



**2005 First Quarter
Interim Management Discussion and Analysis
for the three month period ended March 31, 2005**

Organization Structure

The Fund

The Fund is an unincorporated open-ended limited purpose trust established under the laws of the Province of Alberta and is governed by a trust agreement dated April 9, 2003.

The Trust

Gamehost Trust (the "Trust") is an unincorporated open-ended limited purpose trust established under the laws of the Province of Alberta and is governed by a trust agreement dated April 10, 2003. All of the securities of the Trust are held by the Fund. The trustees of the Trust are the trustees of the Fund.

The Limited Partnership

Gamehost Limited Partnership (the "Limited Partnership") is a limited partnership formed under the laws of the Province of Alberta. The Limited Partnership owns the assets and business operations of the Fund. These assets were acquired from Service Plus Hospitality Ltd., Will Inns Ltd. and Boomtown Casino Ltd. through a Plan of Arrangement. The Limited Partnership began operations of the Fund effective June 1, 2003.

The Manager

The general partner of the Limited Partnership is the Manager (Gamehost Management Inc.). Pursuant to a management agreement (the "Management Agreement") between the Fund and the Manager, the administration and management of the Fund was delegated to the Manager.

Units

The Limited Partnership is authorized to issue unlimited numbers of both Class "A" units ("Fund Units") and Class "B" units ("B Units"). At present, all Fund Units of the Limited Partnership are held through the Trust and all B Units are held by the remaining partners of the Limited Partnership. There are 3,248,051 Fund Units and 3,787,800 B Units of the Limited Partnership issued and outstanding. B Units are exchangeable, on a one-for-one basis, for Fund Units. Holders of Fund Units and holders of B Units have equal voting rights.

Overview

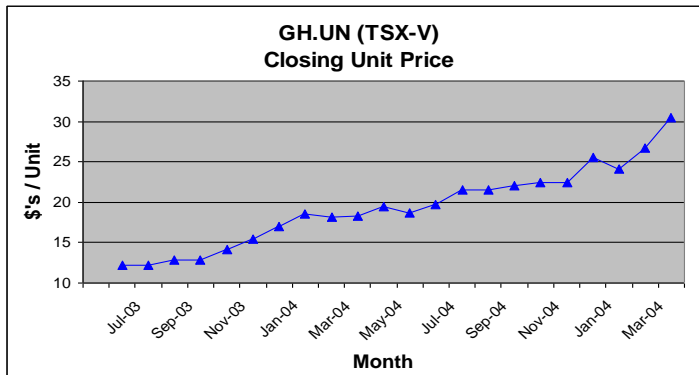
The Fund's activities are currently only in the Province of Alberta, Canada. Operations include the Boomtown Casino (the "BTC") in Ft. McMurray, the Great Northern Casino (the "GNC") and the Service Plus Inns & Suites Hotel (the "Hotel") both located in Grande Prairie. As a complement to the Hotel, the Fund owns a retail complex (the "Strip Mall") that leases space to separate liquor store, pub and full service restaurant operations. The Fund is also a joint venture partner in Deerfoot Inn & Casino Inc. (the "Joint Venture") that is currently constructing a 188 room full service hotel and convention centre with attached showroom and casino in Calgary.

Management believes in a combined entertainment & hospitality model. The model targets the entertainment seeker and social occasional gamer. Clean, inviting venues that deliver live entertainment, lounging and dining, rest and relaxation together with gaming are situated in community based locales.

It is the intent and practice of the Fund to distribute taxable income of the Fund to unitholders by way of cash distributions on a monthly basis.

To our Unitholders

The Trustees and management of Gamehost Income Fund are pleased to present first quarter financial results for 2005 fiscal year.



In mid March 2005 the Fund's unit price pushed through the \$30.00/unit mark for the first time and closed out March trading at \$30.45/unit. This is a \$4.95 increase or 19% over the final quarter of 2004. We are pleased that the market is recognizing the steady growth in earnings performance of the Fund. Trustees of the Fund continued the \$0.12/unit/month cash distribution throughout the quarter.

Records Fall

Continuing an unbroken string of quarterly revenue records, the Fund produced \$7.05 million in revenue during Q1 2005. This surpasses revenues generated in the Q1/04 and Q4/04 by \$972 thousand and \$303 thousand respectively for a 16.0% and 4.5% increase respectively. Earnings before interest, taxes, depreciation and amortization ("EBITDA") followed suit with a total increase of \$613 thousand and \$356 thousand over quarters Q1/04 and Q4/04 respectively. These increases represent EBITDA margin improvements from Q1/04 and Q4/04 of 1.3% and 2.8% respectively. Net earnings per unit of 51.9¢ per unit were recorded during the Quarter. This is an increase of 9.0¢ or 21.0% and 5.4¢ or 11.6% over Q1 2004 and Q4 2004 respectively. All of these results exceeded management's expectations.

Successful Operations

It has been an extremely busy quarter on all fronts. All facilities have experienced higher visitor volumes and have managed exceptionally well in maintaining our expected high levels of customer service while still controlling costs. Alberta is experiencing near full employment levels across the province and certainly we along with most other retail consumer businesses are benefiting from higher levels of disposable income. This has brought with it some staffing challenges to be sure, but our operations are viewed as favourable places to work and our management has done a commendable job in retaining quality staff.

Future Outlook

Management believes internal targets for the second quarter are attainable. A small cyclical downturn in hotel operations for Q2 should be offset by strong performance from our casinos. We announced previously that our proposed expansion to Boomtown Casino had been advanced to the final of 3 steps in the Alberta Gaming and Liquor Commission's application review process. We have a number of development issues to work out before any formal submission can be made to the appropriate municipal planning commission. Work is continuing in earnest on this. Our target for the opening of the Deerfoot Inn & Casino in Calgary for fall of 2005 is within sight. A significant effort from all employees involved in the detailed planning and activities that are required to open this exciting venue is underway.

We could not have accomplished what we have without the dedicated support of our staff. They have faced the increased pace with a smile and continue to give our customers what they have come to expect when they walk through our doors.

And to you, our unitholders thank you for your continued support.

Sincerely,

Signed "David J. Will" _____

David J. Will
President and Chief Executive Officer
Gamehost Management Inc.

Signed "Darcy J. Will" _____

Darcy J. Will
Vice President
Gamehost Management Inc.

Management's Discussion and Analysis for the three months ended March 31, 2005

This discussion should be read in conjunction with the reported financial results for the three month period ended March 31, 2005 (the "Quarter"). Consolidated interim financial statements for the Quarter have been prepared by management in accordance with Canadian generally accepted accounting principles (GAAP).

Caution to the Reader

Quarterly figures and comparisons contained in this management discussion and analysis have not been independently audited or reviewed by the Funds external auditors.

This management discussion and analysis may make reference to earnings before interest, taxes, depreciation and amortization (EBITDA). EBITDA is a non-GAAP measure and is provided for information only. EBITDA calculations should not be relied upon as a sole measure of performance.

This management discussion and analysis may contain forward-looking statements. Forward-looking statements may contain words such as "anticipates", "believes", "could", "expects", "indicates", "plans" or other similar expressions that suggest future outcomes or events. Use of these statements reflect reasonable assumptions made on the basis of management's current beliefs with information known by management at the time of writing. Many factors could cause actual results to differ from the results discussed in forward-looking statements. Actual results may not be consistent with these forward-looking statements.

Quarterly Performance Summary

Quarterly Performance	2005	2004				2003	
	Q1	Q4	Q3	Q2	Q1	Q4	Q3 ¹
Total revenue	7,048	6,745	6,251	6,175	6,076	5,554	6,976
Expenses	3,163	3,216	2,732	2,740	2,804	2,780	3,373
EBITDA	3,885	3,529	3,519	3,435	3,272	2,774	3,603
EBITDA %	55.1%	52.3%	56.3%	55.6%	53.8%	49.9%	51.6%
Net earnings	3,650	3,272	3,263	3,179	3,015	2,396	3,439
\$ earnings per unit ²	\$0.519	\$0.465	\$0.464	\$0.452	\$0.429	\$0.341	\$0.489

(in thousands of dollars unless stated otherwise)

¹ Q4 2003 includes the first four months operations of the Fund

² Basic and fully diluted

Revenues

All operating assets matched or exceeded individual records for revenue generation during the Quarter. Firing on all cylinders, the Fund produced its highest quarterly revenue ever and the sixth consecutive quarter of increased total revenue.

Total Revenue	Q1 (three months)			Previous Quarter	
	2005	2004	+(-)	Q4 2004	+(-)
	7,047.5	6,075.5	16.0%	6,744.9	4.5%

(in thousands of dollars unless stated otherwise)

Hotel Rooming Revenue

Hotel - Rooming	Q1 (three months)			Previous Quarter	
	2005	2004	+(-)	Q4 2004	+(-)
Rooming	993.9	922.7	7.7%	857.5	15.9%
Occupancy	86.9%	84.0%	2.9%	77.4%	9.5%
Average Rate	\$102.80	\$97.71	5.2%	\$97.41	5.5%

(in thousands of dollars unless stated otherwise)

Hotel Rooming includes both guest and meeting room sales at the Hotel. Heavy demand during the Quarter prior to spring breakup in the oil patch led to higher occupancy rates and an opportunity to increase rack rates. Management raised rack rates in mid February believing the increase to be sustainable with no significant impact on occupancy even during slower periods in the normal business cycle. Our management has an earned reputation for running first class facilities. Marketing efforts ensure that this message is front and centre.

Table Game Revenue

Table Games	Q1 (three months)			Previous Quarter	
	2005	2004	+(-)	Q4 2004	+(-)
All Others	987.0	1,014.8	(2.7%)	917.5	7.6%
Poker	114.4	41.8	173.5%	73.2	56.3%
Caribbean Stud	58.5	0.0	100.0%	37.1	57.7%
	1,159.9	1,056.7	9.8%	1,027.7	12.9%

(in thousands of dollars unless stated otherwise)

Tables	End of Q1			End of Previous Quarter	
	2005	2004	+(-)	Q4 2004	+(-)
All Others	25	25	0.0%	25	0.0%
Poker	5	5	0.0%	5	0.0%
Caribbean Stud	2	2	0.0%	2	0.0%
	32	32	0.0%	32	0.0%

Table games at both casinos experience very high playing levels and combined to produce record revenues during the Quarter. BTC set a revenue record for the Quarter and GNC was only slightly off their previous high quarter. The popularity of televised poker is having a significant positive effect on the interest in the game at both casinos. It is likely also the catalyst for increased play at other table games as well. The strong gain in table revenues is even more profound considering the reduction in the table hold percentage that took effect at GNC on September 22, 2004. Increased play has more than compensated for the reduction in table hold in the Quarter total comparison year over year.

Slot Machine Revenue

Slot Machine	Q1 (three months)			Previous Quarter	
	2005	2004	+(-)	Q4 2004	+(-)
Revenue	3,079.2	2,622.7	17.4%	3,037.9	1.4%
Machines ¹	593	499	94	582	11

(in thousands of dollars unless stated otherwise)

¹ Slot machine count at of the Period or Quarter

Both casinos set slot revenue records for the Quarter. On the 29th of March, AGLC allocated a further 11 slot machines to GNC raising the slot count there to 387. BTC operated with 206 machines for the Quarter. Extremely high oil and construction related activity in the area has increased traffic through the casinos.

Food & Beverage (“F&B”) Revenue

F&B Revenue	Q1 (three months)			Previous Quarter	
	2005	2004	+(-)	Q4 2004	+(-)
Food & mix	194.3	151.9	27.9%	203.0	(4.2%)
Liquor	995.1	784.2	26.9%	991.5	0.4%
	1,189.4	936.1	27.1%	1,194.5	(0.4%)

(in thousands of dollars unless stated otherwise)

High traffic volumes at all facilities and price increases at GNC helped sustain near record F&B sales levels during the Quarter. BTC experienced a record Quarter for food & mix as well as liquor. GNC was only marginally off their previous record set in Q4 2004. Expected sales reductions at GNC, coming off the busy banquet season where F&B sales are fueled by Christmas parties were partially offset by increased liquor prices. The combined results of both casinos and token food commissions earned at the Hotel resulted sales all but equaled sales totals recorded in Q4 2004.

F&B Margins	Q1 (three months)			Previous Quarter	
	2005	2004	+(-)	Q4 2004	+(-)
Food & mix	12.5%	30.4%	(58.8%)	14.2%	(11.6%)
Liquor	72.2%	70.7%	2.2%	72.2%	(0.0%)
Total	62.4%	63.4%	(25.8%)	62.3%	0.1%

(in thousands of dollars unless stated otherwise)

The effects of a price increase at GNC are offset by a return to more normal sales mixes being a higher percentage of beer versus wine and spirits. Commissioned sales used to be recorded at their net amounts resulting in the appearance of higher margins in the first quarter of 2004.

Lease and Rental Revenue

Lease and rental revenues includes three leases in the retail strip complex in Grande Prairie as well as lease and rental revenues generated within the casinos from 3rd party providers of on premises food services.

Lease & Rental	Q1 (three months)			Previous Quarter	
	2005	2004	+(-)	Q4 2004	+(-)
	74.9	72.5	3.3%	62.5	19.8%

(in thousands of dollars unless stated otherwise)

Lease and rental revenues for the Quarter are reflective of expected levels for the duration of the year. Amounts include four agreements for which rates have been established for the calendar year 2005. In the case of the Strip Mall, monthly lease payments are partially based on estimated common area costs which may result in an adjustment at calendar year end.

Other Revenue

Other revenue includes, automated teller fees (“ATM”), movie rentals, cigarette sales, ticket revenue and other misc. service revenues at both the casinos and Hotel.

Other	Q1 (three months)			Previous Quarter	
	2005	2004	+(-)	Q4 2004	+(-)
	550.3	467.1	17.8%	564.8	(2.6%)

(in thousands of dollars unless stated otherwise)

ATM's produced record revenues for the Quarter helping to partially offset reductions in Christmas banquet and entertainment ticket sales from high levels set in Q4 2004. An overall increase in Other Revenue from Q4 2004 would have been reported had Q4 2004 not included a gain on the sale of the Kakwa Café at GNC to new operators.

Expenses

Total Expenses

Expenses	Q1 (three months)			Previous Quarter	
	2005	2004	+(-)	Q4 2004	+(-)
Total	3,162.6	2,803.9	12.8%	3,216.5	(1.7%)
% of Revenues	44.9%	46.2%	(1.3%)	47.7%	(2.8%)

(in thousands of dollars unless stated otherwise)

Total expenses excluding amortizations are down from Q4 2004 due in part to higher cyclical Christmas season expenses, staff bonuses, and Trustee fees accrued or paid in the final quarter of 2004. Expressed as a percentage of total revenues, total expenses are falling as a result of economies of scale.

Human Resources

General administrative salaries, Trustee and management fees, benefit costs, payroll taxes and other miscellaneous costs are all combined under this heading.

Human Resources	Q1 (three months)			Previous Quarter	
	2005	2004	+(-)	Q4 2004	+(-)
Operations	1,319.3	1,209.6	9.1%	1,302.6	1.3%
General admin	103.8	91.9	12.9%	90.7	14.4%
Trustee fees	39.0	0.0	100.0%	150.5	(74.1%)
Management fees	75.0	63.0	19.0%	94.4	(20.6%)
Total	1,537.1	1,364.5	10.9%	1,638.3	(6.2%)
% of Revenues	21.8%	22.5%	(0.6%)	24.3%	(2.5%)

(in thousands of dollars unless stated otherwise)

A small reduction in operational salaries and wages from Q4 2004 is explained by the reduction in food and beverage banquet staff from levels required over the Christmas season at GNC. This reduction is partially offset by higher table and floor attendants on the gaming side at both casinos. Hotel salaries are also marginally higher as a result of higher occupancy rates. General administrative salaries for the Quarter are reflective of annual salary increases and bonuses paid. Trustee and management fees, accrued for the Quarter, reflect Compensation Committee recommendations approved by the Trustees prior to the end of 2004. The figures reported for Q4 2004 include Trustee fees for the entire calendar year and an adjustment from estimated to actual management fees for year end.

Marketing and Promotions

Marketing and promotions includes all donations, sponsorships and complementary services offered at facilities in addition to sales and advertising expenses.

Marketing and Promotion	Q1 (three months)			Previous Quarter	
	2005	2004	+(-)	Q4 2004	+(-)
Total	130.8	113.3	15.5%	209.2	(37.5%)
% of Revenues	1.9%	1.9%	(0.0%)	3.1%	(1.2%)

(in thousands of dollars unless stated otherwise)

Marketing and promotional expenses have returned to regular quarterly levels. Q4 2004 amounts are higher due to the extensive entertainment and banquet marketing done for the Christmas season.

Operating Costs

Operating	Q1 (three months)			Previous Quarter	
	2005	2004	+(-)	Q4 2004	+(-)
Total	725.6	662.2	9.6%	747.2	(2.9%)
% of Revenues	10.3%	10.9%	(0.6%)	11.1%	(0.8%)

(in thousands of dollars unless stated otherwise)

Reductions in operating expenses from amounts incurred in Q4 2004 are largely the result of less entertainment offered in the casinos during the Quarter and a general reduction in operating supplies used at the Hotel.

General and Administrative

General & admin	Q1 (three months)			Previous Quarter	
	2005	2004	+(-)	Q4 2004	+(-)
Total	292.4	276.8	5.7%	101.8	187.3%
% of Revenues	4.1%	4.6%	(0.4%)	1.5%	2.6%

(in thousands of dollars unless stated otherwise)

Comparison of expenses for the Quarter to the same quarter in 2004 and the immediately previous Q4 2004 are distorted due to expense reclassifications. 2004 year to date (YTD) bank fees and interest charges originally recorded as expense were reclassified as capital relating to the Joint Venture in Q4 2004. Corporate office rent, previously allocated to lease and rental expense, were reallocated to General and admin beginning the Quarter. Fees for the Fund's membership on the TSX-V, securities commissions and CDS were expensed during the Quarter, but not in comparable quarters. New membership fees were also paid for the recently formed Alberta Association of Casino Operators.

Depreciation and Amortization

Deprecation based on existing working assets at scheduled depreciation rates is expensed evenly over the fiscal year for accounting purposes and adjusted for additions/deletions at year end. Reductions in quarterly amortization are due to declining book values of the assets as a result of amortizations recorded in prior years.

Amortizations	Q1 (three months)			Previous Quarter	
	2005	2004	+(-)	Q4 2004	+(-)
Total	235.0	256.2	(8.3%)	259.7	(9.5%)
% of Revenues	3.3%	4.2%	(0.9%)	3.9%	(0.5%)

(in thousands of dollars unless stated otherwise)

Facilities

Capital Expenditures	Q1 (three months)			Previous Quarter	
	2005	2004	+(-)	Q4 2004	+(-)
Maintenance	50.7	16.0	216.9%	82.0	(38.2%)
Expansion	44.1	133.0	(66.8%)	3,600.0	(98.8%)
	94.8	149.0	(36.4%)	3,682.0	(97.4%)

(in thousands of dollars unless stated otherwise)

Capital maintenance funds during the Quarter were spent on new computer equipment for the Hotel and an uninterrupted power supply for GNC. Alberta Gaming and Liquor Commission (“AGLC”) amended the Terms and Conditions for casino operators requiring them to provide this protection for AGLC owned slot equipment.

Interest on loans to finance the Joint Venture make up the bulk of capital expansion spending during the Quarter. \$41.1 thousand was capitalized for interest relating to the Joint Venture project. Other minor outlays were made for preliminary work on a possible expansion at BTC to round out expansion spending.

All capital expenditures were financed with cash generated from operations.

The Joint Venture project is proceeding on budget. Based on the budget, at December 31, 2004 the Fund had fully paid up its cash contribution to the project as per its 47.75% contributing responsibility.

The Joint Venture project is approximately 65% complete. Interior framing is continuing throughout the convention and casino portions of the development while finishing work has commenced in the hotel tower. Cost projections remain unchanged as does the projected opening date during the fourth quarter of this calendar year.

Gaming equipment operated by the Fund’s two casinos is owned by AGLC. The AGLC added eleven (11) slot machines during the Period bringing the total number of machines at to 593.

Financial Condition

Liquidity and Capital Resources

Assets total \$79.4 million for the Fund at the end of the Quarter, an increase of \$2.9 million from the end of the prior year. Cash and cash equivalents total \$6.3 million versus \$5.2 million at the end of the prior year.

The Fund has access to \$7.0 million in term financing from the Canadian Western Bank (“CWB”). The loan is secured by the Fund’s casino and hotel assets in Grande Prairie. Interest on the term loan floats at 1.5% above the CWB prime lending rate. The loan will mature 30 months from the date of the initial advance which was made November 9, 2004. To date the Fund has drawn \$3.8 million of this loan.

The Fund is required by the AGLC to maintain a Minimum Continuing Net Working Capital Position (“MCNWCP”) to support its gaming operations. Available credit remaining on the \$7 million credit facility with CWB is considered working capital for the purpose of calculating MCNWCP. The Fund operates well above the MCNWCP required by the AGLC.

Distributable Cash

The Fund’s mandate is to make consistent monthly cash payments to unitholders based on management’s projections of the year’s distributable cash. Distributable cash is defined as net income determined in accordance with Canadian GAAP, subject to certain adjustments as set out in the Declaration of Trust, including:

- a) adding the following items: amortization on property, plant & equipment, future income tax expense and losses on dispositions of assets; and
- b) deducting the following items: future income tax credits, gains on dispositions of assets and capital maintenance expenditures.

Other adjustments may be made to distributable cash as determined by a majority of the Trustees in their discretion. It is the intention of the Fund trustees to distribute sufficient income from the Fund so that the Fund will not have any liability for tax under Part I of the Income Tax Act.

Gamehost Income Fund announced monthly distributions of \$0.12 per unit for each month during the Quarter. In addition, the Fund declared a regular monthly distribution of \$0.12 per unit for the month of April 2005. Declared monthly distributions are paid on or about the 15th of the month following declaration.

Summary of Distributable Cash	Q1 (three months)	
	2005	2004
Net earnings for the period	\$ 3,649,906	\$ 3,015,354
Add:		
Amortization of property, plant & equipment	235,034	256,244
Distributable cash generated	\$ 3,884,940	\$ 3,271,598
Distributable cash generated/unit	\$ 0.552	\$ 0.465
Less:		
Capital expenditures	95,000	149,176
Cash available for distribution	\$ 3,789,940	\$ 3,122,422
Cash available for distribution/unit	\$ 0.539	\$ 0.444
Distributions declared	\$ 2,532,906	\$ 2,532,906
Distributions declared/unit	\$ 0.360	\$ 0.360
Surplus distributable cash	\$ 1,257,034	\$ 589,516
Surplus distributable cash/unit	\$ 0.179	\$ 0.084

Business Risks and Outlook

Spring breakup will begin to affect the energy and construction sectors of northern Alberta through the spring with road bans and limits placed on heavy truck traffic. This has always had a cyclical impact especially on the Hotel as field professionals and workers wait out the spring thaw. Occupancy rates will drop in relation to oil and construction related activity. However, this phenomenon has a less predictable affect on the gaming side of our business.

Management is busy readying building and development information for a desired expansion of BTC. Though the proposed expansion has been advanced by AGLC to the final step in their regulatory process it has yet to be presented to the municipality for any consideration. Management is proceeding cautiously in this regard.

Operational planning continues concurrent with construction of the Joint Venture project. Hiring plans and detailed operating procedures are being developed and refined.

April 26, 2005