



**2005 Second Quarter
Interim Financial Statements
for the six month period ended June 30, 2005**

Notice of No Auditor Review

The accompanying un-audited consolidated interim financial statements of the Fund have been prepared by management in accordance with generally accepted accounting principles. Management accepts sole responsibility for the material correctness of reported results.

Readers are cautioned that these financial statements have not been independently audited or reviewed by the Funds external auditors.

Consolidated Balance Sheets

(un-audited)

	<u>June 30, 2005</u>	<u>December 31, 2004</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 6,437,635	\$ 5,238,021
Accounts receivable	523,601	431,643
Current portion of Notes Receivable	12,381	24,423
Inventories	85,667	82,688
Prepaid expenses	385,423	36,544
Due from related parties	-	216,522
	<u>7,444,707</u>	<u>6,029,841</u>
Notes receivable	113,914	113,914
Property, plant & equipment	28,698,184	24,277,603
Licenses	3,500,000	3,500,000
Goodwill	42,579,216	42,579,216
	<u>\$ 82,336,021</u>	<u>\$ 76,500,574</u>
Liabilities and unitholder equity		
Current liabilities:		
Accounts payable	\$ 1,858,797	\$ 1,876,660
Accrued liabilities	215,974	685,841
Term Loan	3,800,000	2,300,000
Project Loan	4,385,496	-
Unitholder distributions payable	844,302	2,814,340
	<u>11,104,569</u>	<u>7,676,841</u>
Class B limited partnership units	<u>36,151,946</u>	<u>38,306,640</u>
	47,256,515	45,983,481
Unitholders' equity	<u>35,079,506</u>	<u>30,517,093</u>
	<u>\$ 82,336,021</u>	<u>\$ 76,500,574</u>

See accompanying notes to consolidated financial statements.

Consolidated Statements of Unitholders' Equity

(un-audited)

	six months ended June 30		three months ended June 30	
	2005	2004	2005	2004
Balance at the beginning of the period	\$ 30,517,093	\$ 30,200,980	\$ 31,032,680	\$ 30,423,699
Correction of prior year earnings allocation	(68)	-	-	-
Class "B" Limited Partnership Units converted to Class "A" Units	3,430,000	-	3,430,000	-
Reorganization costs	-	27,682	-	27,682
Net income	3,512,238	2,859,508	1,827,284	1,467,491
Distributions to unitholders	<u>(2,379,757)</u>	<u>(2,338,597)</u>	<u>(1,210,458)</u>	<u>(1,169,299)</u>
Balance at the end of the period	<u>\$ 35,079,506</u>	<u>\$ 30,749,573</u>	<u>\$ 35,079,506</u>	<u>\$ 30,749,573</u>

See accompanying notes to consolidated financial statements.

Consolidated Statements of Operations

(un-audited)

	six months ended June 30		three months ended June 30	
	2005	2004	2005	2004
Revenue				
Hotel - rooming	\$ 1,853,680	\$ 1,656,532	\$ 859,779	\$ 733,975
Table games	2,210,874	2,164,906	1,050,994	1,108,230
Slot machines	6,469,759	5,421,831	3,390,564	2,799,149
Food & beverage services	2,355,517	1,874,627	1,166,085	940,782
Lease and rental	148,467	145,547	73,592	73,096
Other	1,159,672	986,781	609,407	519,477
	<u>14,197,969</u>	<u>12,250,224</u>	<u>7,150,421</u>	<u>6,174,709</u>
Expenses				
Cost of goods sold	936,807	768,033	460,115	380,904
Human resources	3,080,434	2,768,729	1,543,363	1,404,271
Marketing and promotions	329,182	286,202	198,344	172,880
Operating	1,412,183	1,295,237	686,589	632,993
Corporate and general administration	495,765	425,337	203,352	148,573
	<u>6,254,371</u>	<u>5,543,538</u>	<u>3,091,763</u>	<u>2,739,621</u>
Earnings before amortization and income allocation to Class B Limited Partners	7,943,598	6,706,686	4,058,658	3,435,088
Amortization	(470,066)	(512,487)	(235,032)	(256,243)
Income allocation to Class B Limited Partners	<u>(3,961,294)</u>	<u>(3,334,691)</u>	<u>(1,996,342)</u>	<u>(1,711,354)</u>
Net income	<u>\$ 3,512,238</u>	<u>\$ 2,859,508</u>	<u>\$ 1,827,284</u>	<u>\$ 1,467,491</u>
Earnings per unit				
Weighted average and fully diluted	<u>\$ 1.062</u>	<u>\$ 0.880</u>	<u>\$ 0.543</u>	<u>\$ 0.452</u>

See accompanying notes to consolidated financial statements.

Consolidated Statements of Cash Flows

(un-audited)

	six months ended June 30		three months ended June 30	
	2005	2004	2005	2004
Cash provided by (used for) operations				
Net income	\$ 3,512,238	\$ 2,859,508	\$ 1,827,284	\$ 1,467,491
Add non-cash items:				
Allocation of net income to class B limited partners	3,961,294	3,334,691	1,996,342	1,711,354
Amortization of property, plant & equipment	470,066	512,487	235,032	256,243
	<u>7,943,598</u>	<u>6,706,686</u>	<u>4,058,658</u>	<u>3,435,088</u>
Net changes in non-cash working capital:				
Accounts receivable	(79,916)	(122,528)	33,737	308,515
Inventories	(2,979)	4,490	(7,713)	191
Prepaid expenses	(348,877)	(220,165)	(256,783)	(67,143)
Accounts payable and accrued liabilities	(487,730)	(72,014)	(115,967)	(414,519)
Unitholder distributions payable	(1,970,038)	35,179	-	-
	<u>5,054,058</u>	<u>6,331,648</u>	<u>3,711,932</u>	<u>3,262,132</u>
Financing				
Advances to/from related parties	216,522	(173,468)	-	148,690
Drawings from Joint Venture project loan	5,885,496	-	4,385,496	-
Reorganization costs	-	27,679	(2,667,694)	27,679
Proceeds from collection of notes receivable	-	13,844	(5,966)	7,000
Distributions to Class B Limited Partners	(2,686,056)	(2,727,216)	(1,322,448)	(1,363,608)
Unitholder distributions	(2,379,757)	(2,338,597)	(1,210,459)	(1,169,299)
	<u>1,036,205</u>	<u>(5,197,758)</u>	<u>(821,071)</u>	<u>(2,349,538)</u>
Investments				
Purchase of property, plant & equipment	(4,890,649)	(1,139,179)	(2,782,721)	(990,003)
	<u>(4,890,649)</u>	<u>(1,139,179)</u>	<u>(2,782,721)</u>	<u>(990,003)</u>
Increase in cash and cash equivalents	1,199,614	(5,289)	108,140	(77,409)
Opening cash and cash equivalents	<u>5,238,021</u>	<u>4,106,951</u>	<u>6,329,495</u>	<u>4,179,071</u>
Closing cash and cash equivalents	<u>\$ 6,437,635</u>	<u>\$ 4,101,662</u>	<u>\$ 6,437,635</u>	<u>\$ 4,101,662</u>
Supplemental cash flow information:				
Cash interest paid	\$ 105,265	\$ 10	\$ 41,112	\$ -
Cash interest received	\$ 35,479	\$ 26,842	\$ 18,789	\$ -

See accompanying notes to consolidated financial statements.

Notes to Consolidated Financial Statements

six month period ended June 30, 2005

(un-audited)

1. Basis of Preparation

These interim consolidated financial statements of the Fund have been prepared by management in accordance with Canadian generally accepted accounting principles. They were prepared applying the same accounting policies and methods as are used to prepare annual audited consolidated financial statements of the Fund. Interim consolidated figures include the results of the Fund, the Trust, the Limited Partnership with all its operating divisions and the Fund's proportionate share of the activities of the Joint Venture. The preparation of these interim consolidated financial statements requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates. The interim consolidated financial statements have, in management's opinion, been properly prepared using careful judgment with reasonable limits of materiality.

2. Comparative Figures

Certain comparative figures have been reclassified to conform to the current year method of presentation.

3. Related Party Transactions

The Deerfoot Inn & Casino Inc. Joint Venture is jointly owned by Will Inns Ltd., Winners Gaming Inc. and JM Wood Investments Ltd. The Fund's 40% interest is accounted for utilizing the proportionate consolidation method. JM Wood Investments Ltd. is controlled by Mr. Jed Wood, a former Trustee of the Fund. Mr. Wood resigned his position on the board in early April 2005. Winners Gaming Inc. is controlled by Mr. Darcy J. Will. Will Inns Ltd. is controlled by Mr. David J. Will. Mr. David J. Will and Mr. Darcy J. Will are trustees of the Fund.

Included in human resource costs are \$150,000 (2004 - \$126,000) paid or accrued to Gamehost Management Inc. for management services provided to the Fund. Gamehost Management Inc. is controlled by David J. Will and Darcy J. Will. Current compensation amounts are based on 2% of EBITDA as approved by the Board.

The Fund paid cash distributions of \$1,322,448 (2004 - \$1,363,608) to Class B Partnership unitholders. DJ Will Holdings Limited, Will Inns Ltd., Boomtown Casino Ltd., and Darcy Co. Holdings Ltd. owned 88% of the Class B Partnership Units at the end of June. DJ Will Holdings Limited is controlled by Mr. David J. Will. Boomtown Casino Ltd. and Darcy Co. Holdings Ltd are controlled by Mr. Darcy J. Will.

In June, Boomtown Casino Ltd. transferred all of its Class B Limited Partnership Units to its individual shareholders. Following the conversion, Darcy Co Holdings Ltd. converted 158,400 Class B Units to Fund units per the Voting and Exchange Agreement of the Limited Partnership and subsequently sold these units into the market. At the same time, DJ Will Holdings Limited converted 150,000 Class B Units to Fund Units and subsequently sold these units into the market.

Included in General and Administrative expenses is \$50,487 in air travel expenses paid to Will Air Ltd. The company provides charter air services to the Fund pursuant to an agreement with Gamehost Management Inc.. Will Air Ltd. is controlled by Mr. David J. Will and Mr. Darcy J. Will.

Related party transactions are measured at the exchange amounts which are the amounts agreed to by the related parties.

Notes to Consolidated Financial Statements

six month period ended June 30, 2005

(un-audited)

4. Distributions to Unitholders

The Fund declared distributions totaling \$2,532,906 for the Quarter (Q2 2004 - \$2,532,906) which include regular monthly planned distributions of \$0.12 per unit for each of the months April, May and June. The June distribution is payable at the end of the Quarter. Following the end of the Quarter trustees declared a \$0.12/unit cash distribution for the month of July 2005. Significant dates for these distributions are set out below.

2005 Distribution Summary

Month	Date Declared	Record Date	Payment Date	Distribution per Unit
January	15-Jan-05	31-Jan-05	15-Feb-05	\$0.12
February	16-Feb-05	28-Feb-05	15-Mar-05	\$0.12
March	15-Mar-05	31-Mar-05	15-Apr-05	\$0.12
April	19-Apr-05	30-Apr-05	16-May-05	\$0.12
May	13-May-05	31-May-05	15-Jun-05	\$0.12
June	22-Jun-05	30-Jun-05	15-Jul-05	\$0.12
July	15-Jul-05	31-Jul-05	15-Aug-05	\$0.12

5. Class B Partnership Units

The B Units have the attributes of a minority interest position and have been reflected in these consolidated financial statements as such. There were 3,444,800 B Units issued and outstanding at the end of the Quarter. 343,000 B Units were converted to Fund Units in June 2005.

6. Fund Units

3,248,051 Fund Units were issued effective June 1, 2003. There are 3,591,051 Fund Units issued and outstanding at the end of the Quarter as 343,000 B Units were converted to Fund Units during June 2005. The Fund does not have any options, warrants, rights or convertible instruments which would be potentially dilutive.

7. Segmented Information

The Fund's operations are predominantly in the hotel accommodation and gaming industries. The Fund derives its revenues from marketing its services in Western Canada.

The hotel division includes the operations of the Hotel and Strip Mall. The gaming division includes the operations of Great Northern Casino and Boomtown Casino. Food, beverage and entertainment functions are carried out within the casino facilities but have their own management reporting to the casino management. General Administration includes administration of the Fund, the Trust and the Limited Partnership.

Notes to Consolidated Financial Statements

six month period ended June 30, 2005

(un-audited)

7. Segmented Information (cont)

Hotel	Q2 (six months)			Q2 (three months)			Previous Quarter	
	2005	2004	+(-)	2005	2004	+(-)	Q1 2005	+(-)
Total revenue	2,009	1,816	10.7%	936	809	15.6%	1,073	(12.8%)
Operating Expenses								
Cost of goods sold	27	31	(10.8%)	13	12	6.5%	15	(16.0%)
Human resources	421	387	8.8%	212	187	13.6%	209	1.5%
Marketing & promo	63	75	(15.8%)	35	43	(17.3%)	28	24.8%
Operating	206	219	(6.0%)	98	100	(1.6%)	108	(9.4%)
Other	110	107	2.3%	42	55	(24.5%)	68	(38.4%)
	828	819	1.0%	400	396	0.9%	428	(6.7%)
Operating earnings before amortization	1,182	996	18.6%	536	413	29.8%	645	(16.9%)

(in thousands of dollars unless stated otherwise)

An improvement in occupancy rates and overall revenue against stable expenses resulted in improved earnings vs. the comparable quarter in 2004. Revenue compared to the previous quarter is down which a normal seasonal pattern as the summer vacation approaches.

Casino	Q2 (six months)			Q2 (three months)			Previous Quarter	
	2005	2004	+(-)	2005	2004	+(-)	Q1 2005	+(-)
Revenue								
Tables	2,211	2,165	2.1%	1,051	1,108	(5.2%)	1,160	(9.4%)
Slots	6,470	5,422	19.3%	3,391	2,799	21.1%	3,079	10.1%
Other	1,108	933	18.8%	584	490	19.2%	524	11.3%
Total revenue	9,789	8,520	14.9%	5,025	4,397	14.3%	4,763	5.5%
Operating Expenses								
Cost of goods sold	-	1	(100.0%)	-	1	(100.0%)	-	-
Human resources	1,702	1,595	6.7%	845	816	3.5%	857	(1.4%)
Marketing & promo	149	126	18.0%	89	78	13.5%	61	46.6%
Operating	746	646	15.6%	379	320	18.4%	367	3.1%
Other	72	97	(25.9%)	23	39	(41.0%)	49	(53.1%)
	2,669	2,465	8.3%	1,335	1,255	6.4%	1,334	0.1%
Operating earnings before amortization	7,120	6,055	17.6%	3,690	3,142	17.4%	3,430	7.6%

(in thousands of dollars unless stated otherwise)

Notes to Consolidated Financial Statements

six month period ended June 30, 2005

(un-audited)

7. Segmented Information (cont)

Net earnings have benefited from economies of scale with higher slot play and stable costs. Even though table play is up from last quarter, it is not reflected in the revenue numbers as the casino hold percentage is lower, meaning more money was paid out to customers.

Food & Beverage	Q2 (six months)			Q2 (three months)			Previous Quarter	
	2005	2004	+(-)	2005	2004	+(-)	Q1 2005	+(-)
Total revenue	2,356	1,879	25.4%	1,166	943	23.7%	1,189	(2.0%)
Operating Expenses								
Cost of goods sold	909	736	23.5%	448	368	21.7%	462	(3.1%)
Human resources	504	472	6.7%	250	241	3.5%	254	(1.8%)
Marketing & promo	99	84	18.0%	59	52	13.5%	40	46.6%
Operating	498	430	15.6%	253	213	18.4%	245	3.1%
Other	48	65	(25.9%)	15	26	(41.0%)	33	(53.1%)
	2,058	1,788	15.1%	1,024	901	13.7%	1,034	(0.9%)
Operating earnings before amortization	297	91	225.0%	142	42	236.7%	155	(8.8%)
(in thousands of dollars unless stated otherwise)								

Sales and costs are down proportionately from the previous quarter due to a normal seasonal lull. However, net earnings as compared to 2004 have increased significantly due to strong promotion. At current business volumes, this segment begins to stand on its own for profitability. Hard work and strong promotional campaigns together with live entertainment are paying off.

General & Admin	Q2 (six months)			Q2 (three months)			Previous Quarter	
	2005	2004	+(-)	2005	2004	+(-)	Q1 2005	+(-)
Total revenue	44	36	23.8%	23	26	(9.5%)	21	9.9%
Operating Expenses								
Cost of goods sold	-	-	-	-	-	-	-	-
Human resources	454	315	44.0%	237	160	47.9%	217	9.1%
Marketing & promo	17	-	-	15	-	-	2	-
Operating	-	-	-	-	-	-	-	-
Other	229	157	45.9%	81	28	184.0%	148	(45.6%)
	699	471	48.3%	332	188	76.5%	367	(9.3%)
Operating earnings before amortization	(655)	(436)	50.3%	(309)	(163)	90.1%	(346)	(10.5%)
Amortizations	470	512	(8.3%)	235	256	(8.3%)	235	-
Earnings after amortizations	(1,125)	(948)	18.6%	(544)	(419)	29.9%	(581)	(6.3%)
(in thousands of dollars unless stated otherwise)								

Trustee remunerations are recorded on a quarterly basis; however this was not the case in 2004 when these expenses were all recognized in Q4 of 2004.

Notes to Consolidated Financial Statements

six month period ended June 30, 2005

(un-audited)

7. Segmented Information (cont)

Property Plant & Equipment		
	June 30, 2005	December 31, 2004
Hotel		
Goodwill and licenses	4,579	4,579
Working assets	8,972	8,949
Work-in-progress	3,850	4,447
	17,401	17,975
Casino		
Goodwill and licenses	41,500	41,500
Working assets	5,244	5,277
Work-in-progress	7,145	2,426
	53,889	49,204
Food & Beverage		
Working assets	3,496	3,428
Work-in-progress	1,925	1,214
	5,421	4,642
General Administration		
Working assets	106	106
Work-in-progress	-	-
	106	106
Total		
Goodwill and licenses	46,079	46,079
Working assets	17,819	17,760
Work-in-progress	12,919	8,087
	76,817	71,927

PP&E¹ and Intangibles at NBV²		
	June 30, 2005	December 31, 2004
Hotel	12,580	12,781
Casino	46,135	46,254
F&B	3,087	3,170
General & Admin	56	65
Work-in-progress	12,919	8,087
	74,777	70,357

(in thousands of dollars unless stated otherwise)

¹ PP&E (Property, Plant & Equipment)

² NBV (Net Book Value)

Notes to Consolidated Financial Statements

six month period ended June 30, 2005

(un-audited)

8. Investment in the Joint Venture

The Fund is invested in Deerfoot Inn & Casino Inc. Joint Venture, a hotel/convention/entertainment/gaming joint venture project in Calgary, Alberta. The Fund holds a 40% Participating Interest and a 47.75% Project Contributing Interest in this joint venture. The Fund's consolidated financial statements include its Participating Interest in the assets, liabilities, revenues and expenses and net income, and cash flows resulting from operating, investing and financing activities of the joint venture, which are as follows:

Deerfoot Inn & Casino Inc.

(un-audited)

Balance Sheet

	June 30, 2005		December 31, 2004	
Assets				
Cash	\$	288,227	\$	441,384
Other current assets		122,911		364,579
Current assets		411,138		805,963
Non-current assets	\$	11,389,325	\$	8,001,958
	\$	11,800,463	\$	8,807,921
Current Liabilities				
Payables and accrued liabilities	\$	935,834	\$	1,027,431
Construction loan		4,385,496		-
		5,321,330		1,027,431
Equity	\$	6,479,133	\$	7,780,490
	\$	11,800,463	\$	8,807,921

Cash Flows

	six months ended June 30		three months ended June 30	
	2005	2004	2005	2004
Operating activities	\$ (35,738)	\$ -	\$ (25,653)	\$ -
Investing activities	(4,502,915)	(2,741,510)	(2,535,782)	(2,628,961)
Financing activities	4,385,496	3,052,442	1,717,802	2,925,187
Increase in cash	\$ (153,157)	\$ 310,932	\$ (843,633)	\$ 296,226
Beginning cash	441,384	11,419	1,131,860	26,125
Ending cash	\$ 288,227	\$ 322,351	\$ 288,227	\$ 322,351

The above statement reports the Funds 40% proportionate share of the Joint Ventures activities including a loss in the joint venture operations of \$35,738 at the end of Quarter 2, 2005.

Notes to Consolidated Financial Statements

six month period ended June 30, 2005

(un-audited)

8. Investment in the Joint Venture (cont)

The Fund is severally liable for all obligations of the Joint Venture in proportion to its Participating Interest or Contributing Responsibility as the case may be. All Joint Venture partners are contingently liable for obligation of the Joint Venture in situations where other Joint Venture partners are in default as defined by the Joint Venture Agreement. All of the assets of the Joint Venture are available for the purpose of satisfying any such obligation. No provision for any contingent amount payable has been accrued to these financial statements.