,005	(5.4%)
Net operating income from discontinued operations	**19,360**	32,704	(40.8%)
Net operating income	**$ 44,913**	$ 59,709	(24.8%)

Capital expenditures are summarized as follows:

(thousands of Canadian dollars)	For the nine months ended **September 30, 2018**	September 30, 2017
Operating capital		
Canadian golf club operations	**$ 4,752**	$ 4,442
US golf club operations	**604**	389
Rail and port operations	**2,892**	4,220
	8,248	9,051
Expansion capital		
Canadian golf club operations	**1,329**	1,406
Rail and port operations	**6,826**	2,146
	8,155	3,552
Total capital expenditures	**$ 16,403**	$ 12,603

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

RESULTS OF OPERATIONS BY BUSINESS SEGMENT (continued)

Review of Canadian Golf Club Operations for the Period Ended September 30, 2018

Summary of Canadian Golf Club Operations

(statistics)	For the nine months ended **September 30, 2018**	September 30, 2017	% Change
18-hole equivalent championship courses	**42.5**	42.5	0.0%
Championship golf rounds	**926,000**	935,000	(1.0%)
Full privilege golf members	**15,588**	15,517	0.5%

(thousands of Canadian dollars)	For the nine months ended **September 30, 2018**	September 30, 2017	% Change
Operating revenue	**$120,390**	$ 117,540	2.4%
Direct operating expenses	**92,512**	89,351	3.5%
Net operating income	**27,878**	28,189	(1.1%)
Amortization of membership fees	**4,906**	5,872	(16.5%)
Depreciation and amortization	**(10,373)**	(10,687)	(2.9%)
Land lease rent	**(3,292)**	(3,641)	(9.6%)
Other items	**2,045**	2,188	(6.5%)
Segment earnings before interest and income taxes	**$ 21,164**	$ 21,921	(3.5%)
Operating margin	**23.2%**	24.0%	(3.3%)

Canadian Golf Club Operating Revenue

Canadian golf club operating revenue is recorded as follows:

(thousands of Canadian dollars)	For the nine months ended **September 30, 2018**	September 30, 2017	% Change
Annual dues	**$ 38,792**	$ 37,559	3.3%
Corporate events, guest fees, cart rentals and services	**32,389**	31,363	3.3%
Food and beverage	**35,987**	35,927	0.2%
Merchandise, rooms and other	**13,222**	12,691	4.2%
Total	**$120,390**	$ 117,540	2.4%

RESULTS OF OPERATIONS BY BUSINESS SEGMENT (continued)

Review of Canadian Golf Club Operations for the Period Ended September 30, 2018 (continued)

Canadian Golf Club Direct Operating Expenses

Canadian golf club direct operating expenses are recorded as follows:

(thousands of Canadian dollars)	For the nine months ended September 30, 2018	September 30, 2017	% Change
Cost of sales	**$ 18,238**	$ 18,189	0.3%
Labour and employee benefits	**48,843**	46,364	5.3%
Utilities	**5,048**	5,155	(2.1%)
Selling, general and administrative	**2,823**	2,954	(4.4%)
Property taxes	**2,162**	2,178	(0.7%)
Insurance	**1,296**	1,126	15.1%
Repairs and maintenance	**2,852**	2,709	5.3%
Fertilizers and pest control products	**1,578**	1,501	5.1%
Fuel and oil	**1,011**	861	17.4%
Other operating expenses	**8,661**	8,314	4.2%
Total direct operating expenses	**$ 92,512**	$ 89,351	3.5%

Labour and employee benefits increased 5.3% for the nine months ended September 30, 2018 in part due to the increase in Ontario's minimum wage rate in 2018 and other benefits enacted by Ontario Bill 148.

Canadian Membership Fees

Full privilege golf members increased slightly to 15,588 on September 30, 2018 from 15,517 on September 30, 2017.

Changes in golf members and future membership fee instalments are as follows:

(thousands of Canadian dollars)	**Nine months ended September 30, 2018** Golf Members	**Nine months ended September 30, 2018** Future Membership Fee Instalments	Year ended December 31, 2017 Golf Members	Year ended December 31, 2017 Future Membership Fee Instalments	Nine months ended September 30, 2017 Golf Members	Nine months ended September 30, 2017 Future Membership Fee Instalments
Balance, beginning of period	**14,991**	**$ 24,100**	15,077	$ 26,205	15,077	$ 26,205
Sales to new members	**1,389**	**4,226**	1,228	5,044	1,235	5,495
Reinstated members	**182**	**294**	208	315	179	299
Transfer and upgrade fees from existing members	**-**	**259**	-	635	-	547
Resignations and terminations	**(974)**	**(2,361)**	(1,522)	(4,129)	(974)	(2,533)
Instalments received in cash	**-**	**(3,123)**	-	(3,970)	-	(3,578)
Balance, end of period (Full Privilege)	**15,588**	**$ 23,395**	14,991	$ 24,100	15,517	$ 26,435

Management is expecting 2018 revenue from the amortization of membership fees to be approximately $6.6 million compared to $7.7 million in 2017. This decline is primarily the result of the members that joined in 2004 completing their amortization period in 2017. Commencing in 2018, this group of members will continue to generate revenue on a cash received basis.

The average membership fee contract per new member has declined to $3,042 for the nine month period ended September 30, 2018 as compared to $4,449 for the same period in 2017 due to membership reward programs in place for 2018 to help facilitate referral of new members.

RESULTS OF OPERATIONS BY BUSINESS SEGMENT (continued)

Review of US Golf Club Operations for the Period Ended September 30, 2018

Summary of US Golf Club Operations

(statistics)	For the nine months ended **September 30, 2018**	September 30, 2017	% Change
18-hole equivalent championship golf courses	**11.0**	11.0	0.0%
Championship golf rounds	**252,000**	261,000	(3.4%)
Full privilege golf members	**992**	1,090	(9.0%)

(thousands of dollars)	For the nine months ended **September 30, 2018**	September 30, 2017	% Change
Operating revenue	**$ 12,906**	$ 13,863	(6.9%)
Direct operating expenses	**12,748**	13,099	(2.7%)
Net operating income	**158**	764	(79.3%)
Amortization of membership fees	**186**	169	10.1%
Depreciation and amortization	**(1,383)**	(1,365)	1.3%
Other items	**76**	10	660.0%
Segment earnings before interest and income taxes (US dollars)	**(963)**	(422)	128.2%
Exchange	**(353)**	(56)	N/A
Segment earnings before interest and income taxes (Cdn dollars)	**$ (1,316)**	$ (478)	175.3%
Operating margin (%)	**1.2%**	5.5%	(78.2%)

RESULTS OF OPERATIONS BY BUSINESS SEGMENT (continued)

Review of US Golf Club Operations for the Period Ended September 30, 2018 (continued)

US Golf Club Operating Revenue

US golf club operating revenue is recorded as follows:

(thousands of dollars)	For the nine months ended September 30, 2018	September 30, 2017	% Change
Annual dues	**$ 3,842**	$ 3,958	(2.9%)
Corporate events, guest fees, cart rentals and services	**6,669**	7,266	(8.2%)
Food and beverage	**1,718**	1,943	(11.6%)
Merchandise and other	**677**	696	(2.7%)
Subtotal (US dollars)	**12,906**	13,863	(6.9%)
Exchange	**3,610**	4,379	(17.6%)
Total (Cdn dollars)	**$ 16,516**	$ 18,242	(9.5%)

US Golf Club Direct Operating Expenses

US golf club direct operating expenses are recorded as follows:

(thousands of dollars)	For the nine months ended September 30, 2018	September 30, 2017	% Change
Cost of sales	**$ 1,124**	$ 1,172	(4.1%)
Labour and employee benefits	**6,033**	6,223	(3.1%)
Utilities	**908**	1,007	(9.8%)
Property taxes	**924**	902	2.4%
Selling, general and administrative	**116**	95	22.1%
Insurance	**389**	343	13.4%
Repairs and maintenance	**617**	551	12.0%
Fertilizers and pest control products	**453**	434	4.4%
Fuel and oil	**189**	159	18.9%
Management fee	**345**	345	0.0%
Other operating expenses	**1,650**	1,868	(11.7%)
Subtotal (US dollars)	**12,748**	13,099	(2.7%)
Exchange	**3,621**	4,062	(10.9%)
Total direct operating expenses (Cdn dollars)	**$ 16,369**	$ 17,161	(4.6%)

RESULTS OF OPERATIONS BY BUSINESS SEGMENT (continued)

Review of Rail and Port Operations for the Period Ended September 30, 2018

Summary of Rail and Port Operations (Discontinued Operations)

On July 31, 2018, the Company divested the rail and port operations and consequently the amounts reflected for 2018 are seven months of operations.

(statistics)	For the nine months ended **September 30, 2018**	September 30, 2017	% Change
Rail passengers	**279,000**	429,000	(35.0%)
Port passengers	**590,000**	846,000	(30.3%)
Cruise ship dockings	**245**	370	(33.8%)

(thousands of dollars)	For the nine months ended **September 30, 2018**	September 30, 2017	% Change
Operating revenue	**$ 27,969**	$ 43,014	(35.0%)
Direct operating expenses	**13,296**	17,490	(24.0%)
Net operating loss (US dollars)	**14,673**	25,524	(42.5%)
Depreciation and amortization	**(2,988)**	(5,322)	(43.9%)
Land lease rent	**(116)**	(183)	(36.6%)
Other items	**218**	(519)	N/A
Segment earnings before interest and income taxes (US dollars)	**11,787**	19,500	(39.6%)
Exchange	**3,935**	5,328	(26.1%)
Segment earnings before interest and income taxes (Cdn dollars)	**$ 15,722**	$ 24,828	(36.7%)
Operating margin (%)	**52.5%**	59.3%	(11.5%)

Rail and Port Operating Revenue

Rail and port operating revenue is recorded as follows:

(thousands of dollars)	For the nine months ended **September 30, 2018**	September 30, 2017	% Change
Railroad	**$ 20,584**	$ 32,306	(36.3%)
Port	**5,762**	8,424	(31.6%)
Merchandise	**1,448**	2,092	(30.8%)
Other	**175**	192	(8.9%)
Subtotal (US dollars)	**27,969**	43,014	(35.0%)
Exchange	**8,586**	12,416	(30.8%)
Total (Cdn dollars)	**$ 36,555**	$ 55,430	(34.1%)

RESULTS OF OPERATIONS BY BUSINESS SEGMENT (continued)

Rail and Port Direct Operating Expenses

Rail and port direct operating expenses are recorded as follows:

(thousands of dollars)	For the nine months ended September 30, 2018	September 30, 2017	% Change
Cost of sales	**$ 611**	$ 819	(25.4%)
Labour and employee benefits	**6,590**	9,146	(27.9%)
Utilities	**300**	329	(8.8%)
Selling, general and administrative	**918**	1,157	(20.7%)
Property taxes	**333**	562	(40.8%)
Insurance	**989**	1,169	(15.4%)
Repairs and maintenance	**450**	449	(0.0%)
Fuel and oil	**690**	916	(24.7%)
Other operating expenses	**2,415**	2,943	(17.9%)
Subtotal (US dollars)	**13,296**	17,490	(24.0%)
Exchange	**3,899**	5,236	(25.5%)
Total direct operating expenses (Cdn dollars)	**$ 17,195**	$ 22,726	(24.3%)

Review of Corporate Operations for the Period Ended September 30, 2018

Corporate operations direct operating expenses are recorded as follows:

(thousands of Canadian dollars)	For the nine months ended September 30, 2018	September 30, 2017	% Change
Labour and employee benefits	**$ 1,359**	$ 1,427	(4.8%)
Insurance	**143**	108	32.4%
Selling, general and administrative expenses	**970**	730	32.9%
	$ 2,472	$ 2,265	9.1%

FINANCIAL CONDITION

The assets and liabilities of White Pass were divested as part of the sale transaction that closed on July 31, 2018.

Assets

Total assets increased 12.1% to $706,172,000 at September 30, 2018 from $630,054,000 at December 31, 2017 due to the receipt of cash as part of the White Pass divestiture. This compares to $680,979,000 at September 30, 2017.

Liabilities

Total liabilities decreased 31.2% to $273,163,000 at September 30, 2018 from $396,896,000 at December 31, 2017 due to the reduction in borrowings as a result of the divestiture of White Pass and the paydown of revolving debt. This compares to $427,992,000 at September 30, 2017.

FINANCIAL CONDITION (continued)

Shareholders' Equity

Consolidated shareholders' equity at September 30, 2018 totaled $433,009,000 or $15.85 per share, compared to $233,158,000 or $8.53 per share at December 31, 2017 and $252,987,000 or $9.25 per share at September 30, 2017. The number of common shares outstanding changed to 27,315,739 shares as at September 30, 2018 compared to 27,345,540 as at December 31, 2017 and September 30, 2017.

The following is a summary of the common share activity:

(number of shares)	For the nine months ended **September 30, 2018**	September 30, 2017
Balance, beginning of period	**27,345,540**	27,345,540
Other	**(1)**	-
Shares cancelled subject to normal course issuer bid	**(29,800)**	-
Balance, end of period	**27,315,739**	27,345,540

LIQUIDITY AND CAPITAL RESOURCES

TWC's objective is to ensure that capital resources are readily available to meet obligations as they become due, to complete its approved capital expenditure program and to take advantage of attractive acquisitions as they arise. TWC's capital availability and demonstrated ability to execute transactions give it a competitive advantage in corporate development opportunities.

A summarized statement of cash flows is as follows:

(thousands of Canadian dollars)	For the nine months ended **September 30, 2018**	September 30, 2017
Cash provided by (used in) operating activities	**$ (24,157)**	$ 42,085
Operating property, plant and equipment expenditures	**(8,248)**	(9,051)
Expansion property, plant and equipment expenditures	**(8,155)**	(3,552)
Proceeds from divestiture of White Pass	**351,236**	-
Proceeds from sale of property, plant and equipment	**307**	5,074
Revolving borrowings	**(112,869)**	(9,489)
Non-revolving borrowings – amortization payments	**(14,254)**	(13,818)
Term debt – maturities	**(24,935)**	-
Finance lease obligations, net	**(799)**	(1,406)
Mortgages and loans receivable	**(8,737)**	5
Cash dividends	**(1,640)**	(1,641)
Other long term assets	**1,376**	(7,210)
Other	**2,803**	(1,161)
Net change in cash during the period	**151,928**	(164)
Cash, beginning of period	**848**	2,382
Cash, end of period	**$ 152,776**	$ 2,218

LIQUIDITY AND CAPITAL RESOURCES (continued)

The analysis of TWC's liquidity is as follows:

(thousands of Canadian dollars)	**Availability as at September 30, 2018**		Availability as at December 31, 2017		Availability as at September 30, 2017	
	Maximum	**Available**	Maximum	Available	Maximum	Available
Cash	**$ 152,776**	**$ 152,776**	$ 848	$ 848	$ 2,218	$ 2,218
Related party receivable	**8,272**	**8,272**	-	-	-	-
Revolving line of credit (US Golf)	**9,709**	**9,709**	12,545	-	12,480	-
Revolving line of credit (corporate)	**50,000**	**47,397**	70,000	5,315	70,000	3,050
Revolving line of credit (rail)	**-**	**-**	32,165	7,331	32,729	18,388
Related party revolving line of credit	**50,000**	**50,000**	50,000	38,233	50,000	48,077
	$ 270,757	**$ 268,154**	$ 165,558	$ 51,727	$ 167,427	$ 71,733

Funds will be used during 2018 for operating capital expenditures, expansion capital expenditures and to pay debt obligations as they become due.

Based on TWC's financial position at September 30, 2018, and projected future earnings, management expects to be able to fund its working capital requirements, and meet its other obligations including debt repayments.

The following is an analysis of the Company's net borrowings and their characteristics on September 30, 2018 compared to December 31, 2017:

(thousands of Canadian dollars)	**Interest Rate September 30, 2018**	Interest Rate December 31, 2017	**Total Indebtedness September 30, 2018**	Total Indebtedness December 31, 2017	**Average Term to Maturity (Yrs) September 30, 2018**	Average Term to Maturity (Yrs) December 31, 2017
Revolving (US golf)	**3.85%**	3.11%	**$ -**	$ 10,000	**1.25**	2.00
Revolving (rail)	**N/A**	3.12%	**-**	19,796	**-**	0.92
Revolving (related party)	**3.74%**	2.99%	**-**	-	**N/A**	N/A
Non-revolving	**8.00%**	8.00%	**11,982**	12,472	**11.00**	11.75
Term loan	**N/A**	4.38%	**-**	20,278	**-**	2.67
Exchange	**-**	-	**3,529**	15,918	**-**	-
Subtotal US borrowings	**8.00%**	4.50%	**15,511**	78,464		
Revolving (corporate)	**4.18%**	3.12%	**1,585**	63,667	**1.00**	1.50
Revolving (related party)	**3.74%**	2.99%	**-**	11,767	**N/A**	N/A
Non-revolving	**7.08%**	7.10%	**133,920**	146,155	**6.73**	7.44
Finance lease obligations	**3.92%**	3.86%	**1,045**	1,840	**1.51**	1.67
Subtotal CDN borrowings	**7.02%**	5.72%	**136,550**	223,429		
Gross borrowings	**7.12%**	5.41%	**152,061**	301,893		
Cash and cash equivalents			**(152,776)**	(848)		
Net borrowings			**$ (715)**	$ 301,045		

LIQUIDITY AND CAPITAL RESOURCES (continued)

TWC's consolidated borrowings include revolving lines of credit, non-revolving mortgages, term loan and finance lease obligations. The following table illustrates future maturities and amortization payments of consolidated borrowings for the next five years and thereafter as at September 30, 2018:

(thousands of Canadian dollars)	Revolving Maturities	Mortgage and Term Loan Payments	Finance Lease Obligations	**Total Borrowings**
Balance of 2018	$ -	$ 4,445	$ 179	**$ 4,624**
2019	1,585	18,592	528	**20,705**
2020	-	19,968	223	**20,191**
2021	-	21,446	115	**21,561**
2022	-	21,721	-	**21,721**
2023 and thereafter	-	63,259	-	**63,259**
	$ 1,585	$ 149,431	$ 1,045	**$ 152,061**

TWC expects to meet its 2018 mortgage and term loan debt obligations by way of funds from operations, and using cash deposits if necessary.

Operating Activities

Cash used in operating activities is $24,157,000 in 2018 compared to cash provided by operating activities of $42,085,000 in 2017 due to income taxes remitted as part of the White Pass divestiture.

Investing Activities

Cash provided by investing activities were $339,007,000 in 2018 compared to cash used in investing activities of $14,839,000 in 2017 due to the divestiture of White Pass.

Financing Activities

Financing activities repayments were $163,684,000 in 2018 compared to $26,525,000 in 2017 due to the revolving debt that was repaid.

RELATED PARTY TRANSACTIONS

The immediate parent and controlling party of the Company is Paros Enterprises Limited ("Paros") and its parents – S.N.A. Management Limited. These companies are privately-owned companies whose shareholder is the Chairman, President and Chief Executive Officer of the Company – K. (Rai) Sahi.

K. (Rai) Sahi, the Chairman, President and Chief Executive Officer of the Company is also the controlling shareholder of Morguard Corporation ("Morguard").

The Company has provided an unsecured revolving demand credit facility to Morguard in the amount of $50,000,000 (September 30, 2017 – $30,000,000), with no fixed maturity date. Morguard has provided an unsecured revolving demand credit facility to TWC in the amount of $50,000,000 with no fixed maturity date. These facilities bear interest on a basis which is consistent with the entity's borrowing costs. As at December 31, 2017, the total loan payable to Morguard outstanding on this facility was $11,767,000, and interest incurred amounted to $400,000. Net interest payable at December 31, 2017 was $28,000. As at September 30, 2018, the total loan receivable from Morguard outstanding on this facility was $8,272,000 (September 30, 2017 – $1,923,000 loan payable), and net interest incurred amounted to $543,000 (September 30, 2017 – $375,000) for the nine month period. Net interest payable at September 30, 2018 was $13,000 (September 30, 2017 – $5,000 receivable). For the three months ended September 30, 2018, interest incurred amounted to $13,000 (three months ended September 30, 2017 – $17,000).

The Company has provided an unsecured revolving demand credit facility to Paros in the amount of $5,000,000, with no fixed maturity date. This facility bears interest at prime plus 1%. During 2018 and 2017, there were no advances or repayments under this facility.

Paros has provided an unsecured revolving demand credit facility to TWC in the amount of $5,000,000 with no fixed maturity date. This facility bears interest at prime plus 1%. During 2018 and 2017, there were no advances or repayments under this facility.

The purpose of these credit facilities is to allow each of the above entities to manage its financing activities in the most effective manner.

The Company receives managerial and consulting services from Morguard. The Company paid a management fee of $255,000 for the nine month period ended September 30, 2018 (September 30, 2017 - $180,000), under a contractual agreement, which is included in operating expenses. For the three months ended September 30, 2018, the Company paid a management fee of $135,000 (three months ended September 30, 2017 – $60,000). Morguard also provides back-office services to ClubLink US Corporation. The Company paid a management fee of US$345,000 (CDN$444,000) for the nine month period ended September 30, 2018 (September 30, 2017 - US$345,000; CDN$451,000) under a contractual agreement, which is included in direct operating expenses. For the three months ended September 30, 2018, the Company paid US$115,000 (CDN$151,000) in management fees (three months ended September 30, 2017 – US$115,000; CDN$144,000).

A total of US$39,000 of rental revenue was earned by TWC for the nine month period ended September 30, 2018 (September 30, 2017 - US$39,000) from Morguard relating to a shared office facility in Florida. For the three months ended September 30, 2018, rental revenue earned was US$13,000 (for the three months ended September 30, 2017 – US$13,000).

The Company has an officer loan outstanding in the amount of $1,258,000 (December 31, 2017 – $1,258,000; September 30, 2017 – $1,258,000). The officer loan bears interest at a market rate determined by the Compensation Committee of the Board of Directors of the Company which is 3.20% per annum (2017 – 2.85%), matures September 30, 2020, and was incurred to purchase common shares of a subsidiary that have subsequently been exchanged for common shares of the Company. The Company has indicated its intention to enforce the payment terms of these loans in the event of a decline in market value of the shares. The common shares financed by these loans, which are being held by the Company as collateral, had a market value of $2,133,000 at September 30, 2018 (December 31, 2017 – $2,049,000; September 30, 2017 – $2,066,000).

All related party transactions were made in the ordinary course of business and on substantially the same terms including interest rates and security as for comparable transactions with parties of a similar standing.

SUMMARY OF FINANCIAL RESULTS BY QUARTER

The table below sets forth selected financial data for the most recent eight quarters ending September 30, 2018. The financial data is derived from the Company's unaudited interim financial statements, which are prepared in accordance with IFRS as follows:

(thousands of Canadian dollars, except per share amounts)	**2018** Sep. 30	Jun. 30	Mar. 31	2017 Dec. 31	Sep. 30	Jun. 30	Mar. 31	2016 Dec. 31
Total assets	**$ 706,172**	$ 665,514	$ 649,279	$ 630,054	$ 680,979	$ 702,854	$ 685,578	$ 679,116
Operating revenue (a)	**65,351**	48,203	23,352	28,478	63,508	47,815	24,149	28,470
Net operating income (a)	**14,763**	6,935	3,855	3,055	15,981	6,824	4,200	3,749
Operating margin (%)	**22.6**	14.4	16.5	10.7	25.2	14.3	17.4	13.2
Net earnings (loss)	**220,433**	7,072	(7,301)	(19,581)	19,466	5,748	(3,615)	(1,158)
Basic earnings (loss) per share	**8.06**	0.26	(0.27)	(0.72)	0.71	0.21	(0.13)	(0.04)
Eligible cash dividends per share	**0.02**	0.02	0.02	0.02	0.02	0.02	0.02	0.02

(a) net of discontinued operations

SEASONALITY

The quarterly earnings performance of the Company reflects the highly seasonal nature of both business segments. The majority of revenue and earnings from the Canadian golf operations and the rail and port operations segments occur or have occurred during the second and third quarters of the year. Accordingly, the quarterly reported net earnings of the Company will fluctuate with those of the underlying business segments.

DISCLOSURE CONTROLS AND PROCEDURES

TWC's Chairman, President and Chief Executive Officer ("CEO") and its Chief Financial Officer ("CFO") are responsible for establishing and maintaining the Company's disclosure controls and procedures. Our disclosure controls are designed to provide reasonable assurance that information required to be disclosed by TWC is recorded, processed, summarized and reported within the time periods specified under Canadian securities laws, and include controls and procedures that are designed to ensure that information is accumulated and communicated to management, including the CEO and CFO, to allow timely decisions regarding required disclosure.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting.

The Company's internal control over financial reporting includes those policies and procedures that: (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of TWC's assets; (ii) provide reasonable assurance that transactions are recorded appropriately to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorization of our management and directors; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

There were no changes in internal control over financial reporting that occurred during the Company's most recent quarter that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

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

OUTLOOK

Canadian Golf Club Operations

Management is expecting 2018 revenue from the amortization of membership fees to be approximately $6.6 million compared to $7.7 million in 2017. This decline is primarily the result of the members that joined in 2004 completing their amortization period in 2017. Commencing in 2018, this group of members will continue to generate revenue on a cash received basis.

In general, membership fee collections have been declining over the last five years due to the downward pressure from our competitors and an oversupply of golf courses in the markets that the Company operates. The average membership price for 2017 was $4,107 as compared to $5,996 for fiscal 2016 and $9,202 in 2015. This trend is expected to continue in the short-term. Inflationary increases for annual dues are still the norm.

The Company has accepted a letter of intent from the shareholders of Club de Golf Rosemère to purchase Club de Golf Le Fontainebleau. ClubLink will retain a management fee arrangement of Fontainebleau with this transaction. This transaction is scheduled to close in December 2018.

Highland Gate Development

TWC has been pursuing the development of its Highland Gate Golf Club in Aurora, Ontario as part of a 50/50 joint venture with Geranium Homes.

TWC is pleased to report that a settlement was reached on December 1, 2016 as part of a consent conference conducted with the Ontario Municipal Board (OMB). This settlement involves the Town of Aurora, the local ratepayers and the joint venture.

The settlements result in a revised development plan that contains fewer single family detached homes than originally proposed (159 instead of 184), a reduction in the height of the proposed multi-unit residential building from ten to seven storeys with 114 units, the addition of a 10-metre landscaped buffer between existing rear yards and adjacent new streets, an increase in the extent of off-street trails from 4.4 to 7.6 kilometres resulting in a total pedestrian network consisting of 10.2 kilometres, and building a major new 21-acre park in the first phase of the development.

The sales office opened on July 24, 2017 and servicing of the 45 lots in Phase 1a commenced on October 23, 2017. Construction of homes is now underway, along with two model homes, with the first closings expected in summer of 2019.

Glen Abbey Development

ClubLink Corporation ULC and ClubLink Holdings Limited, wholly owned subsidiaries of TWC have announced a long-term plan to transform Glen Abbey Golf Club and dedicate more than half (approximately 124 acres) of the privately-owned site to the public as permanent, publicly accessible green space by filing three development applications on November 10, 2016 with the Town of Oakville. The mixed-use development on the remainder of the site will deliver approximately 107,000 sf office and 69,000 sf retail space, along with a housing development consisting of 3,222 units compatible with the current character of the Oakville community and consistent with the provincial directive to focus growth within Oakville's built boundary. The proposal's tree canopy plan achieves 42 per cent, which is above the Town of Oakville's 40 per cent target.

The proposed removal of the golf course from the Sixteen Mile Creek valley will also enable this portion of the Lands to be re-naturalized and dedicated to public use, as a condition of approval of the redevelopment proposal. This would provide an opportunity for all members of the community to enjoy these lands and allow the Town to establish an important publicly-accessible connection within the valley on both the North and South sides of our property.

ClubLink's 3 development applications, Official Plan and zoning by-law amendments and the Draft Plan of Subdivision, have been deemed complete on November 10, 2016, the date they were received by the Town. Each of these applications have been appealed to the Local Planning Appeal Tribunal ("LPAT"), under the pre-Bill 139 regime and a second pre-hearing conference is scheduled for November 29, 2018.

On December 20, 2017, Oakville Council Designated the Glen Abbey property as a significant cultural heritage landscape under by-law 2017-138.

OUTLOOK (continued)

Glen Abbey Development (continued)

On September 25, 2017, ClubLink requested the Town to schedule a Ontario Heritage Act (OHA) section 34 pre-consultation meeting to demolish and remove 16 buildings and the golf course. The Town responded by conveying that our request was beyond the scope of a section 34 application and made an application to Ontario's Superior Court asking for confirmation of the Town's interpretation. ClubLink filed a section 34 application on November 21, 2017, and also made an application to Ontario's Superior Court asking for confirmation that ClubLink had filed a valid section 34 application. The two Superior Court applications were heard together on July 16 and 17, 2018 by Justice Morgan, who reserved a decision. In accordance with the court's scheduling order, Oakville Council reviewed our section 34 application on February 12, 2018 and refused it. On October 25, 2018, Justice Morgan ruled that the Glen Abbey golf course is both composed of structures and overall is a structure for the purposes of section 34 of the OHA. Our appeal of Council's decision to LPAT will be held in abeyance until a final decision on the court applications is made.

On January 30, 2018, Oakville Council passed a Town-wide cultural heritage landscape conservation plan by-law and a site specific conservation plan for Glen Abbey. Council also passed conforming amendments to several other by-laws. On February 6, 2018, ClubLink filed an application to Ontario's Superior Court to quash the by-laws approved on January 30, 2018. The Building Industry and Land Development Association filed a similar application on March 21, 2018. Justice Morgan of the Superior Court heard both applications on October 22 and 23, 2018, he reserved his decision.

On January 30, 2018, Oakville Council passed OPA 24 and a Glen Abbey specific zoning by-law amendment 2018-016. Three LPAT members held a Case Management Conference October 17-19, 2018, under the post Bill 139 regime. The LPAT members scheduled an 8 day oral hearing from June 17 to 26, 2019.

On September 21, 2018, LPAT accepted ClubLink's appeal of OPA 15 (Urban Structure) and OPA 16 (Cultural Heritage Policy Updates). The next step is for LPAT to schedule a Case Management Conference(s) for these appeals.

The development approval process at Glen Abbey may take several years and accordingly will be operated as a golf course by the Company.

US Golf Club Operations

ClubLink is working with a local developer to explore development options at Woodlands Country Club in Tamarac, Florida.

Rail and Port Operations

On June 6, 2018, TWC announced that it had entered into a purchase and sale agreement to sell the White Pass rail and port operations to a joint venture for proceeds of US$290,000,000. Closing on July 31, 2018, the transaction represented a sale of the complete rail, port and merchandise operations of White Pass. This segment is being presented as discontinued operations in the financial statements.

ADDITIONAL INFORMATION

Additional information concerning the Company, as well as the Company's Annual Information Form is available on SEDAR (www.sedar.com) and the investor relations section of the Company's website (www.twcenterprises.ca).

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

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The condensed consolidated interim financial statements (the "financial statements") and management's discussion and analysis of operations contained in this quarterly report are the responsibility of the Company's management. To fulfill this responsibility, the Company maintains a system of internal controls to ensure that its reporting practices and accounting and administrative procedures are appropriate and provide assurance that relevant and reliable financial information is produced. The financial statements have been prepared in conformity with International Financial Reporting Standards and, where appropriate, reflect estimates based on management's best judgment in the circumstances. The financial information presented throughout this quarterly report is consistent with the information contained in the financial statements.

The financial statements have been further examined by the Board of Directors and by its Audit Committee, which meets regularly with the auditors and management to review the activities of each. The Audit Committee, which is comprised of three independent directors, who are not officers of the Company, reports to the Board of Directors.

K. (Rai) Sahi
Chairman, President and Chief Executive Officer

Andrew Tamlin
Chief Financial Officer

November 5, 2018

TWC ENTERPRISES LIMITED
Interim Condensed Consolidated Balance Sheets (Unaudited)

(thousands of Canadian dollars)	Notes	**September 30, 2018**	December 31, 2017	September 30, 2017
ASSETS			(restated-note 2)	(restated-note 2)
Current				
Cash and cash equivalents		**$ 152,776**	$ 848	$ 2,218
Accounts receivable		**47,009**	6,519	19,988
Mortgages and loans receivable		**8,278**	6	6
Inventories and prepaid expenses		**8,641**	6,368	8,947
Other assets	5	**28,382**	-	-
		245,086	13,741	31,159
Mortgages and loans receivable		**1,441**	1,445	1,446
Other assets	5	**8,804**	19,088	18,515
Property, plant and equipment	6	**433,667**	577,841	579,963
Intangible assets	7	**17,174**	17,939	18,291
Goodwill		**-**	-	31,605
Total assets		**$ 706,172**	$ 630,054	$ 680,979
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current				
Accounts payable and accrued liabilities	8	**$ 42,892**	$ 23,317	$ 37,885
Borrowings	9	**18,837**	32,362	34,843
Prepaid annual dues and deposits		**19,885**	12,720	18,449
		81,614	68,399	91,177
Borrowings	9	**132,426**	268,474	252,589
Deferred membership fees	2,10	**11,060**	12,957	14,385
Deferred income tax liabilities	2	**48,063**	47,066	69,841
Total liabilities		**273,163**	396,896	427,992
Shareholders' equity				
Share capital	11	**111,865**	111,987	111,987
Retained earnings	2	**316,123**	97,801	117,929
Accumulated other comprehensive earnings		**5,021**	23,370	23,071
Total shareholders' equity		**433,009**	233,158	252,987
Total liabilities and shareholders' equity		**$ 706,172**	$ 630,054	$ 680,979

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

TWC ENTERPRISES LIMITED
Interim Condensed Consolidated Statements of Earnings and Comprehensive Earnings (Loss) (Unaudited)

(thousands of Canadian dollars, except per share amounts)	Notes	For the three months ended September 30, 2018	September 30, 2017	For the nine months ended September 30, 2018	September 30, 2017
REVENUE (CONTINUING OPERATIONS)	4		(restated-note 2)		(restated-note 2)
Operating revenue		**$ 65,351**	$ 63,818	**$ 136,906**	$ 135,782
Amortization of membership fees	2,10	**1,807**	2,184	**5,145**	6,093
		67,158	66,002	**142,051**	141,875
EXPENSES (CONTINUING OPERATIONS)					
Cost of sales		**11,282**	11,142	**19,677**	19,735
Labour and employee benefits		**26,454**	24,922	**57,961**	55,929
Utilities		**2,612**	2,414	**6,216**	6,473
Selling, general and administrative		**1,443**	1,232	**3,941**	3,808
Property taxes		**582**	623	**3,331**	3,372
Repairs and maintenance		**1,285**	1,231	**3,648**	3,423
Insurance		**679**	563	**1,939**	1,683
Fertilizers and pest control products		**857**	870	**2,163**	2,069
Fuel and oil		**659**	542	**1,255**	1,069
Other operating expenses		**4,735**	4,298	**11,222**	11,216
Depreciation of property, plant and equipment	6	**3,769**	3,842	**11,351**	11,637
Amortization of intangible assets	7	**271**	279	**802**	834
Land lease rent		**1,097**	1,165	**3,292**	3,641
Interest, net and investment income	12	**2,522**	3,810	**10,030**	11,342
Other items	13	**(3,169)**	239	**(3,105)**	(1,725)
		55,078	57,172	**133,723**	134,506
Earnings before income taxes		**12,080**	8,830	**8,328**	7,369
Income tax expense (recovery)	2				
Current		**1,801**	1,967	**1,301**	1,699
Deferred		**1,433**	(73)	**1,257**	(992)
		3,234	1,894	**2,558**	707
Net earnings from continuing operations		**8,846**	6,936	**5,770**	6,662
Discontinued operations					
Earnings from discontinued operations	3	**211,587**	12,530	**214,434**	14,937
Net earnings		**220,433**	19,466	**220,204**	21,599
Unrealized foreign exchange gain (loss) in respect of foreign operations		**(1,455)**	(3,741)	**3,750**	(7,068)
Unrealized gain (loss) on hedge of net investment in foreign operations, net of tax recovery of $67 for the nine months ended September 30, 2018 (September 30, 2017 - expense of $175)		**170**	574	**(436)**	1,142
Total comprehensive earnings		**$ 219,148**	$ 16,299	**$ 223,518**	$ 15,673
Weighted average shares outstanding (000)	11	**27,334**	27,346	**27,342**	27,346
Earnings per share from continuing operations	11	**$ 0.32**	$ 0.25	**$ 0.21**	$ 0.24
Earnings per share from discontinued operations	3	**$ 7.74**	$ 0.46	**$ 7.84**	$ 0.55
Earnings per share basic and diluted	11	**$ 8.06**	$ 0.71	**$ 8.05**	$ 0.79

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

TWC ENTERPRISES LIMITED
Interim Condensed Consolidated Statements of Changes in Shareholders' Equity (Unaudited)

(thousands of Canadian dollars except common shares)	Note	Common Shares	Share Capital	Retained Earnings	Accumulated Other Comprehensive Earnings (Loss)	Total Shareholders' Equity
Balance, December 31, 2016 (restated-note 2)	2	**27,345,540**	**$ 111,987**	**$ 97,971**	**$ 28,997**	**$ 238,955**
Comprehensive earnings (loss) (restated-note 2)		-	-	21,599	(5,926)	15,673
Cash dividend	11B	-	-	(1,641)	-	(1,641)
Balance, September 30, 2017 (restated-note 2)	2	**27,345,540**	**111,987**	**117,929**	**23,071**	**252,987**
Comprehensive loss (restated-note 2)		-	-	(19,581)	299	(19,282)
Cash dividend	11B	-	-	(547)	-	(547)
Balance, December 31, 2017 (restated-note 2)	2	**27,345,540**	**111,987**	**97,801**	**23,370**	**233,158**
Comprehensive earnings		-	-	220,204	3,314	223,518
Cash dividend	11B	-	-	(1,640)	-	(1,640)
Other		(1)	-	-	-	-
Realized foreign exchange upon divestiture of White Pass	4	-	-	-	(21,663)	(21,663)
Shares cancelled subject to normal course issuer bid	11C	(29,800)	(122)	(242)	-	(364)
Balance, September 30, 2018		**27,315,739**	**$ 111,865**	**$ 316,123**	**$ 5,021**	**$ 433,009**

TWC ENTERPRISES LIMITED

Interim Condensed Consolidated Statements of Cash Flow (Unaudited)

(thousands of Canadian dollars)	Notes	For the three months ended September 30, 2018	September 30, 2017	For the nine months ended September 30, 2018	September 30, 2017
OPERATING ACTIVITIES			(restated-note 2)		(restated-note 2)
Net earnings (loss)		**$ 220,433**	$ 19,466	**$ 220,204**	$ 21,599
Items not affecting cash and cash equivalents:					
Amortization of membership fees	10	**(1,807)**	(2,184)	**(5,145)**	(6,093)
Depreciation of property, plant and equipment	6	**3,769**	6,099	**15,150**	18,588
Amortization of intangible assets	7	**271**	279	**802**	834
Land lease rent expense		**1,125**	1,276	**3,441**	3,878
Interest, net	12	**2,892**	4,309	**11,134**	12,624
Unrealized foreign exchange		**1,398**	-	**1,398**	-
Gain on shares held for trading		**(2,491)**	-	**(2,491)**	-
Gain on divestiture of White Pass	3	**(262,311)**	-	**(262,311)**	-
Gain on sale of property, plant and equipment	13	**(125)**	-	**(407)**	(2,104)
Income tax provision (recovery)		**64,595**	9,886	**65,053**	9,316
Collection of membership fee instalments	10	**2,052**	2,335	**3,229**	3,827
Land lease rent paid		**(1,300)**	(1,373)	**(3,962)**	(3,982)
Interest paid		**(3,002)**	(4,197)	**(11,090)**	(12,381)
Income taxes paid		**(59,636)**	(300)	**(61,149)**	(2,051)
Accounts receivable		**(405)**	4,278	**(20,578)**	(13,943)
Inventories and prepaid expenses		**4,943**	4,831	**(3,533)**	(3,951)
Accounts payable and accrued liabilities		**1,209**	(2,489)	**18,933**	16,380
Prepaid annual dues and deposits		**(18,707)**	(18,748)	**7,165**	(456)
Cash and cash equivalents provided by (used in) operating activities		**(47,097)**	23,468	**(24,157)**	42,085
INVESTING ACTIVITIES					
Operating property, plant and equipment expenditures	6	**(2,266)**	(2,381)	**(8,248)**	(9,051)
Expansion property, plant and equipment expenditures	6	**(1,390)**	(1,349)	**(8,155)**	(3,552)
Intangible asset acquisition	7	**-**	-	**-**	(100)
Proceeds on divestiture of White Pass		**351,236**	-	**351,236**	-
Proceeds on sale of property, plant and equipment		**-**	-	**307**	5,074
Other assets		**(53)**	(2,815)	**3,867**	(7,210)
Cash and cash equivalents provided by (used in) investing activities		**347,527**	(6,545)	**339,007**	(14,839)
FINANCING ACTIVITIES					
Deferred financing costs		**(79)**	-	**(86)**	(176)
Revolving borrowings		**(110,828)**	(11,269)	**(112,869)**	(9,489)
Non-revolving borrowings – amortization payments		**(4,571)**	(4,648)	**(14,254)**	(13,818)
Term debt – maturities		**(24,935)**	-	**(24,935)**	-
Finance lease obligations		**(230)**	(410)	**(799)**	(1,406)
Mortgages and loans receivable		**(8,740)**	3	**(8,737)**	5
Shares repurchased for cancellation	11C	**(358)**	-	**(364)**	-
Common share dividends	11B	**(546)**	(547)	**(1,640)**	(1,641)
Cash and cash equivalents provided by (used in) financing activities		**(150,287)**	(16,871)	**(163,684)**	(26,525)
Net effect of currency translation adjustment on cash and cash equivalents		**977**	(729)	**762**	(885)
Net increase (decrease) in cash and cash equivalents during the period		**151,120**	(677)	**151,928**	(164)
Cash and cash equivalents, beginning of period		**1,656**	2,895	**848**	2,382
Cash and cash equivalents, end of period		**$ 152,776**	$ 2,218	**$ 152,776**	$ 2,218

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

1. NATURE OF OPERATIONS

TWC Enterprises Limited (the "Company" or "TWC") was formed under the laws of Canada. The Company's executive office is located at 15675 Dufferin Street, King City, Ontario L7B 1K5. TWC is a publicly traded company on the Toronto Stock Exchange ("TSX") under the symbol "TWC."

TWC is engaged in golf club operations under the trademark "ClubLink One Membership More Golf." TWC is Canada's largest owner and operator of golf clubs with 53½, 18-hole equivalent championship and 3½, 18-hole equivalent academy courses at 41 locations in Ontario, Quebec and Florida.

TWC was previously engaged in rail and port operations based in Skagway, Alaska which operate under the trade name White Pass & Yukon Route ("White Pass"). The railway stretches approximately 110 kilometres (67.5 miles) from Skagway, Alaska to Carcross, Yukon. In addition, White Pass operates three docks, primarily for cruise ships. White Pass was divested on July 31, 2018.

Both White Pass and the golf club operations located in the United States have a functional currency in United States ("US") dollars, which are translated into Canadian dollars for reporting purposes in these interim condensed consolidated financial statements.

2. BASIS OF PRESENTATION

The interim condensed consolidated financial statements (the "financial statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS"), using International Accounting Standard ("IAS") 34, Interim Financial Reporting.

These financial statements were authorized for issuance by the Board of Directors on November 5, 2018.

These financial statements have been prepared on a basis consistent with the Company's annual audited consolidated financial statements for the year ended December 31, 2017 with the exception of the new accounting policies that were adopted on January 1, 2018 as described later on in this note. Accordingly, certain information and disclosures normally required to be included in notes to annual financial statements have been condensed or omitted. Accordingly, these financial statements should be read in conjunction with the annual consolidated financial statements and the notes thereto for the year ended December 31, 2017. These financial statements were prepared on a going concern basis, under the historical cost model.

Due to the seasonal nature of the golf club operations in which the Company currently operates, the second and third quarters of the fiscal year account for, and are expected to account for, a greater portion of revenue and earnings than do the first and fourth quarters of each fiscal year. This seasonal pattern may cause the Company's operating revenue and net operating income to vary significantly from quarter to quarter with consequential impacts on related working capital balances. Due to this seasonality, a consolidated balance sheet as at September 30, 2017 has been presented for comparative purposes.

The functional currency of TWC and its subsidiaries is the local currency. The assets and liabilities of TWC's foreign operations where the functional currency is not the Canadian dollar are translated using the rate of exchange at the balance sheet date, whereas revenue and expenses are translated using average exchange rates during the respective periods. The resulting foreign currency translation adjustments are included in accumulated other comprehensive earnings or loss. This is the only component in this category. The accumulated balance of the foreign currency translation reserve reflects the differences since January 1, 2010, the transition date to IFRS. When a foreign operation is disposed of, the foreign currency translation adjustment applicable to that entity is recognized in the statement of earnings.

Effective January 1, 2016, TWC has declared its 8.00% USD mortgage facility as a hedge against its net investment in White Pass. Accordingly, the foreign exchange translation gain or loss on this mortgage was reflected in accumulated other comprehensive income effective January 1, 2016 up until the time of the divestiture of White Pass (July 31,2018).

2. BASIS OF PRESENTATION (continued)

New Accounting Pronouncements

The Company has adopted the following new accounting standards effective January 1, 2018.

IFRS 15, Revenue from contracts with customers (IFRS 15)

Effective January 1, 2018, the Company adopted IFRS 15. IFRS 15 supersedes previous accounting standards for revenue including IAS 18, Revenue (IAS 18) and IFRIC 13, Customer Loyalty Programmes (IFRIC 13).

IFRS 15 introduced a single model for recognizing revenue from customers. This standard applies to all contracts with customers, with only some exceptions, including certain contracts accounted for under IFRS 5. The standard requires revenue to be recognized in a manner that depicts the transfer of promised goods or services to a customer and at an amount that reflects the consideration expected to be received in exchange for transferring those goods or services. This is achieved by applying the following five steps:

1. Identify the contract with a customer;
2. Identify the performance obligations in the contract;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligations in the contract; and
5. Recognize revenue when (or as) the entity satisfies a performance obligation.

Based on guidance from IFRS 15, the Company has amended its accounting policy for amortization of membership fees to remove the allowance as part of the accounting model. Previously, the allowance was incorporated in to the model to account for future member resignations. This had the impact of increasing revenue earned in prior years. A deferred income tax adjustment was also recorded in relation to this change.

The Company has made a policy choice to adopt IFRS 15 with full retrospective application, subject to certain practical expedients. As a result, all comparative information in these financial statements has been prepared as if IFRS 15 had been in effect since January 1, 2017. The effect on the opening statement of financial position as at January 1, 2017 is immaterial. The other accounting policies set out in the December 31, 2017 financial statements, have been applied in preparing the financial statements as at and for the nine months ended September 30, 2018, the comparative information presented in these financial statements as at and for the nine months ended September 30, 2017, and for the balance sheet as at September 30, 2017. In preparing our balance sheets as at September 30, 2017 and December 31, 2017, the Company has adjusted amounts previously reported in the financial statements prepared in accordance with the previous IFRSs on revenue recognition.

Upon adoption of, and transition to, IFRS 15, we elected to utilize the following practical expedients, allowing us to:

1. Recognize the incremental costs of obtaining contracts as an expense when incurred if the amortization period of the assets that would have otherwise recognized would be one year or less;
2. Not disclose, on an annual basis, the unsatisfied portions of performance obligations related to contracts with a duration of one year or less or where the revenue to be recognized is equal to the amount invoiced to the customer; and
3. Not adjust the total consideration over the contract term for effects of a significant financing component, if the Company expects that the period between when we would transfer our good or service to the customer and when the customer would pay for the good or service would be one year or less.

IFRS 15 also provides guidance relating to the treatment of contract acquisition and contract fulfillment costs. In conjunction with this guidance, the Company has reclassified commissions to third party agents for green fees as an expense, rather than netted against revenue.

2. BASIS OF PRESENTATION (continued)

Below is the effect of transition to IFRS 15 on the Company's statements of income for the three and nine months ended September 30, 2017 and December 31, 2017, all of which pertain to our golf club operations segment.

Three months ended September 30, 2017					
(thousands of Canadian dollars)	As Previously Presented	Golf Commission Reclassification	Allowance Restatement	Discontinued Operations	Restated
Operating revenue	$ 97,357	$ 14	$ -	$ (33,553)	$ 63,818
Amortization of membership fees	2,192	-	(8)	-	2,184
Expenses	(70,189)	(14)	-	13,031	(57,172)
Earnings (loss) before income taxes	29,360	-	(8)	(20,522)	8,830
Income taxes	9,888	-	(2)	(7,992)	1,894
Net earnings (loss) from continuing operations	19,472	-	(6)	(12,530)	6,936
Earnings from discontinued operations	-	-	-	12,530	12,530
Net earnings	$ 19,472	$ -	$ (6)	$ -	$ 19,466
Earnings per share (basic and diluted)	$ 0.71	$ -	$ -	$ -	$ 0.71

Nine months ended September 30, 2017					
(thousands of Canadian dollars)	As Previously Presented	Golf Commission Reclassification	Allowance Restatement	Discontinued Operations	Restated
Operating revenue	$ 190,902	$ 310	$ -	$ (55,430)	$ 135,782
Amortization of membership fees	6,119	-	(26)	-	6,093
Expenses	(166,080)	(310)	-	31,884	(134,506)
Earnings (loss) before income taxes	30,941	-	(26)	(23,546)	7,369
Income taxes	9,323	-	(7)	(8,609)	707
Net earnings (loss) from continuing operations	21,618	-	(19)	(14,937)	6,662
Earnings from discontinued operations	-	-	-	14,937	14,937
Net earnings	$ 21,618	$ -	$ (19)	$ -	$ 21,599
Earnings per share (basic and diluted)	$ 0.79	$ -	$ -	$ -	$ 0.79

Year ended December 31, 2017					
(thousands of Canadian dollars)	As Previously Presented	Golf Commission Reclassification	Allowance Restatement	Discontinued Operations	Restated
Operating revenue	$ 219,230	$ 395	$ -	$ (55,675)	$ 163,950
Amortization of membership fees	7,987	-	(35)	-	7,952
Expenses	(238,495)	(395)	-	46,497	(192,393)
Earnings (loss) before income taxes	(11,278)	-	(35)	(9,178)	(20,491)
Income taxes	(13,322)	-	(9)	12,837	(494)
Net earnings (loss) from continuing operations	2,044	-	(26)	(22,015)	(19,997)
Earnings from discontinued operations	-	-	-	22,015	22,015
Net Earnings	$ 2,044	$ -	$ (26)	$ -	$ 2,018
Earnings per share (basic and diluted)	$ 0.07	$ -	$ -	$ -	$ 0.07

2. BASIS OF PRESENTATION (continued)

Below is the effect of transition to IFRS 15 on the Company's balance sheets as at September 30, 2017 and December 31, 2017.

	As at September 30, 2017			As at December 31, 2017		
(thousands of Canadian dollars)	As Previously Presented	Allowance Restatement	Restated	As Previously Presented	Allowance Restatement	Restated
Assets	$ 680,979	$ -	$ 680,979	$ 630,054	$ -	$ 630,054
Current liabilities	$ 91,177	$ -	$ 91,177	$ 68,399	$ -	$ 68,399
Borrowings	252,589	-	252,589	268,474	-	268,474
Deferred membership fees	15,987	(1,602)	14,385	14,550	(1,593)	12,957
Deferred income tax liabilities	69,416	425	69,841	46,643	423	47,066
Shareholders' equity	251,810	1,177	252,987	231,988	1,170	233,158
	$ 680,979	$ -	$ 680,979	$ 630,054	$ -	$ 630,054

The application of IFRS 15 did not affect the Company's cash flow totals from operating, investing or financing activities.

IFRS 9, Financial Instruments

Effective January 1, 2018, the Company adopted IFRS 9. In July 2014, the IASB issued the final publication of the IFRS 9 standard, which supersedes IAS 39, Financial Instruments: recognition and measurement (IAS 39). IFRS 9 includes revised guidance on the classification and measurement of financial instruments, new guidance for measuring impairment on financial assets, and new hedge accounting guidance. The Company has adopted IFRS 9 on a retrospective basis, however, this guidance had no impact to the Company's financial statements.

Under IFRS 9, financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 contains the primary measurement categories for financial assets: measured at amortized cost, fair value through other comprehensive income (FVTOCI) and fair value through profit and loss (FVTPL).

The new hedge accounting guidance aligns hedge accounting more closely with an entity's risk management objectives and strategies. IFRS 9 does not fundamentally change the types of hedging relationships or the requirement to measure and recognize ineffectiveness; however, it allows more hedging strategies used for risk management to qualify for hedge accounting and introduces more judgement to assess the effectiveness of a hedging relationship, primarily from a qualitative standpoint. The Company has elected to continue with IAS 39 for hedging. This does not have an effect on our reported results.

Below is a summary showing the classification and measurement bases of our financial instruments as at January 1, 2018 as a result of adopting IFRS 9 (along with comparison to IAS 39).

Financial Instrument	IAS 39	IFRS 9
Financial assets		
Cash	Loans and receivables (amortized cost)	Amortized cost
Accounts receivable	Loans and receivables (amortized cost)	Amortized cost
Investments	Available for sale	FVTPL
Financial liabilities		
Accounts payable and accrued liabilities	Other financial liabilities (amortized cost)	Amortized cost
Borrowings	Other financial liabilities (amortized cost)	Amortized cost

2. BASIS OF PRESENTATION (continued)

Future Accounting Pronouncements

The following standard has been released by the IASB but not yet been adopted.

IFRS 16, Leases

IFRS 16, Leases ("IFRS 16") was issued by the IASB on January 13, 2016, and will replace IAS 17, Leases. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting remains similar to current accounting practice. The standard is effective for annual periods beginning on or after January 1, 2019, with early application permitted if IFRS 15 has also been applied. The Company is currently evaluating the impact of IFRS 16 on its financial statements and expects to have material changes to its financial statement due to the presence of significant land leases and expects to report on the anticipated changes to its financial statements in conjunction with the filing of the December 31, 2018 financial statements.

3. DIVESTITURE AND DISCONTINUED OPERATIONS

In June 2018, the Company committed to sell White Pass which closed on July 31, 2018 for proceeds of US$290,000,000. This segment was not a discontinued operation or classified as held for sale at September 30, 2017, so the comparative Consolidated Statement of Earnings has been amended to show the discontinued operations separately from continuing operations.

The results of the discontinued operations consist of the following:

(thousands of Canadian dollars, except per share amounts)	Notes	For the three months ended **September 30, 2018**	September 30, 2017	For the nine months ended **September 30, 2018**	September 30, 2017
REVENUE					
Operating revenue	4	**$ 15,005**	33,553	**36,555**	55,430
EXPENSES					
Direct operating expenses and other items		**3,373**	10,164	**16,885**	23,414
Depreciation of property, plant and equipment	6	**-**	2,257	**3,799**	6,951
Land lease rent		**28**	111	**149**	237
Interest, net	12	**370**	499	**1,104**	1,282
Subtotal		**11,234**	20,522	**14,618**	23,546
Gain on divestiture of White Pass		**262,311**	-	**262,311**	-
Earnings before income taxes		**273,545**	20,522	**276,929**	23,546
Income tax expense		**61,958**	7,992	**62,495**	8,609
Net earnings		**$ 211,587**	$ 12,530	**$ 214,434**	$ 14,937
Weighted average shares outstanding (000)		**27,334**	27,346	**27,342**	27,346
Earnings per share basic and diluted		**$ 7.74**	$ 0.46	**$ 7.84**	$ 0.55

The net cash flows provided by (used in) the discontinued operations are as follows:

(thousands of Canadian dollars)	For the three months ended **September 30, 2018**	September 30, 2017	For the nine months ended **September 30, 2018**	September 30, 2017
Cash and cash equivalents provided by (used in) operating activities	**$ (56,045)**	$ (4,084)	**$ (54,683)**	$ 174
Cash and cash equivalents used in investing activities	**378,334**	(2,393)	**370,110**	(8,152)
Cash and cash equivalents provided by (used in) financing activities	**(63,013)**	10,292	**(52,322)**	13,609
Net cash flows	**$ 259,276**	$ 3,815	**$ 263,105**	$ 5,631

The following is a calculation of the gain on the divestiture of White Pass which closed on July 31, 2018:

(thousands of Canadian dollars)	
Cash proceeds	**$ 359,041**
Proceeds in Carnival plc shares	**25,890**
Book value of assets sold	**(134,418)**
Indemnification reserve	**(6,508)**
Transaction costs and other	**(3,357)**
Realized foreign exchange upon divestiture of White Pass	**21,663**
Net gain on sale of White Pass	**$ 262,311**

4. REVENUE

Revenue consists of the following:

Three months ended September 30, 2018

(thousands of Canadian dollars)	Canadian Golf Club Operations	US Golf Club Operations	**Total Continuing Operations**	Discontinued Operations	**Total**
Annual dues	$ 13,041	$ 1,728	**$ 14,769**	$ -	**$ 14,769**
Golf	12,992	1,014	**14,006**	-	**14,006**
Corporate events	6,901	58	**6,959**	-	**6,959**
Membership fees	1,726	81	**1,807**	-	**1,807**
Food and beverage	21,315	423	**21,738**	-	**21,738**
Merchandise	5,735	154	**5,889**	710	**6,599**
Rooms and other	1,943	47	**1,990**	22	**2,012**
Railroad	-	-	**-**	11,387	**11,387**
Port	-	-	**-**	2,886	**2,886**
	$ 63,653	$ 3,505	**$ 67,158**	$ 15,005	**$ 82,163**

Three months ended September 30, 2017

(thousands of Canadian dollars)	Canadian Golf Club Operations	US Golf Club Operations	**Total Continuing Operations**	Discontinued Operations	**Total**
Annual dues	$ 12,630	$ 1,618	**$ 14,248**	$ -	**$ 14,248**
Golf	12,681	948	**13,629**	-	**13,629**
Corporate events	6,645	28	**6,673**	-	**6,673**
Membership fees	2,117	67	**2,184**	-	**2,184**
Food and beverage	21,651	442	**22,093**	-	**22,093**
Merchandise	5,392	125	**5,517**	1,605	**7,122**
Rooms and other	1,613	45	**1,658**	20	**1,678**
Railroad	-	-	**-**	25,426	**25,426**
Port	-	-	**-**	6,502	**6,502**
	$ 62,729	$ 3,273	**$ 66,002**	$ 33,553	**$ 99,555**

4. REVENUE (continued)

Revenue consists of the following:

Nine months ended September 30, 2018					
(thousands of Canadian dollars)	Canadian Golf Club Operations	US Golf Club Operations	**Total Continuing Operations**	Discontinued Operations	**Total**
Annual dues	$ 38,792	$ 4,949	**$ 43,741**	$ -	**$ 43,741**
Golf	20,656	8,091	**28,747**	-	**28,747**
Corporate events	11,733	409	**12,142**	-	**12,142**
Membership fees	4,906	239	**5,145**	-	**5,145**
Food and beverage	35,987	2,199	**38,186**	-	**38,186**
Merchandise	10,110	792	**10,902**	1,890	**12,792**
Rooms and other	3,112	76	**3,188**	225	**3,413**
Railroad	-	-	**-**	26,917	**26,917**
Port	-	-	**-**	7,523	**7,523**
	$ 125,296	$ 16,755	**$ 142,051**	$ 36,555	**$ 178,606**

Nine months ended September 30, 2017					
(thousands of Canadian dollars)	Canadian Golf Club Operations	US Golf Club Operations	**Total Continuing Operations**	Discontinued Operations	**Total**
Annual dues	$ 37,559	$ 5,168	**$ 42,727**	$ -	**$ 42,727**
Golf	19,678	8,987	**28,665**	-	**28,665**
Corporate events	11,685	611	**12,296**	-	**12,296**
Membership fees	5,872	221	**6,093**	-	**6,093**
Food and beverage	35,927	2,561	**38,488**	-	**38,488**
Merchandise	9,691	853	**10,544**	2,697	**13,241**
Rooms and other	3,000	62	**3,062**	256	**3,318**
Railroad	-	-	**-**	41,617	**41,617**
Port	-	-	**-**	10,860	**10,860**
	$ 123,412	$ 18,463	**$ 141,875**	$ 55,430	**$ 197,305**

5. OTHER ASSETS

Other assets consist of the following:

(thousands of Canadian dollars)	**September 30, 2018**	December 31, 2017	September 30, 2017
Investment in joint venture	**$ 7,834**	$ 11,955	$ 11,253
Common shares in Carnival plc (349,958 shares denominated in USD)	**28,382**	-	-
Rail inventory and supplies	**-**	6,262	6,179
Other	**970**	871	1,083
	37,186	19,088	18,515
Less: current portion	**28,382**	-	-
Other assets	**$ 8,804**	$ 19,088	$ 18,515

On December 16, 2014, TWC and a land developer entered into a joint venture agreement to develop the Highland Gate Golf Club property into residential development. In order to effect the joint venture arrangement, TWC sold a 50% interest in the Highland Gate Golf Club including land, buildings, intangible assets and goodwill for proceeds of $3,750,000. TWC and the land developer each own an equal interest in the entity, which will undertake the residential development. All key decisions respecting the joint venture require the agreement and consent of both TWC and the developer.

As part of the joint venture arrangement, TWC and the developer share joint control of the Highland Gate land. Given that the land is held with intentions of development, in connection with the joint venture described above, under IFRS 11, Joint Arrangement ("IFRS 11") this arrangement has been accounted for as part of the development joint venture using the equity basis of accounting. To date, the joint venture has no earnings.

Summarized financial information for the Highland Gate joint venture at 100% and TWC's ownership interest is provided below:

(thousands of Canadian dollars)	**September 30, 2018**	December 31, 2017	September 30, 2017
Land	**$ 7,500**	$ 7,500	$ 7,500
Development costs	**26,821**	19,143	19,455
Secured project debt	**(12,691)**	-	-
Other liabilities	**(4,568)**	(1,339)	(3,055)
Net assets of Highland Gate joint venture at 100%	**17,062**	25,304	23,900
Net assets of Highland Gate joint venture at Company's share (50%)	**8,531**	12,652	11,950
Deferred profit	**(697)**	(697)	(697)
Net assets of Highland Gate joint venture	**$ 7,834**	$ 11,955	$ 11,253

The deferred profit represents 50% of the gain that was not recognized when the Company sold the land to the joint venture.

The secured project debt relates to a servicing loan which matures on March 31, 2020. Of the loan proceeds, $8,240,000 was used to reimburse the co-owners for previously funded servicing costs in the form of return of capital.

The joint venture has $5,939,000 (December 31, 2017 – nil) in letters of credit outstanding.

6. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following:

(thousands of Canadian dollars)	Land	Buildings and Land Improvements	Docks	Bunkers, Cart Paths and Irrigation	Rolling Stock and Equipment	**Total**
Cost						
At January 1, 2017	$ 311,342	$ 213,811	$ 85,190	$ 107,480	$ 173,605	**$ 891,428**
Additions	1,967	4,955	806	1,529	8,537	**17,794**
Disposals	(1,887)	(3,762)	-	(130)	(7,790)	**(13,569)**
Foreign exchange difference	(2,106)	(4,026)	(5,637)	(753)	(6,155)	**(18,677)**
At December 31, 2017	309,316	210,978	80,359	108,126	168,197	**876,976**
Additions	1,472	1,084	3,309	1,791	8,747	**16,403**
Divestiture	(17,459)	(51,150)	(86,695)	-	(86,071)	**(241,375)**
Disposals	(10)	-	-	-	(1,435)	**(1,445)**
Foreign exchange difference	1,054	2,198	3,027	347	3,369	**9,995**
At September 30, 2018	$ 294,373	$ 163,110	$ -	$ 110,264	$ 92,807	**$ 660,554**
Accumulated Depreciation						
At January 1, 2017	$ -	$ 84,338	$ 31,465	$ 68,668	$ 104,777	**$ 289,248**
Depreciation	-	6,425	4,452	5,383	8,576	**24,836**
Disposals	-	(2,135)	-	(112)	(6,350)	**(8,597)**
Foreign exchange difference	-	(1,169)	(2,215)	(260)	(2,708)	**(6,352)**
At December 31, 2017	-	87,459	33,702	73,679	104,295	**299,135**
Depreciation	-	4,265	1,840	3,996	5,049	**15,150**
Divestiture	-	(16,351)	(36,847)	-	(36,402)	**(89,600)**
Disposals	-	-	-	-	(1,407)	**(1,407)**
Foreign exchange difference	-	666	1,305	131	1,507	**3,609**
At September 30, 2018	$ -	$ 76,039	$ -	$ 77,806	$ 73,042	**$ 226,887**
Net book value at December 31, 2017	$ 309,316	$ 123,519	$ 46,657	$ 34,447	$ 63,902	**$ 577,841**
Net book value at September 30, 2018	$ 294,373	$ 87,071	$ -	$ 32,458	$ 19,765	**$ 433,667**

Certain property, plant and equipment have been assigned as collateral for borrowings (Note 9).

As at September 30, 2018, ClubLink had equipment under finance lease with a net book value of $1,678,000 (September 30, 2017 – $3,553,000).

On January 25, 2017, ClubLink sold the property that was formerly known as Grandview Resort in Huntsville, Ontario for net proceeds of $5,074,000. A gain of $2,121,000 was recognized on this sale.

On July 6, 2017, an engine fire damaged a White Pass locomotive. An impairment of US$940,000 was recorded in 2017 in relation to this locomotive. An insurance claim was opened and management contracted a third party to repair the locomotive in the amount of US$1,000,000. This locomotive has returned to service. US$772,000 in insurance proceeds were received during the period and this claim is now closed.

On September 5, 2017, the Company sustained permanent damage to a rockfall netting providing cover for the Railroad Dock at White Pass. The estimated cost to replace the netting is US$1,000,000 which will be partially covered by insurance and was completed in time for the 2018 operating season. There is a business interruption component to this claim as well. A partial payment of US$958,000 was received during the quarter of which US$571,000 had been accrued at December 31, 2017.

6. PROPERTY, PLANT AND EQUIPMENT (continued)

On September 19, 2017, the cart storage facility at The Club at Bond Head sustained a total loss due to fire, including all golf carts in this facility. During 2018, the Company has recorded $100,000 insurance proceeds as part of other expenses.

On October 13, 2017, the Company sustained a significant fire event which impacted the clubhouse at Le Maître de Mont-Tremblant. The Company has opened an insurance claim for the event and is considering alternatives for the property. An insurance draw in the amount of $2,400,000 was received during the period and recorded as part of other expenses.

The Company sold White Pass with a closing date of July 31, 2018. As a result, this segment is being presented as discontinued operations on the Consolidated Statement of Earnings.

	For the three months ended		For the nine months ended	
(thousands of Canadian dollars)	**September 30, 2018**	September 30, 2017	**September 30, 2018**	September 30, 2017
Depreciation - continuing operations	**$ 3,769**	$ 3,842	**$ 11,351**	$ 11,637
Depreciation - discontinued operations	**-**	2,257	**3,799**	6,951
	$ 3,769	$ 6,099	**$ 15,150**	$ 18,588

7. INTANGIBLE ASSETS

Intangible assets consist of the following:

(thousands of Canadian dollars)	Membership base	Brand	Other	**Total Intangible Assets**
Cost				
At January 1, 2017	$ 12,453	$ 13,477	$ 2,343	**$ 28,273**
Additions	-	-	100	**100**
Foreign exchange difference	(137)	-	(13)	**(150)**
At December 31, 2017	12,316	13,477	2,430	**28,223**
Foreign exchange difference	62	-	6	**68**
At September 30, 2018	$ 12,378	$ 13,477	$ 2,436	**$ 28,291**
Accumulated amortization				
At January 1, 2017	$ 3,738	$ 3,668	$ 1,740	**$ 9,146**
Amortization	572	470	154	**1,196**
Foreign exchange difference	(45)	-	(13)	**(58)**
At December 31, 2017	4,265	4,138	1,881	**10,284**
Amortization	343	342	117	**802**
Foreign exchange difference	25	-	6	**31**
At September 30, 2018	$ 4,633	$ 4,480	$ 2,004	**$ 11,117**
Net book value at December 31, 2017	$ 8,051	$ 9,339	$ 549	**$ 17,939**
Net book value at September 30, 2018	$ 7,745	$ 8,997	$ 432	**$ 17,174**

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consist of the following:

(thousands of Canadian dollars)	**September 30, 2018**	December 31, 2017	September 30, 2017
Trade payables	**$ 8,570**	$ 4,931	$ 12,965
Accrued payroll costs	**6,355**	4,236	8,229
Accrued land lease rent	**4,704**	5,225	4,249
Accrued interest	**908**	1,203	937
Income taxes payable	**6,359**	1,757	1,087
Accrued liabilities and other	**15,996**	5,965	10,418
	$ 42,892	$ 23,317	$ 37,885

TWC ENTERPRISES LIMITED
Notes to Interim Condensed Consolidated Financial Statements (Unaudited)
September 30, 2018

9. BORROWINGS

Borrowings consist of the following:

(thousands of Canadian dollars)	**September 30, 2018**	December 31, 2017	September 30, 2017
Revolving:			
Secured revolving operating line of credit to a maximum of US$7,500,000 due December 31, 2019 (Nil; December 31, 2017 - US$10,000,000; September 30, 2017 - US$10,000,000)	**$ -**	$ 12,545	$ 12,480
Secured revolving operating line of credit to a maximum of $50,000,000 due September 30, 2019	**1,585**	63,667	65,932
Secured revolving operating line of credit (Nil; December 31, 2017 - US$19,796,000; September 30, 2017 - US$11,491,000)	**-**	24,834	14,341
Unsecured revolving operating line of credit from a related party to a maximum of $50,000,000 due on demand (note 14)	**-**	11,767	1,923
	1,585	112,813	94,676
Non-revolving:			
Mortgages with blended monthly payments of principal and interest			
8.345% Mortgages due July 1, 2022	**9,094**	10,558	11,027
7.550% Mortgage due July 1, 2022	**1,089**	1,268	1,325
7.416% Mortgages due September 1, 2023	**15,210**	17,045	17,633
7.268% Mortgage due July 1, 2024	**6,757**	7,436	7,655
8.060% Mortgage due July 1, 2024	**36,349**	39,982	41,148
6.194% Mortgage due March 1, 2026	**33,981**	36,591	37,435
6.315% Mortgage due December 1, 2027	**31,440**	33,275	33,868
8.000% Mortgage due October 1, 2029 (US$11,982,000; December 31, 2017 - US$12,472,000; September 30, 2017 - US$12,629,000)	**15,511**	15,646	15,761
	149,431	161,801	165,852
Term Loan:			
Term loan (Nil; December 31, 2017 - US$20,278,000; September 30, 2017 - US$20,743,000)	**-**	25,439	25,887
Finance Lease Obligations:			
Canadian denominated	**1,045**	1,684	1,900
US denominated (Nil; December 31, 2017 - US$124,000; September 30, 2017 - US$226,000)	**-**	156	282
	1,045	1,840	2,182
Gross borrowings	**152,061**	301,893	288,597
Less: deferred financing costs	**798**	1,057	1,165
Borrowings	**151,263**	300,836	287,432
Less: current portion	**18,837**	32,362	34,843
	$ 132,426	$ 268,474	$ 252,589

9. BORROWINGS (continued)

Borrowings are collateralized by certain property, plant and equipment assets (note 6).

Minimum principal debt repayments over the next five years and thereafter are as follows:

(thousands of Canadian dollars)	Revolving Maturities	Mortgage and Term Loan Payments	Finance Lease Obligations	**Total Borrowings**
Balance of 2018	$ -	$ 4,445	$ 179	**$ 4,624**
2019	1,585	18,592	528	**20,705**
2020	-	19,968	223	**20,191**
2021	-	21,446	115	**21,561**
2022	-	21,721	-	**21,721**
2023 and thereafter	-	63,259	-	**63,259**
	$ 1,585	$ 149,431	$ 1,045	**$ 152,061**

10. DEFERRED MEMBERSHIP FEES

Deferred membership fees consist of the following:

(thousands of Canadian dollars)	**September 30, 2018**	December 31, 2017	September 30, 2017
		(restated-note 2)	(restated-note 2)
Unamortized membership fees (note 10A)	**$ 35,243**	$ 37,808	$ 41,522
Future membership fee instalments (note 10B)	**(24,183)**	(24,851)	(27,137)
Deferred membership fees	**$ 11,060**	$ 12,957	$ 14,385

Unamortized membership fees represents the portion of collected or committed membership fees that have not been booked as revenue.

Future membership fee instalments represents the amount of uncollected committed membership fee instalments. The Company forgives future instalments upon resignation of a member.

The net deferred membership fees represents the excess of membership fees collected over membership fee revenue recognized.

(A) Changes in unamortized membership fees are as follows:

(thousands of Canadian dollars)	**For the nine months ended September 30, 2018**	For the year ended December 31, 2017	For the nine months ended September 30, 2017
		(restated-note 2)	(restated-note 2)
Balance, beginning of period	**$ 37,808**	$ 43,683	$ 43,683
Sales to new members	**4,326**	5,180	5,557
Transfer and reinstatement fees	**594**	1,152	1,017
Resignations and terminations	**(2,386)**	(4,156)	(2,538)
Amortization of membership fees to revenue	**(5,145)**	(7,952)	(6,093)
Foreign exchange difference	**46**	(99)	(104)
Unamortized membership fees	**$ 35,243**	$ 37,808	$ 41,522

10. DEFERRED MEMBERSHIP FEES (continued)

(B) Changes in future membership fee instalments and golf members are as follows:

(thousands of Canadian dollars)	**For the nine months ended September 30, 2018**	For the year ended December 31, 2017	For the nine months ended September 30, 2017
Balance, beginning of period	**$ 24,851**	$ 26,982	$ 26,982
Sales to new members	**4,326**	5,180	5,557
Transfer and reinstatement fees	**594**	1,152	1,017
Resignations and terminations	**(2,386)**	(4,156)	(2,538)
Instalments received in cash	**(3,229)**	(4,254)	(3,827)
Foreign exchange difference	**27**	(53)	(54)
Future membership fee instalments	**$ 24,183**	$ 24,851	$ 27,137

The following table estimates future cash flows and revenue recognition based on the collection of future membership fee instalments outstanding on September 30, 2018. The estimated collection of future membership fee instalments, amortization of unamortized membership fees and the estimated deferred membership fees, assuming no further memberships are sold is as follows:

(thousands of Canadian dollars)	Estimated collection of future membership fee instalments	Estimated Amortization of deferred membership fees	Estimated deferred membership fees, at period-end
Balance, September 30, 2018			$ 11,060
Balance of 2018	$ 311	$ 1,637	9,734
2019	2,894	5,291	7,337
2020	2,553	4,432	5,458
2021	2,216	3,631	4,043
2022	1,954	2,548	3,449
2023 and thereafter	14,255	17,704	-
	$ 24,183	$ 35,243	

Membership fees are amortized over the estimated weighted average remaining life of memberships purchased each year. The amortization period is reviewed annually and any adjustments are made prospectively.

11. SHARE CAPITAL

(A) Authorized and issued share capital

The authorized share capital is an unlimited number of common shares and preferred shares. As at September 30, 2018, there are 27,315,739 common shares outstanding (December 31, 2017 – 27,345,540). As at September 30, 2018, no preferred shares have been issued. Please refer to the consolidated statements of changes in shareholders' equity for details.

(B) Dividends

During 2017, ClubLink declared and paid four quarterly cash dividends of 2 cents per common share for a total of 8 cents per common share or $2,188,000 for the year.

During the first, second and third quarter of 2018, TWC declared and issued three quarterly cash dividends of 2 cents per common share, paid on March 29, 2018, June 15, 2018 and September 14, 2018 in the amount of $1,640,000.

(C) Shares repurchased and cancelled

The Company was approved by the Toronto Stock Exchange for a normal course issuer bid to purchase up to 1,367,000 of its common shares which expired on September 19, 2018. During 2017, the Company did not made any purchases under this bid. During 2018, the Company repurchased for cancellation 28,400 common shares for a total purchase price of $346,928 or $12.22 per common share, including commissions.

The Company was approved by the Toronto Stock Exchange for a normal course issuer bid to purchase up to 1,366,000 of its common shares which will expire on September 19, 2019. From September 20, 2018 to September 30, 2018, the Company repurchased for cancellation 1,400 common shares for a total purchase price of $17,541 or $12.53 per common share, including commissions.

In recording the repurchase and cancellation of shares, share capital is reduced by the weighted average issue price of the outstanding common shares with the differential to the purchase price being credited or charged to retained earnings.

12. INTEREST, NET AND INVESTMENT INCOME

Interest, net and investment income consists of the following:

(thousands of Canadian dollars)	For the three months ended **September 30, 2018**	For the three months ended September 30, 2017	For the nine months ended **September 30 2018**	For the nine months ended September 30 2017
Revolving lines of credit	**$ 638**	$ 812	**$ 2,372**	$ 1,738
Non-revolving mortgages	**2,737**	3,023	**8,423**	9,346
Term loan	**175**	373	**775**	949
Finance lease obligations	**12**	23	**38**	74
Line of credit from related party	**(50)**	17	**97**	375
Amortization of deferred financing costs	**155**	108	**365**	328
Other	**(51)**	6	**(40)**	18
Interest revenue	**(724)**	(53)	**(896)**	(204)
Interest, net and investment income	**2,892**	4,309	**11,134**	12,624
Interest, net and investment income – discontinued operations	**(370)**	(499)	**(1,104)**	(1,282)
Interest, net and investment income – continuing operations	**$ 2,522**	$ 3,810	**$ 10,030**	$ 11,342

13. OTHER ITEMS

Other items consist of the following income (loss) items:

	For the three months ended		For the nine months ended	
(thousands of Canadian dollars)	**September 30, 2018**	September 30, 2017	**September 30 2018**	September 30 2017
Gain on property, plant and equipment	**$ 125**	$ -	**$ 407**	$ 2,104
Insurance claims	**2,540**	-	**2,979**	-
Unrealized foreign exchange loss	**(1,398)**	-	**(1,398)**	-
Unrealized gain on shares held for trading	**2,492**	-	**2,492**	-
Other	**277**	(336)	**(1,065)**	(1,067)
Other items	**4,036**	(336)	**3,415**	1,037
Other items - discontinued operations	**(867)**	97	**(310)**	688
Other items - continuing operations	**$ 3,169**	$ (239)	**$ 3,105**	$ 1,725

14. RELATED PARTY TRANSACTIONS

The immediate parent and controlling party of the Company is Paros Enterprises Limited ("Paros") and its parents – S.N.A. Management Limited. These companies are privately-owned companies whose shareholder is the Chairman, President and Chief Executive Officer of the Company – K. (Rai) Sahi.

K. (Rai) Sahi, the Chairman, President and Chief Executive Officer of the Company is also the controlling shareholder of Morguard Corporation ("Morguard").

The Company has provided an unsecured revolving demand credit facility to Morguard in the amount of $50,000,000 (September 30, 2017 – $30,000,000), with no fixed maturity date. Morguard has provided an unsecured revolving demand credit facility to TWC in the amount of $50,000,000 with no fixed maturity date. These facilities bear interest on a basis which is consistent with the entity's borrowing costs. As at December 31, 2017, the total loan payable to Morguard outstanding on this facility was $11,767,000, and interest incurred amounted to $400,000. Net interest payable at December 31, 2017 was $28,000. As at September 30, 2018, the total loan receivable from Morguard outstanding on this facility was $8,272,000 (September 30, 2017 – $1,923,000 loan payable), and net interest incurred amounted to $543,000 (September 30, 2017 – $375,000) for the nine month period. Net interest payable at September 30, 2018 was $13,000 (September 30, 2017 – $5,000 receivable). For the three months ended September 30, 2018, interest incurred amounted to $13,000 (three months ended September 30, 2017 – $17,000).

The Company has provided an unsecured revolving demand credit facility to Paros in the amount of $5,000,000, with no fixed maturity date. This facility bears interest at prime plus 1%. During 2018 and 2017, there were no advances or repayments under this facility.

Paros has provided an unsecured revolving demand credit facility to TWC in the amount of $5,000,000 with no fixed maturity date. This facility bears interest at prime plus 1%. During 2018 and 2017, there were no advances or repayments under this facility.

The purpose of these credit facilities is to allow each of the above entities to manage its financing activities in the most effective manner.

The Company receives managerial and consulting services from Morguard. The Company paid a management fee of $255,000 for the nine month period ended September 30, 2018 (September 30, 2017 - $180,000), under a contractual agreement, which is included in operating expenses. For the three months ended September 30, 2018, the Company paid a management fee of $135,000 (three months ended September 30, 2017 – $60,000). Morguard also provides back-office services to ClubLink US Corporation. The Company paid a management fee of US$345,000 (CDN$444,000) for the nine month period ended September 30, 2018 (September 30, 2017 - US$345,000; CDN$451,000) under a contractual agreement, which is included in direct operating expenses. For the three months ended September 30, 2018, the Company paid US$115,000 (CDN$151,000) in management fees (three months ended September 30, 2017 – US$115,000; CDN$144,000).

A total of US$39,000 of rental revenue was earned by TWC for the nine month period ended September 30, 2018 (September 30, 2017 - US$39,000) from Morguard relating to a shared office facility in Florida. For the three months ended September 30, 2018, rental revenue earned was US$13,000 (for the three months ended September 30, 2017 – US$13,000).

The Company has an officer loan outstanding in the amount of $1,258,000 (December 31, 2017 – $1,258,000; September 30, 2017 – $1,258,000). The officer loan bears interest at a market rate determined by the Compensation Committee of the Board of Directors of the Company which is 3.20% per annum (2017 – 2.85%), matures September 30, 2020, and was incurred to purchase common shares of a subsidiary that have subsequently been exchanged for common shares of the Company. The Company has indicated its intention to enforce the payment terms of these loans in the event of a decline in market value of the shares. The common shares financed by these loans, which are being held by the Company as collateral, had a market value of $2,133,000 at September 30, 2018 (December 31, 2017 – $2,049,000; September 30, 2017 – $2,066,000).

All related party transactions were made in the ordinary course of business and on substantially the same terms including interest rates and security as for comparable transactions with parties of a similar standing.

15. SEGMENTED INFORMATION

TWC's reportable segments are strategic business units that offer different services and/or products. The Company's operating segments have been determined based on reports reviewed that are used to make strategic decisions by the President and CEO, the Company's chief operating decision maker.

TWC is engaged in golf club operations under the trademark "ClubLink One Membership More Golf". TWC is Canada's largest owner and operator of golf clubs with 53½, 18-hole equivalent championship and 3½, 18-hole equivalent academy courses, at 41 locations in two separate geographic Regions: (a) Canada and (b) United States.

TWC's golf clubs are strategically organized in clusters that are located in densely populated metropolitan areas and resort destinations frequented by those who live and work in these areas. By operating in regions, TWC is able to offer golfers a wide variety of unique membership, corporate event and resort opportunities. TWC is also able to obtain the benefit of operating synergies to maximize revenue and achieve economies of scale to reduce costs.

TWC was also engaged in rail and port operations based in Skagway, Alaska which operate under the trade name of "White Pass & Yukon Route". This includes a tourist railway stretching approximately 110 kilometres (67.5 miles) from Skagway, Alaska to Carcross, Yukon. On June 6, 2018, TWC announced that it entered into a purchase and sale agreement to sell the White Pass rail and port operations to a joint venture for proceeds of US$290,000,000. Closed on July 31, 2018, the transaction represented a sale of the complete rail, port and merchandise operations of White Pass. This segment is being presented as discontinued operations in the financial statements.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. Any inter-segment transfers are recorded at cost.

15. SEGMENTED INFORMATION (continued)

Three months ended September 30, 2018

(thousands of Canadian dollars)	Canadian Golf Club Operations	US Golf Club Operations	Corporate Operations	**Total Continuing Operations**	Discontinued Operations	**Total**
Operating revenue	$ 61,927	$ 3,424	$ -	**$ 65,351**	$ 15,005	**$ 80,356**
Direct operating expenses	45,014	4,634	940	**50,588**	4,240	**54,828**
Net operating income (loss)	16,913	(1,210)	(940)	**14,763**	10,765	**25,528**
Amortization of membership fees	1,726	81	-	**1,807**	-	**1,807**
Depreciation and amortization	(3,445)	(595)	-	**(4,040)**	-	**(4,040)**
Land lease rent	(1,097)	-	-	**(1,097)**	(28)	**(1,125)**
Other items	2,278	(91)	982	**3,169**	867	**4,036**
Segment earnings (loss) before interest and income taxes	$ 16,375	$ (1,815)	$ 42	**14,602**	11,604	**26,206**
Gain on divestiture of White Pass				**-**	262,311	**262,311**
Interest, net (unallocated)				**(2,522)**	(370)	**(2,892)**
Provision for income taxes (unallocated)				**(3,234)**	(61,958)	**(65,192)**
Net earnings				**$ 8,846**	$ 211,587	**$ 220,433**
Property, plant and equipment expenditures	$ 1,833	$ 291	$ -	**$ 2,124**	$ 1,532	**$ 3,656**

Three months ended September 30, 2017

(thousands of Canadian dollars)	Canadian Golf Club Operations	US Golf Club Operations	Corporate Operations	**Total Continuing Operations**	Discontinued Operations	**Total**
Operating revenue	$ 60,612	$ 3,206	$ -	**$ 63,818**	$ 33,553	**$ 97,371**
Direct operating expenses	42,557	4,504	776	**47,837**	10,067	**57,904**
Net operating income (loss)	18,055	(1,298)	(776)	**15,981**	23,486	**39,467**
Amortization of membership fees	2,117	67	-	**2,184**	-	**2,184**
Depreciation and amortization	(3,553)	(568)	-	**(4,121)**	(2,257)	**(6,378)**
Land lease rent	(1,165)	-	-	**(1,165)**	(111)	**(1,276)**
Other items	36	(78)	(197)	**(239)**	(97)	**(336)**
Segment earnings (loss) before interest and income taxes	$ 15,490	$ (1,877)	$ (973)	**12,640**	21,021	**33,661**
Interest, net (unallocated)				**(3,810)**	(499)	**(4,309)**
Provision for income taxes (unallocated)				**(1,894)**	(7,992)	**(9,886)**
Net earnings				**$ 6,936**	$ 12,530	**$ 19,466**
Property, plant and equipment expenditures	$ 1,434	$ 190	$ -	**$ 1,624**	$ 2,106	**$ 3,730**

15. SEGMENTED INFORMATION (continued)

Nine months ended September 30, 2018

(thousands of Canadian dollars)	Canadian Golf Club Operations	US Golf Club Operations	Corporate Operations	**Total Continuing Operations**	Discontinued Operations	**Total**
Operating revenue	$ 120,390	$ 16,516	$ -	**$ 136,906**	$ 36,555	**$ 173,461**
Direct operating expenses	92,512	16,369	2,472	**111,353**	17,195	**128,548**
Net operating income (loss)	27,878	147	(2,472)	**25,553**	19,360	**44,913**
Amortization of membership fees	4,906	239	-	**5,145**	-	**5,145**
Depreciation and amortization	(10,373)	(1,780)	-	**(12,153)**	(3,799)	**(15,952)**
Land lease rent	(3,292)	-	-	**(3,292)**	(149)	**(3,441)**
Other items	2,045	78	982	**3,105**	310	**3,415**
Segment earnings (loss) before interest and income taxes	$ 21,164	$ (1,316)	$ (1,490)	**18,358**	15,722	**34,080**
Gain on divestiture of White Pass	-	-	-	**-**	262,311	**262,311**
Interest, net (unallocated)				**(10,030)**	(1,104)	**(11,134)**
Provision for income taxes (unallocated)				**(2,558)**	(62,495)	**(65,053)**
Net earnings				**$ 5,770**	$ 214,434	**$ 220,204**
Property, plant and equipment expenditures	$ 6,081	$ 604	$ -	**$ 6,685**	$ 9,718	**$ 16,403**

Nine months ended September 30, 2017

(thousands of Canadian dollars)	Canadian Golf Club Operations	US Golf Club Operations	Corporate Operations	**Total Continuing Operations**	Discontinued Operations	**Total**
Operating revenue	$ 117,540	$ 18,242	$ -	**$ 135,782**	$ 55,430	**$ 191,212**
Direct operating expenses	89,351	17,161	2,265	**108,777**	22,726	**131,503**
Net operating income (loss)	28,189	1,081	(2,265)	**27,005**	32,704	**59,709**
Amortization of membership fees	5,872	221	-	**6,093**	-	**6,093**
Depreciation and amortization	(10,687)	(1,784)	-	**(12,471)**	(6,951)	**(19,422)**
Land lease rent	(3,641)	-	-	**(3,641)**	(237)	**(3,878)**
Other items	2,188	4	(467)	**1,725**	(688)	**1,037**
Segment earnings (loss) before interest and income taxes	$ 21,921	$ (478)	$ (2,732)	**18,711**	24,828	**43,539**
Interest, net (unallocated)				**(11,342)**	(1,282)	**(12,624)**
Provision for income taxes (unallocated)				**(707)**	(8,609)	**(9,316)**
Net earnings				**$ 6,662**	$ 14,937	**$ 21,599**
Property, plant and equipment expenditures	$ 5,848	$ 389	$ -	**$ 6,237**	$ 6,366	**$ 12,603**

16. CONTINGENCIES

From time to time, TWC and certain of its subsidiaries, employees, officers and/or directors are defendants in a number of legal actions arising in the ordinary course of operations. In the opinion of management, it is expected that the ultimate resolution of such pending legal proceedings will not have a material effect on TWC's consolidated financial position.

17. SUBSEQUENT EVENTS

On November 5, 2018, the Company declared a 2 cent per common share cash dividend, payable December 14, 2018 to shareholders of record on November 30, 2018.

The Company has accepted a letter of intent from the shareholders of Club de Golf Rosemère to purchase Club de Golf Le Fontainebleau, a golf course in the Montreal region. ClubLink will retain a management fee arrangement of Fontainebleau with this proposed transaction. This transaction is scheduled to close in December 2018.

GOLF CLUB AND RESORT PROPERTY LISTING

	Championship Golf Holes	Academy Golf Holes	Future Golf Holes	Current Rooms	Surplus Land in Acres
ONTARIO/QUEBEC REGION					
Prestige					
1. Greystone Golf Club, Milton, Ontario	18	–	–	–	–
2. King Valley Golf Club, The Township of King, Ontario	18	–	–	–	–
3. RattleSnake Point Golf Club, Milton, Ontario	36	9	–	–	–
Hybrid – Prestige					
4. Glen Abbey Golf Club, Oakville, Ontario	18	–	–	–	–
Platinum					
5. Blue Springs Golf Club, Acton, Ontario	18	9	–	–	–
6. Club de Golf Islesmere, Laval, Quebec (a)	27	–	–	–	–
7. Club de Golf Le Fontainebleau, Blainville, Quebec	18	–	–	–	–
8. DiamondBack Golf Club, Richmond Hill, Ontario	18	–	–	–	–
9. Eagle Creek Golf Club, Dunrobin, Ontario	18	–	–	–	–
10. Emerald Hills Golf Club, Whitchurch-Stouffville, Ontario	27	–	–	–	–
11. Glencairn Golf Club, Milton, Ontario	27	–	–	–	–
12. Grandview Golf Club, Huntsville, Ontario	18	–	18	–	–
13. Heron Point Golf Links, Ancaster, Ontario	18	–	–	–	–
14. Kanata Golf & Country Club, Kanata, Ontario	18	–	–	–	–
15. King's Riding Golf Club, The Township of King, Ontario	18	–	–	–	–
16. Le Maître de Mont-Tremblant, Mont-Tremblant, Quebec	18	–	–	–	–
17. Rocky Crest Golf Club, Mactier, Ontario	18	–	18	–	–
18. The Lake Joseph Club, Port Carling, Ontario	18	9	–	–	–
19. Wyndance Golf Club, Uxbridge, Ontario	18	9	–	–	–
Gold					
20. Caledon Woods Golf Club, Bolton, Ontario	18	–	–	–	–
21. Club de Golf Hautes Plaines, Gatineau, Quebec	18	–	–	–	–
22. Eagle Ridge Golf Club, Georgetown, Ontario	18	–	–	–	–
23. Glendale Golf and Country Club, Hamilton, Ontario	18	–	–	–	–
24. Greenhills Golf Club, London, Ontario (a)	18	–	–	–	–
25. GreyHawk Golf Club, Ottawa, Ontario	36	–	–	–	–
26. National Pines Golf Club, Innisfil, Ontario (a)	18	–	–	–	–
27. Station Creek Golf Club, Whitchurch-Stouffville, Ontario	36	–	–	–	–
28. The Country Club, Woodbridge, Ontario (a)	36	9	–	–	–
Hybrid – Gold					
29. Cherry Downs Golf & Country Club, Pickering, Ontario	18	9	18	–	–
30. Club de Golf Val des Lacs, Ste. Sophie, Quebec	18	–	–	–	–
31. The Club at Bond Head, Bond Head, Ontario (a)	36	–	–	–	–
Hybrid – Silver					
32. Bethesda Grange, Whitchurch-Stouffville, Ontario	18	–	–	–	–
33. Hidden Lake Golf Club, Burlington, Ontario	36	–	–	–	–
Daily Fee					
34. Grandview Inn Course, Huntsville, Ontario (a)	–	9	–	–	–
35. Rolling Hills Golf Club, Whitchurch-Stouffville, Ontario	36	–	–	–	–
Muskoka, Ontario Resorts					
36. The Lake Joseph Club, Port Carling, Ontario	–	–	–	25	–
37. Rocky Crest Resort/Lakeside at Rocky Crest, Mactier, Ontario (b)	–	–	–	84	–
38. Sherwood Inn, Port Carling, Ontario	–	–	–	49	–
FLORIDA REGION					
Hybrid – Prestige					
1. TPC Eagle Trace, Coral Springs, Florida	18	–	–	–	–
Hybrid – Platinum					
2. Club Renaissance, Sun City Center, Florida	18	–	–	–	–
3. Heron Bay Golf Club, Coral Springs, Florida	18	–	–	–	–
Gold					
4. Scepter Golf Club, Sun City Center, Florida	27	–	–	–	–
Hybrid – Gold					
5. Woodlands Country Club, Tamarac, Florida	36	–	–	–	–
Hybrid – Silver					
6. Sandpiper Golf Club, Sun City Center, Florida	27	–	–	–	–
Daily Fee					
7. Palm Aire Country Club (Oaks, Cypress), Pompano Beach, Florida	36	–	–	–	–
8. Palm Aire Country Club (Palms), Pompano Beach, Florida	18	–	–	–	–
OTHER					
Kings Point Golf Club, Sun City Center, Florida (c)	–	–	–	–	51
Caloosa Greens Golf Club, Sun City Center, Florida (c)	–	–	–	–	70
Highland Gate, Aurora, Ontario (50%)	–	–	–	–	101
Falcon Watch Golf Club, Sun City Center, Florida (c)	–	–	–	–	116
North Lakes Golf Club, Sun City Center, Florida (c)	–	–	–	–	170
King Haven, The Township of King, Ontario	–	–	–	–	278
Harwood, Montreal, Quebec	–	–	–	–	400
Total 18-hole Equivalent Courses, Rooms, Acres	53.5	3.5	3.0	158	1,186

Notes: (a) Operated by ClubLink under long-term leases.
(b) Rocky Crest Resort consists of 65 units and Lakeside at Rocky Crest consists of 19 units.
(c) North Lakes, Falcon Watch, Caloosa Greens and Kings Point Golf Clubs are closed.

TWC ENTERPRISES LIMITED

CLUBLINK ONE MEMBERSHIP more golf®

CORPORATE DIRECTORY

BOARD OF DIRECTORS

FRASER BERRILL (c)
PATRICK S. BRIGHAM (b, c)
PAUL CAMPBELL (b, c)
JOHN LOKKER (a)
SAMUEL J.B. POLLOCK (a, b)
ANGELA SAHI (a)
K. (RAI) SAHI
DONALD TURPLE (a)
JACK D. WINBERG (b, c)

(a) Audit Committee
(b) Corporate Governance and Compensation Committee
(c) Environmental, Health and Safety Committee

OFFICERS

TWC ENTERPRISES LIMITED

K. (RAI) SAHI
Chairman, President and Chief Executive Officer

ANDREW TAMLIN
Chief Financial Officer

ROBERT VISENTIN
Senior Vice President, Investments

ROBERT WRIGHT
Vice President

JOHN A. FINLAYSON
Chief Operations Officer, Canadian Golf Operations
Vice President, Florida Golf Operations

JAMIE KING
Vice President, Sales, Canadian Golf Operations

BRENT MILLER
Vice President, Corporate Operations and Member Services, Canadian Golf Operations

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HSBC Bank USA

AUDITORS
Deloitte LLP

STOCK EXCHANGE LISTING
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To change your address, eliminate multiple mailings, transfer shares or for any other inquiry, please contact AST Trust Company (Canada) at the above co-ordinates.