

For immediate release

GENDIS INC. ANNOUNCES THIRD QUARTER RESULTS

Winnipeg, Manitoba (December 11, 2007) - Gendis Inc. (TSX:GDS) today announced its financial results for the 3<sup>rd</sup> quarter ended October 31, 2007 of the fiscal year ending January 31, 2008.

Revenue for the 3<sup>rd</sup> quarter was \$0.9-million compared to \$1.1-million last year. The 3<sup>rd</sup> quarter change in the market value of investments that were held for trading, net of gains on sale of investments, was loss of \$0.9-million compared to nil for the prior year comparative period. In the 3<sup>rd</sup> quarter, an assessment of the likelihood of collection of a note receivable and accrued interest of \$2.3-million from Saan Stores Ltd. was considered remote and accordingly, the Company has provided a full allowance for the doubtful collection as a provision for loss on this investment. The Company expects that rent payments from Saan will continue in the ordinary course of operations. The net loss for the 3<sup>rd</sup> quarter was \$3.2-million (\$0.23 per share) compared to a net loss of \$0.2-million (\$0.02 per share) last year.

Revenue year-to-date was \$2.2-million compared to \$2.4-million last year. The year-to-date change in the market value of investments that were held for trading, net of gains on sale of investments was a loss of \$1.3-million compared to a gain of \$0.5-million for the prior period. The net loss year-to-date was \$4.8-million (\$0.33 per share) compared to a net loss of \$0.3-million (\$0.02 per share) last year.

Effective with the beginning of the current year, the Company adopted the mandatory new standards for the accounting and presentation of "Financial Instruments" and "Comprehensive Income" on a prospective basis in accordance with required transitional provisions. Accordingly, there are no comparative amounts for market value changes for the prior year quarter and year to date.

In the 2<sup>nd</sup> quarter, Gendis was a participant in Oil Sands Underground Mining Inc.'s ("OSUM") recent \$56-million private placement equity financing at \$9.00 per OSUM share which compares favourably to Gendis' \$2.48 per OSUM share average cost base. Gendis holds 4.3% of OSUM's basic shares outstanding, 3.7% on a fully diluted basis.

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Gendis Inc.  
Consolidated Balance Sheet

(unaudited - \$,000's)	Oct. 31, 2007	Jan. 31, 2007
<b>Assets</b>		
Cash	99	195
Receivables	344	528
Income and capital taxes recoverable	5	-
Prepaid expenses	355	232
	803	955
Investments (note 2)		
at fair value	33,316	38,914
at carrying value	4,821	2,566
Note receivable (note 2c)	-	2,203
Property and equipment	10,653	10,909
Future tax asset	960	960
	50,553	56,507
<b>Liabilities and Shareholders' Equity</b>		
Credit facilities	15,789	14,798
Payables and accrued liabilities	1,088	1,013
Income and capital taxes payable	-	212
	16,877	16,023
<b>Shareholders' equity</b>		
Capital stock	15,237	15,736
Accumulated other comprehensive income	2,014	3,008
Retained earnings	16,425	21,740
	33,676	40,484
	50,553	56,507

Gendis Inc.  
Consolidated Statement of Earnings (Loss)

(unaudited - \$,000's, except per share)	quarter ended year-to-date ended			
	Oct. 31, 2007	Oct. 31, 2006	Oct. 31, 2007	Oct. 31, 2006
<b>Revenue</b>				
Investment (note 2)	493	852	1,084	1,785
Real estate rental	380	258	1,140	587
	873	1,110	2,224	2,372
<b>Expenses</b>				
Property and administrative expenses	583	577	2,026	2,061
Amortization of property and equipment	88	93	263	267
Interest and finance expenses	239	220	680	508
	910	890	2,969	2,836
Loss before the undernoted	(37)	220	(745)	(464)
Loss on disposal of capital assets	(9)	—	(9)	—
Provision for loss on note receivable	(2,301)	—	(2,301)	—
Provision for loss on investments	—	—	(328)	—
Change in fair value of investments held for trading	(940)	—	(2,045)	—
Gain on sale of investments	63	29	749	477
Loss before taxes	(3,224)	249	(4,679)	13
Provision for income taxes:				
Current	70	57	118	103
Future	—	—	—	200
	70	57	118	303
<b>Net loss</b>	<b>(3,294)</b>	<b>192</b>	<b>(4,797)</b>	<b>(290)</b>
<b>Loss per share - basic and diluted</b>	<b>(0.23)</b>	<b>0.01</b>	<b>(0.33)</b>	<b>(0.02)</b>

Gendis Inc.  
Consolidated Statement of Comprehensive Income (Loss)

(unaudited - \$,000's)	quarter ended year-to-date ended			
	Oct. 31, 2007	Oct. 31, 2006	Oct. 31, 2007	Oct. 31, 2006
<b>Other comprehensive loss</b>				
Change in the fair value of investments	(225)	—	(515)	—
Provision for loss on investments	—	—	328	—
Gain on sale of investments	—	—	(45)	—
Share of cumulative foreign exchange translation adjustment from flow-through entities				
Realized foreign exchange translation	44	—	122	—
Unrealized foreign exchange translation	(418)	—	(972)	—
Other	88	—	88	—
Other comprehensive loss	(511)	—	(994)	—
<b>Net earnings (loss)</b>	<b>(3,294)</b>	<b>192</b>	<b>(4,797)</b>	<b>(290)</b>
<b>Comprehensive loss</b>	<b>(3,805)</b>	<b>(263)</b>	<b>(5,791)</b>	<b>(290)</b>

Gendis Inc.  
Consolidated Statement of Retained Earnings

(unaudited - \$,000's)	quarter ended year-to-date ended			
	Oct. 31, 2007	Oct. 31, 2006	Oct. 31, 2007	Oct. 31, 2006
Balance - beginning of period	19,935	52,146	18,960	52,761
Restatement for financial instruments:				
Adjustment to fair value for investments held for trading, net of future income taxes of \$559	-	-	1,484	-
Share of cumulative foreign exchange translation adjustment from flow-through entities	-	-	1,296	-
Balance - restated	19,935	52,146	21,740	52,761
Net loss	(3,294)	192	(4,797)	(290)
Refundable dividend taxes	-	-	-	(2)
Purchase and cancellation of share capital	(216)	(119)	(518)	(250)
<b>Balance - end of period</b>	<b>16,425</b>	<b>52,219</b>	<b>16,425</b>	<b>52,219</b>

Gendis Inc.  
Consolidated Statement of Accumulated Other Comprehensive Income

(unaudited - \$,000's)	quarter ended year-to-date ended			
	Oct. 31, 2007	Oct. 31, 2006	Oct. 31, 2007	Oct. 31, 2006
Balance - beginning of period	2,525	-	-	-
Restatement for financial instruments:				
Adjustment to fair value for investments available for sale, net of future income taxes of \$778	-	-	4,304	-
Share of cumulative foreign exchange translation adjustment from flow-through entities	-	-	(1,296)	-
Balance - restated	2,525	-	3,008	-
Other comprehensive loss	(511)	-	(994)	-
<b>Balance - end of period</b>	<b>2,014</b>	<b>-</b>	<b>2,014</b>	<b>-</b>

Gendis Inc.  
Consolidated Statement of Cash Flows

(unaudited - \$,000's)	quarter ended/year-to-date ended			
	Oct. 31, 2007	Oct. 31, 2006	Oct. 31, 2007	Oct. 31, 2006
<b>By operations:</b>				
Earnings (loss)	(3,294)	192	(4,797)	(290)
add (deduct) items not affecting cash:				
Amortization of property and equipment	88	93	263	267
Loss on disposal of capital assets	9	—	9	—
Gain on sale of investments	(63)	(29)	(749)	(477)
Provision for loss on note receivable	2,301	—	2,301	—
Provision for loss on investments	—	—	328	—
Change in fair value of investments held for trading	940	—	2,045	—
Future income tax	—	—	—	200
Cash flow from earnings	(19)	256	(600)	(300)
Change in working capital	40	(94)	38	(525)
	21	162	(562)	(825)
<b>By investing activities:</b>				
Proceeds on sale of investments	685	494	5,562	2,846
Difference between distributions and investment income	88	(33)	972	871
Investments acquired	(1,429)	(1,987)	(5,811)	(8,301)
Purchase of property and equipment	(5)	(37)	(36)	(96)
	(661)	(1,563)	687	(4,680)
<b>By financing activities:</b>				
Advance from credit facilities	877	1,631	991	6,329
Purchase for cancellation of share capital	(411)	(216)	(1,017)	(446)
Refundable dividend tax	—	—	(195)	(338)
	466	1,415	(221)	5,545
Increase (decrease) in cash	(174)	14	(96)	40
Cash - beginning of period	273	121	195	95
Cash - end of period	99	135	99	135
<b>Supplementary information:</b>				
Taxes paid	69	57	312	441
Interest paid	281	194	701	496

1. Significant Accounting Policies and Basis of Presentation

(a) These unaudited consolidated interim financial statements are prepared in accordance with accounting principles generally accepted in Canada. However, these interim financial statements do not contain all the disclosures that would be required under generally accepted accounting principles for annual financial statements. These interim financial statements follow the same accounting policies and methods of application as the audited annual consolidated financial statements at January 31, 2007 except for the adoption of new accounting and presentation standards. Certain disclosures required for annual financial statements have been condensed or omitted in these interim financial statements. Accordingly, these interim financial statements should be read in conjunction with the annual consolidated financial statements and notes thereto as presented in the Company's Annual Report for the fiscal year ended January 31, 2007. The following notes to the interim financial statements are supplemental to the notes to the annual consolidated financial statements.

(b) Effective with the beginning of the 1<sup>st</sup> quarter of the current year, the Company adopted the mandatory new standards for the accounting and presentation of "Financial Instruments" and "Comprehensive Income" on a prospective basis in accordance with the transitional provisions, with a restatement of the beginning balance of Retained Earnings and the establishment of another Shareholders' Equity classification "Accumulated Other Comprehensive Income." Under the new standards, all financial assets must be classified as held for trading, held-to-maturity, loans and receivables or available for sale. All financial liabilities are classified as held for trading or other financial liabilities. Initially, all financial instruments are recorded on the consolidated balance sheet at fair value. After initial recognition, at each period end, all financial instruments are re-measured to their fair value, except for held-to-maturity investments, loans and receivables and other financial liabilities, which are measured at amortized cost. Any gain or loss arising from a change in the fair value of a financial asset or financial liability classified as held for trading is included in net income for the period in which it arises. The gain or loss resulting from a change in fair value of a financial asset classified as available for sale is recognized in other comprehensive income until the financial asset is derecognized through disposal or becomes impaired.

In conjunction with the new standards for the accounting and presentation of Financial Instruments and Comprehensive Income, a restatement of the beginning balance of Retained Earnings with an offsetting amount recorded in Accumulated Other Comprehensive Income is also required for the Company to account for Fort Chicago's Cumulative Translation Adjustment. Beginning Retained Earnings was increased by \$1,296,000 with a corresponding reduction to Accumulated Other Comprehensive Income.

Approximately 83% of the shares of Fort Chicago and all of the shares in Thunder have been designated as investments available for sale. These investments are recorded at fair value on the balance sheet with fair value changes recorded as other comprehensive income. Fair value is determined to be the quoted bid price in an active exchange-traded market. The application of the new accounting policy resulted in an increase to the investment asset of \$5,082,000, an increase to beginning Retained Earnings of \$4,304,000 and a reduction to the Future tax asset of \$778,000.

Private placement investments have been designated to be carried at carrying value, as fair values cannot be reliably determined.

The remaining portfolio of investments has been designated as held for trading. These investments are recorded at fair value on the balance sheet with fair value changes recorded in the Statement of Earnings (Loss). The application of the new accounting policy resulted in an increase to the investment asset of \$2,043,000, an increase to beginning Retained Earnings of \$1,484,000 and a reduction to the Future tax asset of \$559,000.

2. Investments  
(a)

	Number of shares/units (000's)		Fair Value (\$000's)	
	Oct. 31, 2007	Jan. 31, 2007	Oct. 31, 2007	Jan. 31, 2007
	<b>Available for sale</b>			
Flow-through entities				
Fort Chicago	2,190	2,190	22,578	24,090
Thunder Energy	—	500	—	2,655
<b>Held for trading</b>				
Flow-through entities				
Fort Chicago	134	188	1,384	2,067
Other equity investments				
Alberta Clipper	700	600	1,491	3,240
Bank of Nova Scotia	10	—	535	—
Ember Resources	673	655	1,177	1,762
FNX	80	65	3,046	1,163
International Nickel Ventures	375	325	356	497
Opti	85	90	1,618	1,779
Pioneer Resources	—	20	—	965
Royal Bank	10	12	560	654
Other equity investments			571	42
<b>Total exchange-traded investments</b>			<b>33,316</b>	<b>38,914</b>

	Number of shares/ ( '000's)		Carrying Value	
	face value (\$000's)		(\$000's)	
	Oct. 31, 2007	Jan. 31, 2007	Oct. 31, 2007	Jan. 31, 2007
Private investments				
OSUM - shares	1,948	713	4,821	1,576
OSUM - debenture	-	\$1,000	-	990
			4,821	2,566

(b) Investment income represents:

(\$,000's)	quarter ended		year-to-date ended	
	Oct. 31, 2007	Oct. 31, 2006	Oct. 31, 2007	Oct. 31, 2006
Interest & dividend income	40	74	242	166
Investment income from flow-through entities:				
Fort Chicago	453	632	1,032	1,288
Thunder Energy	-	146	(190)	331
	493	852	1,084	1,785

(c) In the 3<sup>rd</sup> quarter, Management assessed the likelihood of collection of its note receivable with Saan Stores Ltd. of \$2.0-million and \$0.3-million of accrued interest to be remote and accordingly, the Company has provided a full allowance for the doubtful collection as a provision for loss on this investment.

### 3. Capital Stock

(a) Number of shares ( '000's)	quarter ended		year-to-date ended	
	Oct. 31, 2007	Oct. 31, 2006	Oct. 31, 2007	Oct. 31, 2006
Balance - beginning of period	14,799	15,222	14,970	15,316
Shares purchased for cancellation	(118)	(92)	(289)	(186)
Balance - end of period	14,681	15,130	14,681	15,130
(b) Share capital	quarter ended year-to-date ended			
(\$,000's)	Oct. 31, 2007	Oct. 31, 2006	Oct. 31, 2007	Oct. 31, 2006
Balance - beginning of period	15,432	16,001	15,736	16,100
Shares purchased for cancellation	(195)	(97)	(499)	(196)
Balance - end of period	15,237	15,904	15,237	15,904

#### 4. Segment Information

(\$,000's)	quarter ended Oct. 31	RealtyCorporate		Inter- segment	Total
Revenue	2007	395	535	(57)	873
	2006	279	907	(76)	1,110
Expenses	2007	271	357	(45)	583
	2006	259	369	(51)	577
Amortization	2007	82	6	-	88
	2006	89	4	-	93
Interest	2007	12	239	(12)	239
	2006	25	220	(25)	220
Investment - gain (loss) on sale, provision for loss and changes in fair value, net	2007	-	(886)	-	(886)
	2006	-	29	-	29
Provision for loss on note receivable	2007	-	(2,301)	-	(2,301)
	2006	-	-	-	-
Provision for (recovery of) income taxes	2007	10	60	-	70
	2006	(31)	88	-	57
Net loss	2007	20	(3,314)	-	(3,294)
	2006	(63)	255	-	192

(\$,000's)	year-to date ended Oct. 31	RealtyCorporate		Inter- segment	Total
Revenue	2007	1,186	1,209	(171)	2,224
	2006	617	1,930	(175)	2,372
Expenses	2007	965	1,197	(136)	2,026
	2006	1,032	1,149	(120)	2,061
Amortization	2007	249	14	-	263
	2006	255	12	-	267
Interest	2007	35	680	(35)	680
	2006	55	508	(55)	508
Investment - gain (loss) on sale, provision for loss and changes in fair value, net	2007	-	(1,633)	-	(1,633)
	2006	-	477	-	477
Provision for loss on note receivable	2007	-	(2,301)	-	(2,301)
	2006	-	-	-	-
Provision for (recovery of) income taxes	2007	(22)	140	-	118
	2006	(238)	541	-	303
Net loss	2007	(41)	(4,756)	-	(4,797)
	2006	(487)	197	-	(290)
Total Assets	2007	12,204	38,889	(540)	50,553
	2006	12,963	71,901	(1,575)	83,289

#### 5. Commitments & Contingencies

There have been no material developments in the lawsuits that were disclosed in the annual financial statements for the year ended January 31, 2007 except as follows. On September 2, 2005, an Application in the Ontario Superior Court of Justice was made by one of the landlords against the Corporation's subsidiary, Gendis Realty Inc. seeking \$0.5-million on the account of rent and occupancy charges. The Application was dismissed. The Landlord is appealed the decision to the Ontario Court of Appeal. On September 10, 2007, the Ontario Court of Appeal dismissed the appeal of the landlord.