GAME HOST
Income Fund

2008 Interim Financial Statements

for the three and nine months ended September 30, 2008

Interim Consolidated Balance Sheets
(unaudited)

	September 30, 2008	Audited December 31, 2007
Assets		
Current assets:		
Cash and cash equivalents	$ 12,692,060	$ 13,124,669
Restricted cash (note 9)	28,702	409,886
Accounts receivable	1,155,605	1,083,241
Inventories	317,392	283,710
Prepaid expenses	691,484	465,935
Due from related parties (note 13)	134,912	6,805
	15,020,155	15,374,246
Property, plant & equipment (note 10)	45,199,995	34,331,178
Goodwill	42,579,216	42,579,216
	$ 102,799.366	$ 92,284,640
Liabilities and unit holder equity		
Current liabilities:		
Accounts payable and accrued liabilities	$ 1,900,414	$ 2,460,096
Term loan(s) (note 12)	29,233,552	13,103,527
Unit holder distributions payable	1,547,184	9,287,323
	32,681,150	24,850,946
Future Income Taxes (note 11)	2,180,687	2,234,822
Minority unit holders' equity (note 16)	34,406,255	33,065,390
	69,268,092	60,151,158
Fund unit holders' equity (note 15)	33,531,274	32,133,482
	$ 102,799,366	$ 92,284,640

Commitments (note 17)
Guarantees (note 18)

see accompanying notes to consolidated financial statements

Interim Consolidated Statements of Fund Unit Holders' Equity

(unaudited)

	nine months ended September 30		three months ended September 30	
	2008	2007	2008	2007
Balance at beginning of period	$ 32,133,482	$ 34,758,310	$ 33,253,340	$ 36,985,080
Net earnings	8,290,456	6,488,859	2,646,951	132,382
Distributions to Fund Unit holders	(6,892,664)	(6,284,342)	(2,369,017)	(2,154,635)
Balance at end of period	$ 33,531,274	$ 34,962,827	$ 33,531,274	$ 34,962,827

See accompanying notes to financial statements

Interim Consolidated Statements of Earnings and Comprehensive Income
(unaudited)

	nine months ended September 30		three months ended September 30	
	2008	**2007**	**2008**	**2007**
Revenue				
Hotel - rooming	$ 6,324,696	$ 6,549,214	$ 2,264,988	$ 2,267,709
Table games	6,081,266	6,009,878	2,320,675	1,928,139
Slot machines	16,265,480	17,392,196	5,544,712	5,954,327
Food & beverage services	8,722,125	8,939,773	2,924,634	2,841,052
Lease and rental	243,297	238,977	79,592	79,659
Other	3,619,024	3,578,116	1,243,508	1,208,995
	41,255,888	42,708,154	14,378,109	14,279,881
Expenses				
Cost of goods sold	2,796,062	2,940,278	963,868	923,099
Human resources	10,876,563	10,838,714	3,895,583	3,614,256
Marketing and promotions	1,981,504	1,609,508	756,920	558,835
Operating	5,171,745	4,749,883	2,010,841	1,677,935
Corporate and general administration	1,577,348	1,526,540	522,150	573,138
	22,403,222	21,664,923	8,149,362	7,347,263
Earnings before the following:	18,852,666	21,043,231	6,228,747	6,932,618
Interest charges	1,042,349	832,365	380,828	283,231
Future income taxes (recoveries) (note 11)	(54,135)	2,336,319	43,089	2,336,319
Amortization of property, plant and equipment	1,621,182	1,661,101	618,730	553,700
Amortization of licenses	-	3,500,000	-	3,500,000
Earnings allocation to minority interest	7,952,814	6,224,587	2,539,149	126,986
Net earnings and comprehensive income	$ 8,290,456	$ 6,488,859	$ 2,646,951	$ 132,382
Earnings per unit, basic and fully diluted	$ 0.770	$ 0.602	$ 0.246	$ 0.012

See accompanying notes to financial statements

Interim Consolidated Statements of Cash Flows

(unaudited)

	nine months ended September 30		three months ended September 30	
	2008	**2007**	**2008**	**2007**
Cash provided by (used for) operating activities				
Net earnings	$ 8,290,456	$ 6,488,859	$ 2,646,951	$ 132,382
Add non-cash items:				
Future income tax expense	(54,135)	2,336,319	43,089	2,336,319
Amortization of licenses	-	3,500,000	-	3,500,000
Amortization of property, plant & equipment	1,621,182	1,661,101	618,730	553,700
Allocation to minority interest	7,952,814	6,224,587	2,539,149	126,986
	17,810,317	20,210,866	5,847,919	6,649,387
Net changes in non-cash working capital:				
Accounts receivable	(72,364)	475,292	(160,594)	163,153
Inventories	(33,682)	1,001	26,275	11,638
Prepaid expenses	(225,549)	(230,711)	(37,967)	228,659
Accounts payable and accrued liabilities	(238,032)	(131,508)	(892,871)	(10,500)
	17,240,690	20,324,940	4,782,762	7,042,337
Cash provided by (used for) financing activities				
Advances (to) from related parties	(128,107)	(108,451)	(175,376)	77,447
Term loans advances (payments)	16,130,025	4,651,388	644,942	458,386
Issued notes receivable, (proceeds) from collection	-	87,465	-	-
Distributions to minority unit holders	(10,562,464)	(9,542,096)	(2,272,534)	(2,066,880)
Fund unit holder distributions	(10,682,288)	(9,947,214)	(2,369,017)	(2,154,633)
	(5,242,834)	14,858,908)	(4,171,985)	(3,685,680)
Cash provided by (used for) investing activities				
Property, plant & equipment	(12,430,465)	(663,085)	(791,145)	(512,472)
Increase (decrease) in cash and cash equivalents	(432,609)	4,802,947	(180,368)	2,844,185
Opening cash and cash equivalents	13,124,669	8,055,044	12,872,428	10,013,806
Closing cash and cash equivalents	$ 12,692,060	$ 12,857,991	$ 12,692,060	$ 12,857,991
Supplemental cash flow information:				
Interest earned	$ 160,188	$ 162,800	$ 41,722	$ 59,123
Interest capitalized	136,852	-	51,167	-

Non-monetary transaction:

Purchase of property, plant and equipment and Accounts payable and accrued liabilities have been reduced by non-cash investing activities of $59,534

See accompanying notes to financial statements

Notes to Interim Consolidated Financial Statements *(unaudited)*
nine month period ended September 30

1. Organization Structure

Fund

Gamehost Income 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 "Fund Agreement").

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 (the "Trust Agreement"). All of the issued and outstanding units of the Trust are owned by the Fund. The trustees of the Trust are the trustees of the Fund.

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. The Limited Partnership began operations of the Fund effective June 1, 2003.

Manager

The general partner of the Limited Partnership is Gamehost Management Inc. (the "Manager"). 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

An unlimited number of Fund Units and Special Voting Units may be created and issued pursuant to the Fund Agreement. The Limited Partnership is authorized to issue unlimited numbers of both Fund Units and Class B Limited Partnership units ("B Units"). There are 10,773,153 Fund Units and 10,334,400 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. Units of the Fund were split three-for-one effective April 21, 2008. Otherwise, there has been no change in the number of units issued or outstanding during the Period.

2. Nature of Operations

The Fund's activities are currently confined to the Province of Alberta, Canada. Operations include the Boomtown Casino in Ft. McMurray, the Great Northern Casino in Grande Prairie and Service Plus Inns & Suites ("Service Plus"), a limited service hotel, also 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 a 40% joint venture partner in Deerfoot Inn & Casino Inc., (the "Deerfoot Joint Venture"), in Calgary and a 20% joint venture partner in Calgary West Hospitality Inc., (the "Stampede Joint Venture") that opened June 19, 2008 in Calgary.

Notes to Interim Consolidated Financial Statements *(unaudited)*
nine month period ended September 30

2. Nature of Operations (cont.)

Gaming operations of the Fund include Fund owned and operated table games and the operation of government owned slot machines and lottery ticket outlets. Hotel operations of the Fund include full and limited service hotels and banquet and convention services. Food, beverage and entertainment are offered at each of the Fund's casino locations.

Management believes in a combined entertainment and hospitality model. Our 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 unit holders by way of regular monthly cash distributions.

3. Basis of Preparation

These unaudited consolidated interim financial statements ("Financial Statements") of the Fund for the nine months ended September 30, 2008 (the "Period") and three months ended September 30, 2008 (the "Quarter") have been prepared by management in accordance with Canadian generally accepted accounting principles ("GAAP") using the same accounting policies as outlined in Note 5 and Note 6 of the consolidated financial statements of the Fund as at and for the year ended December 31, 2007 ("Annual Report") except as described in Note 4 below.

The preparation of these Financial Statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the Financial Statements and accompanying notes. Actual results could differ from those estimates. The Financial Statements have, in management's opinion, been properly prepared using careful judgment with reasonable limits of materiality. The unaudited consolidated interim financial statements do not conform in all respects to the disclosure requirements of Canadian GAAP for annual financial statements and should, therefore, be read in conjunction with the Fund's Annual Report.

These Financial Statements are reported in Canadian dollars and include the activities of the Fund, the Trust, the Limited Partnership with all its operating divisions, subsidiaries and the Fund's proportionate share of its joint ventures.

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

4. Adoption of New Accounting Standards

Capital Disclosure, section 1535

Effective January 1, 2008, the Fund adopted the recommendations of section 1535 of the CICA Handbook. This section specifies the disclosure of (i) the Fund's objectives, policies and processes for managing capital; (ii) quantitative data about what the Fund regards as capital; (iii) whether the Fund has complied with any capital requirements; and (iv) if the Fund has not complied, the consequences of such non-compliance. These new disclosures are shown in Note 5.

Notes to Interim Consolidated Financial Statements *(unaudited)*
nine month period ended September 30

4. Adoption of New Accounting Standards (cont.)

Inventories, section 3031

Effective January 1, 2008, the Fund adopted the recommendations of section 3031 of the CICA Handbook. This section requires inventory to be measured at the lower of cost and net realizable value. The standard also provides guidance on the costs that can be capitalized. In addition, previous inventory write-downs must be reversed if the economic circumstances have changed to support an increased inventory value. These new disclosures are shown in Note 6.

Financial Instruments, section 3862 and section 3863

Effective January 1, 2008, the Fund adopted the recommendations of sections 3862 and 3863 of the CICA Handbook. These sections revise and enhance disclosure requirements, and carry forward unchanged the former section 3861's presentation requirements. These sections place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how the Fund manages those risks. Under the new standards, policies followed for periods prior to the effective date generally are not reversed and therefore, the comparative figures will not be restated except for any requirement to restate currency translation adjustments as part of other comprehensive income. These new disclosures are shown in Note 7.

Pronouncements

International Financial Reporting Standards ("IFRS")

All publically accountable enterprises will be required to report under IFRS for fiscal periods beginning on or after January 1, 2011. The Fund is currently evaluating the effects of adopting these changes.

Goodwill and Intangible Assets, section 3450

This section replaces Goodwill and other Intangible Assets, section 3062 and Research and Development Costs, section 3450. The standard addresses when internally developed intangible assets meets the criteria for recognition as an asset. These changes are effective for fiscal years beginning on or after October 1, 2008 with earlier adoption permitted and will be adopted by the Fund on January 1, 2009. The Fund is currently evaluating the effects of adopting these changes.

5. Capital Disclosure

The Fund defines managed capital as cash and cash equivalents, short and long term debt and equity, which is comprised of issued units, organizational costs, cumulative earnings and comprehensive income and distributions declared. The Fund's objectives in managing capital are primarily to provide a consistent, secure and growing source of cash for distribution to unit holders, maintain the productive capacity of the Fund, meet all debt servicing obligations and fund future expansions and acquisitions. The Fund may raise additional capital from time to time to pursue these objectives by issuing units or debt.

Notes to Interim Consolidated Financial Statements *(unaudited)*

nine month period ended September 30

5. Capital Disclosure (cont.)

	September 30, 2008	December 31, 2007
Liquidity:		
Cash and cash equivalents	12,692,060	13,124,669
Available credit facilities	1,800,000	4,500,000
Total liquidity	14,492,060	17,624,669
Managed debt		
Unsecured facilities	-	-
Term debt	29,233,552	13,103,526
Total managed debt	29,233,552	13,103,526
Equity		
Cumulative earnings and comprehensive income	89,431,504	78,374,334
Balance of equity net of distributions	(21,493,975)	(13,175,462)
Total Equity	67,937,529	65,198,872
Total capitalization	111,663,141	95,927,067

The Fund is subject to a minimum continuing net working capital position ("MCNWCP") by the Alberta Gaming and Liquor Commission. The Fund's debt facilities are subject to certain covenants as described in Note 12. As at September 30, 2008 the Fund was comfortably within all stated covenants. There were no changes to the Fund's overall capital management strategy during the Quarter.

6. Inventory

Inventories are recorded at the lower of cost or net realizable value, cost being determined by using the first-in first-out method. Inventories are limited to high turnover food, beverage and concession stuffs, uniforms and playing cards. During the Period there were no reversals of write-downs or provisions recognized in prior periods.

7. Financial Instruments

Canadian GAAP requires that financial instruments be classified into one of the five categories; held for trading, held to maturity, loans and receivables, available for sale financial assets or other financial liabilities. The carrying values of the Fund's financial instruments are categorized as follows:

	September 30, 2008	December 31, 2007
Cash, loans and receivables	14,011,279	14,624,601
Other financial liabilities	32,681,150	24,850,946

Notes to Interim Consolidated Financial Statements *(unaudited)*
nine month period ended September 30

7. Financial Instruments (cont.)

The Fund's activities expose it to a certain financial risks. The Fund's risk management program focuses on the unpredictability of financial markets and endeavors to minimize the potential adverse effects on the Funds financial performance. The Fund does not purchase derivative financial instruments for speculative purposes. Material risks are monitored by management.

Fair value

The fair value of cash and cash equivalents, restricted cash, accounts receivable, accounts payable and accrued liabilities, term loan, due to/from related parties and unit holders distributions payable approximate their carrying value due to the short-term maturities of these instruments.

The fair value of the Class B Partnership units has not been determined as it is not practical to estimate the fair value of these financial instruments with sufficient reliability.

Foreign Exchange Risk

The Fund operates in Canada. The functional and reporting currency of the Fund is Canadian dollars. The Fund is exposed, in its normal course of operations, to exchange rate risk from foreign exchange rate fluctuations. Foreign exchange risk arises because a Canadian dollar receivable or payable transaction denominated in foreign currencies may vary due to changes in exchange rates at the time the transactions are settled. Any differences in the settled amounts are recorded as part of sales, cost of sales or expenses. Transactions in foreign currencies, mostly USA dollars, are not material. The Fund does not actively manage exposure to foreign exchange risk.

Interest Rate Risk

The Fund's interest rate risk arises primarily from its variable rate debt. At September 30, 2008, all of the Fund's debt is subject to movements in variable interest rates. The Fund had $29.3 million in variable rate debt. A plus or minus 1% change in interest rates would impact quarterly earnings by $98,000.

Credit Risk

Credit risk arises from cash and cash equivalents held with banks and credit exposure to customers. The maximum exposure to credit risk is equal to the total financial assets referred to. The Fund, in the normal course of operations, monitors the financial condition of its customers. The Fund does not have significant exposure to any individual customer or counterparty. The Fund establishes an allowance for doubtful accounts that corresponds to the credit risk of its specific customers, historical trends or economic circumstances.

Carrying amounts of accounts receivable are reduced on an account specific basis when appropriate. The Fund does not currently carry an allowance for bad debts. Carrying amounts of accounts receivable are reduced by direct write-off to earnings in the period of loss recognition. At September 30, 2008, all aged receivables are current within stated credit terms and customer historical payment practices.

Notes to Interim Consolidated Financial Statements *(unaudited)*
nine month period ended September 30

7. Financial Instruments (cont.)

Liquidity Risk

Liquidity risk arises from excess financial obligations over available financial assets due at any point in time. The Fund's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet ongoing liquidity requirements. The Fund achieves this by maintaining a conservative payout ratio on distributable cash from operations and maintaining sufficient availability from committed debt facilities. The Funds current payout ratio on Standardized Distributable Cash is 84.1% and availability on committed credit facilities is $1.8 million.

Contractual commitments of the Fund are reported in Note 17.

8. Regulations

The Fund's gaming operations are subject to regulations imposed by the Alberta Gaming and Liquor commission. The Fund has provided letters of guarantee in favour of Alberta Gaming and Liquor Commission in the amount of $48,000 for the purpose of maintaining liquor licenses.

9. Restricted Cash

Restricted cash consists of progressive jackpot funds. Progressive jackpots are divided into two pots. The first and larger of the two is reserved for the eventual winner of the jackpot. The second is used to seed the next pot after a jackpot is won. The progressive jackpot funds are not available for use in general operations. Included in accounts payable is $28,702 relating to progressive jackpots.

10. Property, Plant and Equipment

September 30, 2008	Cost	Accumulated Amortization	Net Book Value
Land	$ 4,396,206	$ -	$ 4,396,206
Land Improvements	1,9244,327	154,962	1,789,365
Buildings	37,188,968	4,327,125	32,861,863
Buildings for lease or rent	851,708	200,694	651,014
Leaseholds	2,491,968	667,351	1,824,617
Furniture, fixtures and equipment	6,492,504	3,655,575	2,836,929
Projects in progress	840,000	-	840,000
	$ 54,205,702	$ 9,005,707	$ 45,199,995

Projects in progress include $840,000 in unallocated costs relating to the Stampede Joint Venture. Management is currently evaluating the appropriate classification of this portion of the asset.

Notes to Interim Consolidated Financial Statements *(unaudited)*

nine month period ended September 30

10. Property, Plant and Equipment (cont.)

December 31, 2007	Cost	Accumulated Amortization	Net Book Value
Land	$ 4,396,206	$ -	$ 4,396,206
Land Improvements	1,929,649	126,547	1,803,102
Buildings	25,012,414	3,502,957	22,349,457
Buildings for lease or rent	851,708	175,330	676,378
Leaseholds	2,491,968	467,777	2,024,191
Furniture, fixtures and equipment	6,193,185	3,112,111	3,081,074
Projects in progress	840,770	-	770
	$ 41,715,900	$ 7,384,722	$ 34,331,178

Certain equipment and machines housed on premises of the Fund are provided by and owned by Alberta Gaming and Liquor Commission and have not been included in these financial statements.

11. Future Income Taxes

The Department of Finance announced proposed tax legislation which included a provision to eliminate the deduction of distributions from taxable income for certain forms of publicly traded income trusts and partnerships. The legislation was enacted law on June 12, 2007 at which time the Fund was required to give recognition to these new taxes.

The Fund accounts for income taxes using the asset and liability method. Under this method, future income taxes are recognized for all significant temporary differences between the tax and accounting treatment bases of assets and liabilities and for certain carry-forward items. Future income tax assets or liabilities are recognized only to the extent that, in the opinion of management, it is more likely than not that the future income tax asset or liability will materialize. Future income tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of the enactment or substantive enactment of the change. Future Income taxes were calculated using an implied tax rate of 31.5%.

The Fund will not be liable for current income taxes until January 1, 2011. At September 30, 2008 temporary differences giving rise to future tax are as follows:

	Net Value (tax basis)	Net Value (accounting basis)	Temporary Differences
Plant and equipment	33,858,800	40,781,615	6,922,815

Notes to Interim Consolidated Financial Statements *(unaudited)*
nine month period ended September 30

12. Term Loans

The Fund, through the Limited Partnership, has a $15.0 million demand term loan with the Canadian Western Bank ("CWB"). Interest on this loan is 1.0% above the CWB Prime Lending Rate. The Fund is making blended monthly principal and interest payments on the loan amortized over 15 years. $6.0 million of this loan is advanced on a revolving basis. There were no specific debt covenants attached to this loan other than the blended monthly repayments and its demand nature. Security for the loan includes;

- A promissory note
- General security agreement for first charge on Service Plus, Great Northern Casino and the Strip Mall. The Net Book Value of these assets at the end of the Quarter is $13,501,589
- Demand collateral mortgage first charge on the total loan amount
- Assignment of rents and leases
- Assignment of all risk casualty and liability insurance

The Fund has a 40% Participating Interest Responsibility in the debt facilities of the Deerfoot Joint Venture. The Deerfoot Joint Venture has a loan secured by its land and buildings. Interest on this loan floats at 1.0% above the CWB Prime Lending Rate. The loan is structured in two segments. The Fund's portion of the total outstanding balance of both segments of this loan is $7.47 million. The Deerfoot Joint Venture loan has the following financial covenants:

1. Maximum debt to equity ratio of 3.00:1
2. Minimum debt service coverage of 1.25:1

The Fund has a 20% Participating Interest Responsibility in the debt facilities of the Stampede Joint Venture. The Stampede Joint Venture has a committed reducing 5 year term facility being amortized over 15 years. Currently the loan is in the form of a 60 day bankers acceptance (BA) representing the take out balance of the original construction loan The BA matures on October 24, 2008. The Stampede Joint Venture has committed to the lender to place a minimum of one half the balance of this BA in an interest rate swap for a minimum of 3 years on maturity. A risk management facility has been arranged to facilitate interest rates swaps. The Stampede Joint Venture also has a revolving loan to fund the working capital requirements of the new casino which is fully drawn. The Stampede Joint Venture loans have the following financial covenants:

1. Total Funded Debt to EBITDA of less than or equal to 3.75:1, reducing as follows:
    a. 12 months post Substantial Completion of less than or equal to 3.60:1;
    b. 24 months post Substantial Completion of less than or equal to 3.00:1;
    c. 36 months post Substantial Completion of less than or equal to 2.50:1;
2. Fixed Charge Coverage Ratio of not less than 1.25:1 at all times;
3. EBITDAR (EBITDA plus premises rent) Coverage Ratio of not less than 1.50:1 at all times, increasing as follows:
    a. 24 months post Substantial Completion and thereafter of not less than 1.75:1; and
4. Minimum Equity of $21 million plus 50% of annual net income to be maintained at all times.

Notes to Interim Consolidated Financial Statements *(unaudited)*
nine month period ended September 30

12. Term Loans (cont.)

Credit Facilities		
	September 30, 2008	**December 31, 2007**
Authorized Maximum Loan amounts		
Limited Partnership - Demand Note	-	9,000,000
Limited Partnership – Segment 1	9,000,000	-
Limited Partnership – Segment 2	6,000,000	-
Deerfoot Joint Venture - Segment 1	8,800,000	8,639,701
Deerfoot Joint Venture - Segment 2	800,000	800,000
Stampede Joint Venture – Revolver	1,400,000	
Stampede Joint Venture – Risk Management	600,000	-
Stampede Joint Venture – 63 Day BA	7,000,000	
	33,600,000	18,439,701
Outstanding balance		
Limited Partnership - Demand Note	-	5,300,000
Limited Partnership – Segment 1	8,583,580	-
Limited Partnership – Segment 2	5,000,000	-
Deerfoot Joint Venture - Segment 1	7,248,283	7,803,526
Deerfoot Joint Venture - Segment 2	-	-
Stampede Joint Venture – Revolver	1,400,000	-
Stampede Joint Venture – Risk Management	-	-
Stampede Joint Venture – 63 Day BA	7,001,689	
	29,233,552	13,103,526
Advances (payments) during the calendar year		
Limited Partnership - Demand Note	(5,300,000)	3,300,000
Limited Partnership – Segment 1	8,583,580	-
Limited Partnership – Segment 2	5,000,000	-
Deerfoot Joint Venture - Segment 1	(555,244)	(593,631)
Deerfoot Joint Venture - Segment 2	-	-
Stampede Joint Venture – Revolver	1,400,000	-
Stampede Joint Venture – Risk Management	-	-
Stampede Joint Venture – 63 Day BA	7,001,689	
	16,130,026	2,706,369
Interest rate		
Limited Partnership - Demand Note	-	7% (floating)
Limited Partnership – Segment 1	(floating P + 1.0%) - 5.75%	-
Limited Partnership – Segment 2	(floating P + 1.0%) - 5.75%	-
Deerfoot Joint Venture - Segment 1	(floating P + 1.0%) - 5.75%	7% (floating)
Deerfoot Joint Venture - Segment 2	(floating P + 1.0%) - 5.75%	7% (floating)
Stampede Joint Venture – Revolver	(floating P + 0.0%) - 4.75% + Standby Fees	-
Stampede Joint Venture – Risk Management	n/a	-
Stampede Joint Venture – 63 Day BA	5.42% + Stamping Fee	

Notes to Interim Consolidated Financial Statements *(unaudited)*

nine month period ended September 30

13. Related Party Transactions

Related party transactions are measured at the exchange amount which is the amount agreed to by related parties. Related party balances are non-interest bearing with no specific terms of repayment.

The Fund had related party transactions with the persons of David Will and Darcy Will and/or companies owned or controlled by David Will and Darcy Will collectively (the "Wills"). Both David Will and Darcy Will are trustees of the Fund. Together, the Wills control 44.0% of the outstanding units of all unit classes of the Fund. Transactions with the Wills include the following:

- The Fund recorded $693,784 of management services expenses during the Period which are included in Human resources expenses. Management fees stipulated in management services agreements are based on a percentage of revenues and/or earnings before interest, taxes depreciation and amortization. At the end of the Period ($46,769) remained in due to/from accounts. And $32,632 remained in accounts payable. As Chief Executive Officer and Vice President, David Will and Darcy Will, respectively do not take a salary for their management of the Fund, but are instead compensated through performance based management services agreements.

- The Fund recorded $52,613 of charter aircraft rental expenses during the Period which are included in Operating expenses. $13,181 remains in accounts payable at the end of the Period. Travel to the Fund's operational centers of Grande Prairie and Ft. McMurray is made more efficient via charter air services than can be accomplished through commercial carriers.

- The Fund recorded a net $150,245 of repairs & maintenance and other expenses during the Period which are included in Operating expenses. Amounts represent reimbursements for costs paid on behalf of the Fund. At the end of the Period $4,571 remained in accounts payable. At the end of the Period $9,699 remained in due to/from accounts. The Fund often makes use of related party resources when it is not cost effective to bear the full time cost of same.

- The Fund recorded $38,004 of cash distributions paid during the Period on Fund Units which are included under Fund unit holders' equity. At the end of the Period $4,354 remained in Unit holder distributions payable.

- The Fund recorded $5,110,843 of cash distributions paid during the Period on Class B Limited Partnership Units which are included under Minority unit holders' equity. At the end of the Period $674,609 remained in Unit holder distributions payable.

- The Fund recorded $795,600 of cash distributions paid during the Period from joint ventures which are included under Fund unit holders' equity and Minority unit holders' equity in proportion to the Fund's unit structure. Amounts represent payment of the Fund's portion of joint venture surplus cash.

- The Fund recorded $37,500 in trustee fees paid during the Period which are included in Human resources expenses. At the end of the Period $4,000 remained in accounts payable.

- The Fund recorded $86,625 of reductions to expenses during the Period which are included under Operating expenses. At the end of the Period ($15,629) remained in due to/from accounts. Amounts represent reimbursement for expenses paid by the Fund. Expenses of the Fund are charged back to related parties when devoted to related party activities.

Notes to Interim Consolidated Financial Statements *(unaudited)*
nine period ended September 30

13. Related Party Transactions (cont.)

- At the end of the Period $81,986 remained in due to/from accounts relating to an outstanding cash call issued by the Stampede Joint Venture.

The Fund recorded $222,766 of cash distributions during the Period on Fund Units to other trustees which are included under Fund unit holders' equity. At the end of the Period $25,500 remained in Unit holder distributions payable.

The Fund recorded $99,852 in trustee fees during the Period paid to other trustees or companies controlled by other trustees of the Fund which are included under Human resources expenses. At the end of the Period $19,600 remained in accounts payable.

The Fund recorded $84,289 in professional fees and other expenses during the Period paid to companies controlled by other trustees of the Fund which are included under Operating expenses.

The Fund recorded $120,375 of cash distributions during the Period on Fund Units to other officers which are included under Fund unit holders' equity. At the end of the Period $13,791 remained in Unit holder distributions payable.

The Fund recorded $441,462 of cash distributions during the Period on Class B Limited Partnership Units to other officers which are included under Minority unit holders' equity. At the end of the Period $50,577 remained in Unit holder distributions payable.

The Fund recorded $157,500 of management services expenses during the Period to other officers which are included under Human resources expenses. The Fund entered into a management services contract with the Chief Operating Officer of the Fund. Formerly the Chief Operating Officer was compensated by salary.

The Fund has recorded its Participating Interest Responsibility in related party transactions of all joint ventures in these Financial Statements and the above note.

14. Distributions to Unit Holders

2008 Distribution Summary

Month	Date Declared	Record Date	Payment Date	Distribution per Unit
January	17-Jan-08	31-Jan-08	15-Feb-08	$0.0667
February	12-Feb-08	29-Feb-08	14-Mar-08	$0.0667
March	24-Mar-08	2-Apr-08	15-Apr-08	$0.0667
April	17-Apr-08	30-Apr-08	15-May-08	$0.0733
May	16-May-08	31-May-08	13-Jun-08	$0.0733
June	13-Jun-08	30-Jun-08	15-Jul-08	$0.0733
July	7-Jul-08	31-Jul-08	15-Aug-08	$0.0733
August	11-Aug-08	31-Aug-08	15-Sep-08	$0.0733
September	10-Sep-08	30-Sep-08	15-Oct-08	$0.0733
October	15-Oct-08	31-Oct-08	14-Nov-08	$0.0733
Total				$0.7131

Notes to Interim Consolidated Financial Statements *(unaudited)*

nine month period ended September 30

14. Distributions to Unit Holders (cont.)

2007 Distribution Summary

Month	Date Declared	Record Date	Payment Date	Distribution per Unit
January	15-Jan-07	31-Jan-07	15-Feb-07	$0.0500
February	16-Feb-07	28-Feb-07	15-Mar-07	$0.0667
March	12-Mar-07	31-Mar-07	16-Apr-07	$0.0667
April	17-Apr-07	30-Apr-07	15-May-07	$0.0667
May	14-May-07	31-May-07	15-Jun-07	$0.0667
June	7-Jun-07	30-Jun-07	16-Jul-07	$0.0667
July	5-Jul-07	31-Jul-07	15-Aug-07	$0.0667
August	17-Aug-07	31-Aug-07	14-Sep-07	$0.0667
September	13-Sep-07	30-Sep-07	15-Oct-07	$0.0667
October	10-Oct-07	31-Oct-07	15-Nov-07	$0.0667
November	13-Nov-07	30-Nov-07	14-Dec-07	$0.0667
December	17-Dec-07	31-Dec-07	15-Jan-08	$0.4400
Total				$1.1567

15. Fund Units

The Fund is authorized to issue an unlimited number of Fund Units. Fund units were split 3 for 1 on April 21, 2008. Otherwise, there were no changes in the number of issued or outstanding Fund Units during the Year. The weighted average of equivalent units outstanding for the Year is equal to the units issued. The Fund did not have any options, warrants, rights or convertible instruments that would be potentially dilutive during the Period.

Fund Units

	September 30, 2008			December 31, 2007		
	Units		**$'s**	**Units**		**$'s**
Balance at beginning of period	10,773,153	$	32,133,482	10,773,153	$	34,758,310
Net earnings			8,290,456			9,836,119
Distributions to Fund Unit holders			(6,892,664)			(12,460,947)
Balance at end of period	10,773,153	$	33,531,274	10,773,153	$	32,133,482

Notes to Interim Consolidated Financial Statements *(unaudited)*

nine month period ended September 30

16. Minority Interest, Class B Limited Partnership Units

The Limited Partnership is authorized to issue an unlimited number of Class B Limited Partnership Units. Class B units were split 3 for 1 on April 21, 2008. Otherwise, there were no changes in the number of Class B Limited Partnership Units issued or outstanding during the Period.

Minority Interest, Class B Limited Partnership Units

	September 30, 2008			December 31, 2007		
	Units		$'s	Units		$'s
Balance at beginning of period	10,334,400	$	33,065,390	10,334,400	$	35,583,320
Minority interest earnings allocation			7,952,814			9,435,528
Distributions to minority interest unit holders			(6,611,949)			(11,953,458)
	-		-	-		
Balance at end of period	10,334,400	$	34,406,255	10,334,400	$	33,065,390

17. Commitments

Deerfoot Inn & Casino Joint Venture (the "Deerfoot Joint Venture")

The Fund has a 47.75% Contributing Interest Responsibility to the Deerfoot Joint Venture for any capital requirements. All current capital requirements of the Deerfoot Joint Venture have been satisfied. There were no requests for capital made by the Deerfoot Joint Venture during the Period.

Stampede Casino Joint Venture (the "Stampede Joint Venture")

The Fund has a 23.1% Contributing Interest Responsibility to the Stampede Joint Venture for any capital requirements. Capital requirements of the Stampede Joint Venture have been finalized. The remaining obligation of the Fund for construction costs and initial working capital totals $323,489 which was paid in October 2008.

Management Agreements

The Fund entered into a management services agreement with Gamehost Management Inc. The management agreement stipulates that Gamehost Management Inc. is entitled to a percentage of any earnings before interest, taxes, depreciation and amortization of the Fund.

The Fund entered into a management services agreement with 1068802 Alberta Ltd. The management agreement stipulates a fixed rate for site operational management for the Fund's Chief Operating Officer.

The Deerfoot Joint Venture entered into a management services agreement with 1016312 Alberta Ltd. The management agreement stipulates that 1016312 Alberta Ltd is entitled to a percentage of the gross revenues plus a percentage of any earnings before interest, taxes, depreciation and amortization of the Deerfoot Joint Venture.

Notes to Interim Consolidated Financial Statements *(unaudited)*
nine month period ended September 30

17. Commitments (cont.)

The Stampede Joint Venture intends to enter into a management services agreement with 1016312 Alberta Ltd. Terms of the agreement are expected to be similar to those of the Deerfoot Joint Venture.

Operating Leases and service contracts

The Fund has certain commitments for equipment, services and premises rent. At September 30, 2008, the future minimum commitment payments including the Funds Participating Interest Responsibility in commitments of all joint ventures were as follows:

Operating Leases and service contracts	2008	2009	2010	2011	2012	Thereafter
Total	453,723	1,697,815	1,621,417	1,571,732	1,033,075	907,446

18. Guarantees

The Fund has entered into indemnification agreements with current trustees to indemnify them, to the extent permitted by law, against any and all charges, costs, expenses, amounts paid in settlement and damages incurred by the trustees and officers as a result of any lawsuit, or any judicial, administrative or investigative proceeding in which the trustees and officers are sued as a result of their service. These indemnification claims will be subject to any statutory or other legal limitation period. The nature of the indemnification agreements prevents management from making a reasonable estimate of the maximum potential amount the Fund could be required to pay counterparties. The Fund has purchased directors' and officers' liability insurance.

The Fund provided an $11.46 million unsecured limited liability guarantee to the Deerfoot Joint Venture to indemnify it in the event the Deerfoot Joint Venture does not perform its contractual obligations. At September 30, 2008, the maximum potential liability under this guarantee was $8.0 million. The Fund has not recorded a liability with respect to this guarantee, as the Fund does not expect to make any payments in excess of what is recorded on the Financial Statements for the aforementioned items. The Fund has not charged a fee to the Deerfoot Joint Venture in regards to this guarantee. No specific assets have been provided as security.

The Fund provided an $11.4 million guarantee to lender of the Stampede Joint Venture. The guarantee is limited to the Funds Participating Interest percentage in the Stampede Joint Venture. At September 30, 2008, the maximum potential liability under this guarantee was $8.4 million. The Fund has not recorded a liability with respect to this guarantee, as the Fund does not expect to make any payments in excess of what is recorded on the Financial Statements for the aforementioned items. The Fund has not charged a fee to the Stampede Joint Venture in regards to this guarantee. A hypothecation/pledge of the Fund's shares in Calgary West hospitality Inc. was provided as security.

Notes to Interim Consolidated Financial Statements *(unaudited)*

nine month period ended September 30

19. Investment in Joint Venture(s)

The following financial statements report the Fund's proportionate share (Participating Interest) in joint venture(s) assets, liabilities, revenues and expenses and net income, and cash flows resulting from operating, financing and investing activities.

Deerfoot Joint Venture

The Fund has a 40% Participating Interest Responsibility and a 47.75% Contributing Interest Responsibility in Deerfoot Inn & Casino Inc., a Joint Venture, which operates Deerfoot Inn & Casino in Calgary, Alberta.

The Fund is severally liable for all obligations of the Deerfoot Joint Venture in proportion to its Participating Interest Responsibility or Contributing Interest Responsibility as the case may be. All Deerfoot Joint Venture partners are contingently liable for obligations of the Deerfoot Joint Venture in situations where other Deerfoot Joint Venture partners are in default as defined by the Deerfoot Joint Venture Agreement.

All of the assets of the Deerfoot 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.

Stampede Joint Venture

The Fund has a 20% Participating Interest Responsibility and a 23.1% Contributing Interest Responsibility in Calgary West Hospitality Inc., a joint venture that constructed and opened the new Stampede Casino in Calgary, Alberta on June 19, 2008.

The Fund is severally liable for all obligations of the Stampede Joint Venture in proportion to its Participating Interest Responsibility or Contributing Interest Responsibility as the case may be. All Stampede Joint Venture partners are contingently liable for obligations of the Stampede Joint Venture in situations where other Stampede Joint Venture partners are in default as defined by the Stampede Joint Venture Agreement. All of the assets of the Stampede 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.

Notes to Interim Consolidated Financial Statements *(unaudited)*

nine month period ended September 30

19. Investment in Joint Venture(s) (cont.)

Participating Interest of the Fund in Joint Ventures

Balance Sheets

(unaudited)

	September 30, 2008	Audited December 31, 2007
Assets		
Current assets:		
Cash and cash equivalents	$ 4,821,194	$ 5,705,123
Restricted cash	1,356	74,956
Accounts receivable	519,247	482,292
Inventories	174,740	147,077
Prepaid expenses	353,531	95,884
	5,870,068	6,505,332
Property, plant & equipment	26,442,368	15,534,269
	$ 32,312,436	$ 22,039,601
Liabilities and unit holder equity		
Current liabilities:		
Accounts payable and accrued liabilities	$ 1,023,954	$ 1,114,475
Term loan(s)	15,649,972	7,803,526
Due to related parties	(75,619)	-
	16,598,307	8,918,001
Joint venture equity	15,714,129	13,121,600
	$ 32,312,436	$ 22,039,601

Notes to Interim Consolidated Financial Statements *(unaudited)*
nine month period ended September 30

19. Investment in Joint Venture(s) (cont.)

Participating Interest of the Fund in Joint Ventures
Statements of Operations
(unaudited)

	nine months ended September 30		three months ended September 30	
	2008	**2007**	**2008**	**2007**
Revenue				
Hotel - rooming	$ 2,975,785	$ 2,756,267	$ 1,056,067	$ 1,017,057
Table games	2,754,496	2,726,317	1,185,086	910,525
Slot machines	3,546,037	4,059,082	1,330,531	1,528,385
Food & beverage services	3,548,391	3,571,601	1,230,937	1,142,708
Lease and rental	2,548	2,520	868	840
Other	1,398,518	1,380,065	510,521	497,247
	14,225,776	14,495,852	5,314,010	5,096,762
Expenses				
Cost of goods sold	1,100,763	1,126,832	407,637	348,164
Human resources	4,854,793	4,399,740	1,877,627	1,472,903
Marketing and promotions	1,275,042	892,997	479,176	335,626
Operating	1,925,095	1,478,441	865,106	584,470
Corporate and general administration	466,723	420,992	202,683	140,180
	9,622,417	8,319,002	3,832,228	2,881,343
Earnings before:	4,603,359	6,176,850	1,481,782	2,215,419
Interest charges	422,555	415,387	182,445	146,386
Amortization of property, plant and equipment	728,275	712,849	320,121	237,616
Net earnings	$ 3,452,529	$ 5,048,613	$ 979,216	$ 1,831,416

Notes to Interim Consolidated Financial Statements *(unaudited)*
nine month period ended September 30

19. Investment in Joint Venture(s) (cont.)

Participating Interest of the Fund in Joint Ventures
Statements of Cash Flows
(unaudited)

	nine months ended September 30		three months ended September 30	
	2008	2007	2008	2007
Cash provided by (used for) operating activities				
Net earnings	$ 3,452,529	$ 5,048,613	$ 979,216	$ 1,831,416
Add non-cash items:	-	-	-	-
Amortization of property, plant & equipment	728,275	712,849	320,121	237,616
Allocation to minority interest	-	-	-	-
	4,180,804	5,761,462	1,299,338	2,069,032
Net changes in non-cash working capital:				
Accounts receivable	(36,955)	(48,008)	(78,751)	(60,765)
Inventories	(27,663)	(4,214)	21,745	2,509
Prepaid expenses	(257,647)	(39,042)	(101,642)	90,711
Accounts payable and accrued liabilities	(75,099)	17,005	(439,166)	(84,382)
	3,783,440	5,687,203	701,524	2,017,105
Cash provided by (used for) financing activities				
Advances (to) from related parties	(75,619)	(33,082)	(116,083)	-
Term loans advances (payments)	7,846,446	(448,612)	1,835,252	(141,614)
Equity injection by joint venturers	4,700,000	-	300,000	-
(Increase) decrease in restricted cash	(1,356)	(19,730)	14,839	-
Joint venture distributions	(5,560,000)	(1,099,000)	(1,560,000)	(19,000)
	6,909,470	(1,600,424)	474,008	(160,614)
Cash provided by (used for) investing activities				
Property, plant & equipment	(11,576,839)	(554,636)	(768,473)	(530,467)
Increase (decrease) in cash and cash equivalents	(883,929)	3,532,143	407,057	1,326,023
Opening cash and cash equivalents	5,705,123	2,591,821	4,414,136	4,797,941
Closing cash and cash equivalents	$ 4,821,194	$ 6,123,964	$ 4,821,194	$ 6,123,964
Supplemental cash flow information:				
Interest earned	$ 72,123	$ -	$ 3,183	$ -
interest capitalized	136,852	-	51,167	-

Non-monetary transaction:

Purchase of property, plant and equipment and Accounts payable and accrued liabilities have been reduced by non-cash investing activities of $59,534.

Notes to Interim Consolidated Financial Statements *(unaudited)*
nine month period ended September 30

20. 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 segment includes the operations of Service Plus, the Strip Mall and the Funds proportionate share of any joint venture hotel operations. The gaming segment includes the operations of Great Northern Casino, Boomtown Casino and the Funds proportionate share of any joint venture gaming operations. The food and beverage segment includes food, beverage and entertainment activity generated by all properties. Property overhead costs are allocated arbitrarily. General Administration includes administration of the Fund, the Trust and the Limited Partnership.

	Q3 (nine months)			Q3 (three months)		
	2008	2007	+(-)	**2008**	2007	+(-)
Revenue						
Tables	**6,081**	6,010	1.2%	**2,321**	1,928	20.4%
Slots	**16,265**	17,392	(6.5%)	**5,545**	5,954	(6.9%)
Other	**3,116**	3,067	1.6%	**1,102**	1,057	4.2%
Gaming	**25,463**	26,469	(3.8%)	**8,967**	8,940	0.3%
Hotel	**6,980**	7,201	(3.1%)	**2,457**	2,471	(0.5%)
Food and beverage	**8,722**	8,940	(2.4%)	**2,925**	2,841	2.9%
General and Administrative	**90**	98	(8.1%)	**29**	28	3.8%
Total	**41,256**	42,708	(3.4%)	**14,378**	14,279	0.7%
Expenses						
Gaming	**8,696**	8,086	7.5%	**3,455**	2,784	24.1%
Hotel	**4,549**	4,495	1.2%	**1,515**	1,537	(1.4%)
Food and beverage	**7,501**	7,483	0.2%	**2,692**	2,492	8.0%
General and Administrative	**1,657**	1,600	3.5%	**488**	534	(8.7%)
Total	**22,403**	21,665	3.4%	**8,149**	7,347	10.9%
EBITDA						
Gaming	**16,767**	18,382	(8.8%)	**5,512**	6,156	(10.5%)
Hotel	**2,431**	2,707	(10.2%)	**942**	934	0.9%
Food and beverage	**1,221**	1,456	(16.2%)	**233**	349	(33.2%)
General and Administrative	**(1,566)**	(1,502)	4.3%	**(459)**	(506)	(9.4%)
Total	**18,853**	21,043	(10.4%)	**6,229**	6,932	(10.1%)
EBITDA	**18,853**	21,043	(10.4%)	**6,229**	6,932	(10.1%)
Interest	**1,042**	832	25.2%	**381**	283	100.0%
Future tax	**(54)**	2,336	(102.3%)	**43**	2,336	100.0%
Amortizations	**1,621**	5,161	(68.6%)	**619**	4,054	(84.7%)
Net earnings before allocation to minority interest	**16,243**	12,713	27.8%	**5,186**	259	1906.0%

(in thousands of dollars unless stated otherwise)

Notes to Interim Consolidated Financial Statements *(unaudited)*
nine month period ended September 30

20. Segmented Information (cont.)

Long-lived Assets	September 30, 2008	December 31, 2007
Hotel		
Property, plant & equipment	17,253	17,154
	17,253	17,154
Casino		
Goodwill and licenses	46,079	42,579
Property, plant & equipment	24,805	16,853
Work-in-progress	840	-
	71,724	59,432
Food & Beverage		
Property, plant & equipment	11,134	7,543
	11,134	7,543
General Administration		
Property, plant & equipment	173	165
Work-in-progress	1	1
	173	166
Total		
Goodwill and licenses	46,079	46,079
Property, plant & equipment	53,366	41,715
Work-in-progress	841	1
	100,286	87,795

Long-lived Assets at NBV [1]	September 30, 2008	December 31, 2007
Hotel	13,944	18,716
Casino	64,444	51,234
Food & Beverage	9,341	6,960
General Administration	50	-
	87,779	76,910

(in thousands of dollars unless stated otherwise)

[1] NBV (Net Book Value)