



Condensed Interim Consolidated Financial Statements
for the three month and nine month periods ended September 30, 2017

These interim condensed consolidated financial statements have not been reviewed by the Company's auditor.

Condensed Interim Consolidated Statements of Comprehensive Income

In Canadian dollars (millions except
per share figures)

	Note	(unaudited)		(unaudited)	
		nine months ended September 30		three months ended September 30	
		2017	2016	2017	2016
Operating revenue		\$ 50.5	\$ 49.9	\$ 17.2	\$ 17.0
Cost of sales					
Other		(27.7)	(27.5)	(9.1)	(9.3)
Depreciation		(1.3)	(1.5)	(0.4)	(0.5)
		(29.0)	(29.0)	(9.5)	(9.8)
Gross profit		21.5	20.9	7.7	7.2
Other income	5	0.1	1.8	-	0.6
Administrative expenses					
Other		(2.2)	(2.3)	(0.7)	(0.6)
Depreciation		(1.0)	(1.1)	(0.3)	(0.4)
		(3.2)	(3.4)	(1.0)	(1.0)
Profit from operating activities		18.4	19.3	6.7	6.8
Net finance costs		(0.7)	(0.8)	(0.2)	(0.3)
Profit before income taxes		17.7	18.5	6.5	6.5
Income tax expense	6	(4.6)	(5.8)	(1.7)	(2.0)
Profit		13.1	12.7	4.8	4.5
Profit attributable to:					
Shareholders		12.3	11.8	4.5	4.2
Non-controlling interest		0.8	0.9	0.3	0.3
		13.1	12.7	4.8	4.5
Earnings per share	7				
Basic and fully diluted		\$ 0.50	\$ 0.48	\$ 0.18	\$ 0.17
Weighted average number of common shares outstanding					
Basic		24.7	24.7	24.7	24.7
Fully diluted		24.7	24.7	24.7	24.7

The accompanying notes are an integral part of the consolidated financial statements.

Condensed Interim Consolidated Statements of Financial Position

<i>In Canadian dollars (millions)</i>	<i>Note</i>	<i>(unaudited)</i>	<i>(audited)</i>
		September 30, 2017	December 31, 2016
Assets			
Current assets			
Cash		\$ 14.3	\$ 14.7
Restricted cash		0.7	0.7
Trade and other receivables		2.2	1.7
Inventories		0.6	0.6
Prepaid expenses		0.6	0.5
Income tax recoverable	6	0.7	0.7
		19.1	18.9
Non-current assets			
Other receivables		-	0.1
Property, plant and equipment		65.8	68.0
Intangible assets		76.9	76.9
Investment property		2.8	2.8
		145.5	147.8
		\$ 164.6	\$ 166.7
Liabilities			
Current liabilities			
Trade and other payables		\$ 3.8	\$ 3.8
Loans and borrowings		10.6	11.8
Dividends payable	8	1.4	1.4
		15.8	17.0
Non-current liabilities			
Loans and borrowings		16.5	18.0
Deferred tax liabilities	6	8.4	7.4
		24.9	25.4
		40.7	42.4
Equity	8		
Share capital		169.3	169.3
Deficit		(53.5)	(53.0)
Equity attributable to Shareholders		115.8	116.3
Non-controlling interest		8.0	8.0
		123.8	124.3
		\$ 164.6	\$ 166.7

The accompanying notes are an integral part of the consolidated financial statements.

On behalf of the Board:

(signed, David J. Will)

David J. Will, Director

(signed, Darcy J. Will)

Darcy J. Will, Director

Condensed Interim Consolidated Statements of Changes in Equity

In Canadian dollars (millions)

Note

(unaudited)

		Share capital	Contributed surplus	Deficit	Total	Non- controlling interest	Total equity
Equity as at January 1, 2016		\$ 169.3	\$ -	\$ (50.2)	\$ 119.1	\$ 8.1	\$ 127.2
Profit		-	-	11.8	11.8	0.9	12.7
Dividends to shareholders of the Company	8	-	-	(14.7)	(14.7)	-	(14.7)
Allocations to non-controlling interest		-	-	-	-	(1.0)	(1.0)
Equity as at September 30, 2016		\$ 169.3	\$ -	\$ (53.1)	\$ 116.2	\$ 8.0	\$ 124.2
Equity as at January 1, 2017		\$ 169.3	\$ -	\$ (53.0)	\$ 116.3	\$ 8.0	\$ 124.3
Profit		-	-	12.3	12.3	0.8	13.1
Dividends to shareholders of the Company	8	-	-	(12.8)	(12.8)	-	(12.8)
Allocations to non-controlling interest		-	-	-	-	(0.8)	(0.8)
Equity as at September 30, 2017		\$ 169.3	\$ -	\$ (53.5)	\$ 115.8	\$ 8.0	\$ 123.8

The accompanying notes are an integral part of the consolidated financial statements.

Condensed Interim Consolidated Statements of Cash Flows

In Canadian dollars (millions)

Note

	<i>(unaudited)</i>		<i>(unaudited)</i>	
	nine months ended September 30		three months ended September 30	
	2017	2016	2017	2016
Cash provided by (used in):				
Operating activities				
Profit	\$ 13.1	\$ 12.7	\$ 4.8	\$ 4.5
Adjustments for:				
Depreciation of property, plant and equipment	2.3	2.6	0.7	0.9
Finance costs	0.8	0.9	0.2	0.3
Income tax expense	4.6	5.8	1.7	2.0
	20.8	22.0	7.4	7.7
Change in:				
Non-cash working capital:				
Trade and other receivables	(0.3)	(0.4)	(0.4)	0.7
Inventories	-	0.1	-	-
Prepaid expenses	(0.2)	(0.4)	0.3	0.2
Trade and other payables	-	(0.2)	(0.1)	(0.6)
Finance costs paid	(0.8)	(0.9)	(0.3)	(0.3)
Income taxes paid	(3.6)	(6.6)	(0.8)	(1.9)
Net cash provided by operating activities	15.9	13.6	6.1	5.8
Investing activities				
Purchase of property, plant and equipment	(0.2)	(0.2)	(0.1)	-
Net cash used in investing activities	(0.2)	(0.2)	(0.1)	-
Financing activities				
Proceeds of loans and borrowings	5.0	9.9	0.7	5.2
Payments on loans and borrowings	(7.7)	(9.2)	(2.5)	(4.2)
Payments on other receivables	0.2	0.1	0.2	-
Distributions to non-controlling interest	(0.8)	(0.9)	(0.2)	(0.3)
Dividends paid	(12.8)	(15.1)	(4.3)	(4.3)
Net cash used in financing activities	(16.1)	(15.2)	(6.1)	(3.6)
Net increase (decrease) in cash	(0.4)	(1.8)	(0.1)	2.2
Opening cash	14.7	15.8	14.4	11.8
Closing cash	\$ 14.3	\$ 14.0	\$ 14.3	\$ 14.0

The accompanying notes are an integral part of the consolidated financial statements.

**Notes to the consolidated financial statements
for the three month and nine month periods ended September 30, 2017 (unaudited)**

1 Reporting entity

Gamehost Inc. (the "Company") is incorporated in Canada under the Business Corporations Act (Alberta). The Company's shares are listed on the Toronto Stock Exchange (the "TSX") under the trading symbol GH. The address of the Company's registered office is 1400, 350 – 7th Avenue SW Calgary, Alberta T2P 3N9. These consolidated financial statements of the Company for the nine months ended September 30, 2017 (the "Period") are comprised of the Company, its wholly owned subsidiary Gamehost Limited Partnership and its 91% controlling interest in Deerfoot Inn & Casino Inc. The Company currently operates only in the Province of Alberta, Canada. Operations include the Deerfoot Inn & Casino ("Deerfoot") in Calgary, Boomtown Casino ("Boomtown") in Fort McMurray, the Great Northern Casino ("Great Northern") 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 Company owns a retail complex (the "Strip Mall") that leases space to a full service restaurant operation and pub. Gaming operations of the Company are controlled by the Alberta Gaming and Liquor Commission (the "AGLC") including Company owned table games and government owned slot machines, video lottery terminals and lottery ticket outlets. Hotel operations of the Company include full and limited service hotels, banquet and convention services. Food, beverages and entertainment are offered at each of the Company's casino locations.

2 Basis of presentation

(a) Statement of compliance and authorization of financial statements

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements. The policies applied in preparation of these condensed interim consolidated financial statements are the same as described in note 3 to the Company's 2016 annual consolidated financial statements for the twelve months ended December 31, 2016 except as described below under New standards. These condensed interim consolidated financial statements were authorized for issue by the Board of Directors on November 14, 2017.

These condensed interim consolidated financial statements do not include all disclosures normally provided in annual consolidated financial statements and should be read in conjunction with the Company's 2016 annual consolidated financial statements.

(b) Basis of measurement

These condensed interim consolidated financial statements have been prepared on historical cost basis except for investment property in the statement of financial position, which is measured at fair value.

(c) Functional and presentation currency

These condensed interim consolidated financial statements are presented in Canadian dollars, which is the Company's functional currency. Unless otherwise noted, all figures are expressed in millions of dollars.

(d) Seasonality

There are factors that may cause quarterly variances that are not reflective of the Company's annual performance. These include, but are not limited to, weather, seasonal consumer behaviour, and energy and other industry economic activity that impacts consumer spending. As a result, interim results should not be relied on as any indication of results for future periods.

**Notes to the consolidated financial statements
for the three month and nine month periods ended September 30, 2017 (unaudited)**

3 Significant accounting policies

(a) Standards, amendments and interpretations effective and applied

The Company has applied the following amended standards, effective January 1, 2017. Changes were made in accordance with applicable transitional provisions. Application of the amendments have had no impact on the Company's financial statements.

- IAS 7 - Statement of Cash Flows - amended to provide better clarity to statement readers about an entity's financing activities.
- IAS 12 - Income Taxes - amended to clarify when a deferred tax asset should be recognised for unrealized losses.

(b) Standards, amendments and interpretations not yet effective or applied

Standards and amendments to standards and interpretations that are not yet effective for the year ended December 31, 2017 have not been applied in preparing these consolidated financial statements but are described below. For those standards where earlier application is permitted, the Company expects to apply the changes at the effective date.

- IAS 40 - Investment Property - amended to clarify that a property should be transferred to, or from, investment property, only when there is a change in use and further clarifies the circumstances when a change in use has occurred. It is effective for annual periods beginning on or after January 1, 2018. Earlier application is permitted.
- IFRIC 22 - Foreign Currency Transactions and Advance Consideration - issued to clarify the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income and further clarifies that multiple payments or receipts give rise to separate transaction dates. It is effective for annual periods beginning on or after January 1, 2018. Earlier application is permitted.
- IFRS 9 - Financial Instruments (replaces IAS 39) - addresses the classification and measurement requirements of financial assets and liabilities. It is intended to improve transparency in the disclosure of expected credit losses. It is effective for annual periods beginning on or after January 1, 2018 and is to be applied retrospectively.
- IFRS 15 - Revenue from Contracts with Customers (replaces IAS 11 and IAS 18) - provides a single and comprehensive framework for recognizing revenue from contracts with customers. It does not apply to leases, financial instruments or insurance contracts. It is effective for annual periods beginning on or after January 1, 2018 and is to be applied retrospectively. Earlier application is permitted.
- IFRS 16 - Leases (replaces IAS 17) - specifies how to recognise, measure, present and disclose leases. The standard is substantially unchanged from IAS 17. Lessor accounting is largely un-impacted. The new standard, however, requires lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. The Company has operating lease commitments for which the presentation will change. Property, plant and equipment will increase as will current and long-term lease liability amounts on the Condensed Interim Consolidated Statements of Financial Position. The presentation of lease expenses on the Condensed Interim Consolidated Statements of Comprehensive Income currently reported in "Cost of sales - other" and "Administrative expenses - other" will change to "Cost of sales - depreciation" and "Net financing costs". Reductions in the leases principal obligations will result in higher "Net cash provided by operating activities", offset by equally higher amounts of "Net cash used in financing activities". The standard is effective for annual periods beginning on or after January 1, 2019. The Company has not yet estimated the quantitative impact of the new standard.

Management is currently assessing the impact of the above future accounting changes on the Company's consolidated financial statements.

Notes to the consolidated financial statements
for the three month and nine month periods ended September 30, 2017 (unaudited)

4 Operating segments

The Company's reportable segments are strategic business units that offer different services. They are managed separately because of their unique operational and marketing requirements. Each segment complements the other segments, but is managed separately. The Gaming segment includes three casinos offering slot, VLT, lottery and table games. The Hotel segment includes two hotels catering to mid-range clients. The Food and Beverage segment has operations that are located within the casinos and hotels as a complement to those segments.

nine months ended September 30, 2017	Gaming	Hotel	Food & Beverage	Corporate and Other ⁽¹⁾	Total
Operating revenue and other income	31.4	8.5	10.5	0.1	50.6
Net finance (costs) income	(0.3)	(0.4)	(0.2)	0.2	(0.7)
Depreciation	(0.8)	(1.1)	(0.4)	-	(2.3)
Other cost of sales and administrative expenses	(14.4)	(4.3)	(8.1)	(3.0)	(29.9)
Profit (loss) before income taxes	15.9	2.7	1.8	(2.7)	17.7
Segment assets	74.5	61.5	24.6	4.0	164.6
Segment liabilities	11.1	13.9	5.8	9.9	40.7
Capital expenditures	0.2	-	-	-	0.2
nine months ended September 30, 2016	Gaming	Hotel	Food & Beverage	Corporate and Other ⁽¹⁾	Total
Operating revenue and other income	32.3	8.0	11.2	0.2	51.7
Net finance (costs) income	(0.3)	(0.4)	(0.2)	0.1	(0.8)
Depreciation	(1.0)	(1.1)	(0.5)	-	(2.6)
Other cost of sales and administrative expenses	(13.9)	(4.3)	(8.3)	(3.3)	(29.8)
Profit (loss) before income taxes	17.1	2.2	2.2	(3.0)	18.5
Segment assets	75.5	62.0	24.9	4.0	166.4
Segment liabilities	11.6	15.1	6.2	9.3	42.2
Capital expenditures	0.1	0.1	-	-	0.2

(in millions of dollars unless stated otherwise)

¹ Corporate and Other consists of revenues and expenses which are not allocated to operating segments and do not meet the definition of an operating segment on their own.

5 Other income

	nine months ended September 30		three months ended September 30	
Other income	2017	2016	2017	2016
Net profits from investment property	0.1	0.2	-	-
Insurance proceeds	-	2.6	-	0.8
Continuing and extra expenses	-	(1.0)	-	(0.2)
Other income	0.1	1.8	-	0.6

(in millions of dollars unless stated otherwise)

Notes to the consolidated financial statements
for the three month and nine month periods ended September 30, 2017 (unaudited)

5 Other income (cont.)

Other income is comprised of net profits from investment property leasing activities. The prior year included insurance proceeds from property and business interruption claims due to Fort McMurray area wildfires which resulted in a temporary closure of the Company's Boomtown casino. Insurance proceeds were netted against fire related ongoing and extra costs incurred. The indemnity period for potential further claims extends to November 3, 2017.

6 Income tax expense

Current income tax

nine months ended September 30	2017	2016
Current tax expense	3.6	5.4
Deferred tax expense (recovery)		
Origination and reversal of temporary differences	1.0	(0.7)
Changes in future enacted tax rates	-	1.1
Income tax expense	4.6	5.8

(in millions of dollars unless stated otherwise)

Reconciliation of effective tax rate

Actual income tax expense differs from the expected income tax expense that would have been computed by applying the statutory income tax rate to profit before income taxes for the following reasons:

nine months ended September 30	2017	2016
Profit attributable to Shareholders before income taxes	16.9	17.6
Income tax using Company's domestic tax rate	27.00%	27.00%
Expected income tax expense	4.6	4.8
Adjustments in determining income tax expense		
Effect of changes in temporary differences	-	(0.1)
Changes in future enacted tax rates	-	1.1
Income tax expense	4.6	5.8

(in millions of dollars unless stated otherwise)

Substantially enacted tax laws, as they relate to the Company's liability for current and deferred taxes, have been factored into the determination of reported taxes.

Deferred income tax

a) Recognized deferred tax assets and liabilities

The income tax effects of temporary differences that give rise to significant portions of the deferred tax liabilities are presented below:

September 30	Assets	2017 Liabilities	Net
Deferred partnership income	-	-	-
Intangible assets	-	(7.0)	(7.0)
Property, plant and equipment	-	(1.4)	(1.4)
Deferred tax assets (liabilities)	-	(8.4)	(8.4)

(in millions of dollars unless stated otherwise)

Notes to the consolidated financial statements
for the three month and nine month periods ended September 30, 2017 (unaudited)

6 Income tax expense (cont.)

b) Movement in deferred tax balances

nine months ended September 30	Opening	2017 Recognized in profit	Closing
Deferred partnership income	1.1	(1.1)	-
Intangible assets	(7.0)	-	(7.0)
Property, plant and equipment	(1.5)	0.1	(1.4)
Deferred tax assets (liabilities)	(7.4)	(1.0)	(8.4)

(in millions of dollars unless stated otherwise)

7 Earnings per share

Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to common shareholders and weighted average number of common shares outstanding calculated as follows:

	nine months ended September 30		three months ended September 30	
Profit attributable to common shareholders	2017	2016	2017	2016
Profit and comprehensive income	13.1	12.7	4.8	4.5
Less: attributable to non-controlling interest	0.8	0.9	0.3	0.3
Profit attributable to common shareholders	12.3	11.8	4.5	4.2

	nine months ended September 30		three months ended September 30	
Weighted average number of common shares	2017	2016	2017	2016
Opening balance of common shares	24.7	24.7	24.7	24.7
Weighted average common shares outstanding	24.7	24.7	24.7	24.7
Basic earnings per share	\$ 0.50	\$ 0.48	\$ 0.18	\$ 0.17

(in millions of dollars except per share figures)

8 Equity

On April 24, 2015 the Company commenced a normal course issuer bid (the "2015 Bid"). Pursuant to the 2015 Bid, Gamehost was authorized to purchase for cancellation up to a maximum of 1.3 million common shares, being equal to 10% of Gamehost's 'public float' outstanding on April 15, 2015. Notwithstanding the foregoing, pursuant to the rules of the TSX, Gamehost could not purchase more than 3,143 common shares in any one day, such amount being equal to 25% of the average daily trading volume of the for the six months ended March 31, 2015. No common shares were purchased under the 2015 Bid. The 2015 Bid terminated on April 23, 2016.

On April 25, 2016 the Company commenced a normal course issuer bid (the "2016 Bid"). Pursuant to the 2016 Bid, Gamehost was authorized to purchase for cancellation up to a maximum of 1.4 million common shares, being equal to 10% of Gamehost's "public float" outstanding on April 8, 2016. Notwithstanding the foregoing, pursuant to the rules of the TSX, Gamehost could not purchase more than 4,138 common shares in any one day, such amount being equal to 25% of the average daily trading volume of the for the six months ended March 31, 2016. No common shares were purchased under the 2016 Bid. The 2016 Bid terminated on April 24, 2017.

Notes to the consolidated financial statements
for the three month and nine month periods ended September 30, 2017 (unaudited)

8 Equity (cont.)

On April 25, 2017 the Company commenced a normal course issuer bid (the "2017 Bid"). Pursuant to the 2017 Bid, Gamehost is authorized to purchase for cancellation up to a maximum of 750,000 common shares, being equal to 5.1% of Gamehost's "public float" outstanding on April 7, 2017. Notwithstanding the foregoing, pursuant to the rules of the TSX, Gamehost may not purchase more than 3,176 common shares in any one day, such amount being equal to 25% of the average daily trading volume for the six months ended March 31, 2017. Common shares purchased under the 2017 Bid will be made in the open market only through the facilities of the TSX and any other Canadian marketplaces at market prices in effect on the date of trade. The 2017 Bid will terminate on April 24, 2018 or such earlier time as the 2017 Bid is completed or terminated at the option of the Company. There were 24,729,103 common shares issued and outstanding as at April 8, 2017. Of this amount, 14,675,000 common shares constitute the "public float", calculated in accordance with the rules of the TSX. No Shares were purchased under the 2017 Bid during the Period.

Common shares

Common shares of the Company have no par value. The Company is authorized to issue an unlimited number of common shares without nominal or par value to which shares shall be attached the right to vote at any meeting of shareholders of the Company, receive any dividend declared by the Company and receive the remaining property of the Company upon dissolution.

Dividends

Dividends declared at Record Date	2017		2016	
	per Share	Dividends	per Share	Dividends
January	0.0575	1.4	0.0733	1.8
February	0.0575	1.4	0.0733	1.8
March	0.0575	1.4	0.0733	1.8
April	0.0575	1.4	0.0733	1.8
May	0.0575	1.4	0.0733	1.8
June	0.0575	1.5	0.0575	1.5
July	0.0575	1.4	0.0575	1.4
August	0.0575	1.4	0.0575	1.4
September	0.0575	1.5	0.0575	1.5
October	-	-	0.0575	1.4
November	-	-	0.0575	1.4
December	-	-	0.0575	1.4
	0.5175	12.8	0.7690	19.0

(in millions of dollars unless stated otherwise)

Dividends are considered "eligible" dividends for income tax purposes of the holder.

Other shares

The Company may cause to be issued unlimited numbers of shares or other securities provided they do not rank ahead of the common shares of the Company as to dividends, voting rights and other rights protected by the Limited Partnership Agreement.

9 Subsequent events

Regular monthly dividends

The Company declared a regular monthly dividend of \$0.0575 per common share for October 2017 payable on or about the 15th day of the subsequent month.