

For immediate release

GENDIS INC. ANNOUNCES FIRST QUARTER RESULTS

Winnipeg, Manitoba (June 1, 2007) - Gendis Inc. (TSX:GDS) today announced its financial results for the 1st quarter ended April 30, 2007 of the fiscal year ending January 31, 2008.

Revenue for the 1st quarter was \$381,000 compared to \$494,000 last year. The net loss for the 1st quarter was \$781,000 (\$0.05 per share) compared to a net loss of \$219,000 (\$0.01 per share) last year.

The decline in revenue and earnings in the quarter is primarily attributable to the Company's investment in Thunder Energy Trust. In the quarter, the Company recorded its share of a loss from investment revenue of \$190,000 and recorded an investment asset impairment charge of \$328,000. Thunder has been affected by several events over the past year including weak natural gas prices and the pending "Tax Fairness Plan" by the Federal Government of Canada. Consequently, Thunder management initiated a strategic review early in 2007 in order to minimize erosion of unitholder value. On April 24, 2007, a Plan of Arrangement was announced where Thunder unitholders will be bought out at \$4.00 per unit providing \$2.0-million of cash to Gendis. The Plan of Arrangement is set to close June 22, 2007.

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.

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Gendis Inc.
Consolidated Balance Sheet

Apr. 30, Jan. 31,
2007 2007

(unaudited - in thousands of dollars)

	2007	2007
Assets		
Cash	264	195
Receivables	339	528
Prepaid expenses	253	232
	856	955
Investments (note 2)		
at fair value	37,863	—
at carrying value	2,596	34,355
Note receivable	2,234	2,203
Property and equipment	10,842	10,909
Future tax asset	960	2,297
	55,351	50,719
Liabilities and Shareholders' Equity		
Credit facilities	13,995	14,798
Payables and accrued liabilities	1,109	1,013
Income and capital taxes payable	9	212
	15,113	16,023
Shareholders' equity		
Capital stock	15,556	15,736
Accumulated other comprehensive income	3,895	—
Retained earnings	20,787	18,960
	40,238	34,696
	55,351	50,719

Gendis Inc.
Consolidated Statement of Earnings (Loss)

(unaudited - in thousands of dollars, except per share)	quarter ended	
	Apr. 30, 2007	Apr. 30, 2006
Revenue		
Investment (note 2)	(5)	376
Real estate rental	386	118
	<u>381</u>	<u>494</u>
Expenses		
Property and administrative expenses	757	707
Amortization of property and equipment	88	90
Interest and finance expenses	206	127
	<u>1,051</u>	<u>924</u>
Loss before the undernoted	(670)	(430)
Provision for loss on investments	(328)	-
Change in fair value of investment held for trading	(45)	-
Gain on sale of investments	280	433
Earnings (loss) before taxes	<u>(763)</u>	<u>3</u>
Provision for (recovery of) income taxes:		
Current	18	22
Future	-	200
	<u>18</u>	<u>222</u>
Net loss	<u>(781)</u>	<u>(219)</u>
Loss per share - basic and diluted	<u>(0.05)</u>	<u>(0.01)</u>

Gendis Inc.
Consolidated Statement of Comprehensive Income (Loss)

(unaudited - in thousands of dollars, except per share)	quarter ended	
	Apr. 30, 2007	Apr. 30, 2006
Other comprehensive income		
Fair value changes of investments	588	-
Provision for loss on investments	328	-
Share of cumulative foreign exchange translation adjustment from flow-through entities		
Realized foreign exchange translation	40	-
Unrealized foreign exchange translation	(69)	-
Other comprehensive income	<u>887</u>	<u>-</u>
Net loss	<u>(781)</u>	<u>(219)</u>
Comprehensive income (loss)	<u>106</u>	<u>(219)</u>

Gendis Inc.

Consolidated Statement of Retained Earnings

	Apr. 30,	Apr. 30,
(unaudited - in thousands of dollars)	2007	2006
Balance - beginning of period	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	21,740	52,761
Net earnings (loss)	(781)	(219)
Refundable dividend taxes	-	(2)
Purchase and cancellation of share capital	(172)	(37)
Balance - end of period	20,787	52,503

Consolidated Statement of Accumulated Other Comprehensive Income

	Apr. 30,	Apr. 30,
(unaudited - in thousands of dollars)	2007	2006
Balance - beginning of period	-	-
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	3,008	-
Other comprehensive income	887	-
Balance - end of period	3,895	-

Gendis Inc.
Consolidated Statement of Cash Flows

(unaudited - in thousands of dollars)	quarters ended	
	Apr. 30, 2007	Apr. 30, 2006
By operations:		
Loss	(781)	(219)
add (deduct) items not affecting cash:		
Amortization of property and equipment	88	90
Gain on sale of investments	(280)	(433)
Change in fair value of investments held for trading	373	-
Future income tax	-	200
Cash flow from earnings	(600)	(362)
Change in working capital	225	34
	(375)	(328)
By investing activities:		
Proceeds on sale of investments	1,762	2,188
Distributions in excess of investment income	760	681
Investments acquired	(707)	(5,155)
Purchase of property and equipment	(21)	-
	1,794	(2,286)
By financing activities:		
Advance from (reduction in) credit facilities	(803)	3,146
Purchase and cancellation of share capital	(352)	(61)
Refundable dividend tax	(195)	(338)
	(1,350)	2,747
Increase in cash	69	133
Cash - beginning of period	195	95
Cash - end of period	264	228
Supplementary information:		
Taxes paid	213	360
Interest paid	209	140

Gendis Inc.

Notes to Consolidated Interim Financial Statements - unaudited
April 30, 2007

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 1st 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)	of shares/units (000's)		Number Fair Value (\$000's)	
	Apr. 30, 2007	Jan. 28, 2007	Apr. 30, 2007	Jan. 28, 2007
Available for sale				
Flow-through entities				
Fort Chicago	2,190	2,190	24,529	24,090
Thunder Energy	500	500	2,045	2,655
Held for trading				
Flow-through entities				
Fort Chicago	145	188	1,623	2,067
Other equity investments				
Alberta Clipper	600	600	2,340	3,240
Ember Resources	655	655	1,762	1,762
FNX Mining	78	65	2,064	1,163
International Nickel Ventures	325	325	575	497
Opti Canada	75	90	1,664	1,779
Pioneer Resources	8	20	446	965
Royal Bank	10	-	578	654
Other equity investments			237	43
			37,863	38,915

	Number of shares/ face value (000's)		Carrying Value (\$000's)	
	Apr. 30, 2007	Jan. 28, 2007	Apr. 30, 2007	Jan. 28, 2007
Private investments				
OSUM - shares	739	713	1,606	1,566
OSUM - debenture	\$1,000	\$1,000	990	990
			2,596	2,556

(b) Investment income represents:	quarters ended	
	Apr. 30, 2007	Apr. 30, 2006
	(\$000's)	(\$000's)
Interest & dividend income	69	46
Investment income (loss) from flow-through entities:		
Fort Chicago	116	291
Thunder Energy	(190)	39
	(5)	376

3. Capital Stock

(a) Number of shares	quarters ended	
	Apr. 30, 2007	Apr. 30, 2006
	('000's)	('000's)
Balance - beginning of period	14,970	15,316
Shares purchased for cancellation	(171)	(23)
Balance - end of period	14,799	15,293

(b) Share capital	quarters ended	
	Apr. 30, 2007	Apr. 30, 2006
	(\$000's)	(\$000's)
Balance - beginning of period	15,736	16,100
Shares purchased for cancellation	(180)	(24)
Balance - end of period	15,556	16,076

4. Segment Information

for the quarter ended period April 30, 2007		Realty	Corporate	Inter- segment	Total
Revenue	2007	401	37	(57)	381
	2006	122	418	(46)	494
Expenses	2007	380	422	(45)	757
	2006	352	389	(34)	707
Amortization	2007	82	6	—	88
	2006	86	4	—	90
Interest	2007	12	206	(12)	206
	2006	12	127	(12)	127
Investment - gain (loss) on sale, provision for loss and changes in fair value	2007	—	(93)	—	(93)
	2006	—	433	—	433
Provision for (recovery of) income taxes	2007	(25)	43	—	18
	2006	(115)	337	—	222
Net earnings (loss)	2007	(48)	(733)	—	(781)
	2006	(213)	(6)	—	(219)
Total Assets	2007	12,263	43,751	(663)	55,351
	2006	12,734	69,078	(864)	80,948

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.