



Annual Consolidated Financial Statements
for the twelve and three months ended December 31, 2018

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Gamehost Inc.:

Opinion

We have audited the accompanying consolidated financial statements of Gamehost Inc., which comprise the consolidated statements of financial position as at December 31, 2018 and December 31, 2017, the consolidated statements of profit and comprehensive profit, changes in equity and cash flows for the years then ended, and notes, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Gamehost Inc. as at December 31, 2018 and December 31, 2017, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the consolidated financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the management discussion and analysis, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditors' report is Donald Oszli.

Pivotal LLP

Consolidated Statements of Profit and Comprehensive Profit

In Canadian dollars (millions except
per share figures)

	Note	<i>(audited)</i>		<i>(unaudited)</i>	
		twelve months ended December 31		three months ended December 31	
		2018	2017	2018	2017
Operating revenue	6	\$ 70.4	\$ 68.2	\$ 17.7	\$ 17.7
Cost of sales					
Other	5, 19	(38.7)	(37.2)	(10.3)	(9.6)
Depreciation	14	(1.8)	(1.8)	(0.6)	(0.4)
		(40.5)	(39.0)	(10.9)	(10.0)
Gross profit		29.9	29.2	6.8	7.7
Other income	7	0.2	0.2	-	-
Administrative expenses					
Other	8, 19	(3.3)	(3.0)	(0.7)	(0.7)
Depreciation	14	(1.2)	(1.3)	(0.3)	(0.3)
		(4.5)	(4.3)	(1.0)	(1.0)
Profit from operating activities		25.6	25.1	5.8	6.7
Net finance costs	9	(1.1)	(1.1)	(0.4)	(0.2)
Profit before income taxes		24.5	24.0	5.4	6.5
Income tax expense	10	(6.3)	(6.2)	(1.4)	(1.7)
Profit and comprehensive profit		18.2	17.8	4.0	4.8
Profit and comprehensive profit attributable to:					
Shareholders		17.0	16.7	3.7	4.5
Non-controlling interest		1.2	1.1	0.3	0.3
		18.2	17.8	4.0	4.8
Earnings per share	11				
Basic and fully diluted		\$ 0.69	\$ 0.68	\$ 0.15	\$ 0.18
Weighted average number of common shares outstanding	11				
Basic		24.5	24.7	24.4	24.7
Fully diluted		24.5	24.7	24.4	24.7

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

Consolidated Statements of Financial Position

<i>In Canadian dollars (millions)</i>	<i>Note</i>	<i>(audited)</i>	<i>(audited)</i>
		December 31, 2018	December 31, 2017
Assets			
Current assets			
Cash		\$ 15.8	\$ 14.6
Restricted cash	12	0.5	0.9
Trade and other receivables		1.8	2.6
Inventories	13	0.7	0.6
Prepaid expenses		0.4	0.4
		19.2	19.1
Non-current assets			
Property, plant and equipment	14	75.4	65.3
Intangible assets	15	76.9	76.9
Investment property	16	2.8	2.8
		155.1	145.0
		\$ 174.3	\$ 164.1
Liabilities			
Current liabilities			
Trade and other payables	12	\$ 3.8	\$ 4.5
Loans and borrowings	17	25.3	9.8
Income tax payable	10	0.1	-
Dividends payable	18	1.4	1.4
		30.6	15.7
Non-current liabilities			
Loans and borrowings	17	15.7	16.0
Deferred tax liabilities	10	8.4	8.4
		24.1	24.4
		54.7	40.1
Equity	18		
Share capital		164.8	169.3
Deficit		(53.2)	(53.3)
Equity attributable to Shareholders		111.6	116.0
Non-controlling interest		8.0	8.0
		119.6	124.0
		\$ 174.3	\$ 164.1

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

Consolidated Statements of Changes in Equity

In Canadian dollars (millions)

Note

(audited)

		Share capital	Deficit	Total	Non- controlling interest	Total equity
Equity as at January 1, 2017		\$ 169.3	\$ (53.0)	\$ 116.3	\$ 8.0	\$ 124.3
Profit and comprehensive profit		-	16.7	16.7	1.1	17.8
Dividends to shareholders of the Company	18	-	(17.0)	(17.0)	-	(17.0)
Distributions to non-controlling interest		-	-	-	(1.1)	(1.1)
Equity as at December 31, 2017		\$ 169.3	\$ (53.3)	\$ 116.0	\$ 8.0	\$ 124.0
Profit and comprehensive profit		-	17.0	17.0	1.2	18.2
Dividends to shareholders of the Company	18	-	(16.9)	(16.9)	-	(16.9)
Distributions to non-controlling interest		-	-	-	(1.2)	(1.2)
Shares repurchased for cancellation	18	(4.5)	-	(4.5)	-	(4.5)
Equity as at December 31, 2018		\$ 164.8	\$ (53.2)	\$ 111.6	\$ 8.0	\$ 119.6

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

Consolidated Statements of Cash Flows

In Canadian dollars (millions)	Note	(audited)		(unaudited)	
		twelve months ended December 31		three months ended December 31	
		2018	2017	2018	2017
Cash provided by (used in):					
Operating activities					
Profit and comprehensive profit		\$ 18.2	\$ 17.8	\$ 4.0	\$ 4.8
Adjustments for:					
Depreciation of property, plant and equipment	14	3.0	3.1	0.9	0.7
Finance costs	9	1.2	1.2	0.4	0.2
Income tax expense	10	6.3	6.2	1.4	1.7
		28.7	28.3	6.7	7.4
Change in:					
Non-cash working capital:					
Trade and other receivables		0.8	(0.9)	0.3	(0.4)
Inventories		(0.1)	-	(0.1)	-
Prepaid expenses		-	0.1	-	0.3
Trade and other payables	12	(0.4)	0.4	0.4	0.3
Finance costs paid		(1.2)	(1.1)	(0.3)	(0.3)
Income taxes paid		(6.2)	(4.5)	(1.5)	(1.0)
Net cash provided by operating activities		21.6	22.3	5.5	6.3
Investing activities					
Purchase of property, plant and equipment	14	(0.6)	(0.4)	(0.2)	(0.2)
Business acquisition	14, 19, 24	(12.5)	-	(12.5)	-
Payments on other receivables		0.1	0.1	-	-
Net cash used in investing activities		(13.0)	(0.3)	(12.7)	(0.2)
Financing activities					
Proceeds of loans and borrowings		18.6	6.6	14.0	1.6
Payments on loans and borrowings		(3.4)	(10.6)	(0.7)	(2.8)
Distributions to non-controlling interest		(1.2)	(1.1)	(0.3)	(0.3)
Dividends paid	18	(16.9)	(17.0)	(4.2)	(4.3)
Share repurchases	18	(4.5)	-	(0.8)	-
Net cash used in financing activities		(7.4)	(22.1)	8.0	(5.8)
Net increase (decrease) in cash		1.2	(0.1)	0.8	0.3
Opening cash		14.6	14.7	15.0	14.3
Closing cash		\$ 15.8	\$ 14.6	\$ 15.8	\$ 14.6

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

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 as at and for the twelve months ended December 31, 2018 (the "Year") 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, Service Plus Inns & Suites ("Service Plus"), and Encore Suites by Service Plus Inns ("Encore") both limited service hotels, also located in Grande Prairie. As a complement to Service Plus, 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 Alberta Gaming, Liquor and Cannabis ("AGLC"), including Company owned table games and government owned slot machines, video lottery terminals ("VLT"), and lottery ticket kiosks. Hotel operations of the Company include full and limited service hotels, and 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 consolidated financial statements

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

The policies applied in these consolidated financial statements are based on IFRS, issued and effective December 31, 2018. These consolidated financial statements were authorized for issue by the Board of Directors on March 12, 2019.

(b) Basis of measurement

These 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 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) Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses, and disclosures of contingent assets and liabilities. Actual results may differ materially from these estimates.

Estimates, judgements and assumptions are reviewed on an on-going basis and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Significant estimates used in the preparation of these consolidated financial statements include estimates and assumptions used in the determination of the useful lives of property, plant and equipment [note 3(e)], estimates of tax installments and taxes payable [note 10], estimating and discounting of future cash flows for impairment testing [note 15] and the fair value of investment property [note 3(g)].

2 Basis of presentation (d) (cont.)

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements is included in the note related to the impairment of financial and non-financial assets [note 3(i) i) and ii)].

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements unless otherwise indicated.

(a) Basis of consolidation

i) Business combinations

The Company applies the acquisition method to account for business combinations. The Company measures goodwill at the acquisition date as the fair value of the consideration transferred including the recognized amount of any non-controlling interest in the acquiree, less the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. When the excess is negative, a bargain purchase gain is recognized immediately in profit or loss.

The Company elects on a transaction-by-transaction basis whether to measure non-controlling interest at fair value, or at its proportionate share of the recognized amount of the identifiable net assets, at the acquisition date. Transaction costs that the Company incurs in connection with a business combination, other than those associated with the issue of debt or equity securities, are expensed as incurred.

ii) Subsidiaries

Subsidiaries are entities controlled by the Company. The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Losses applicable to the non-controlling interest in a subsidiary are allocated to the non-controlling interest even if doing so causes the non-controlling interest to have a deficit balance.

The accounting policies of subsidiaries have been changed when necessary to align them with policies adopted by the Company.

iii) Transactions eliminated on consolidation

Intra-company balances and transactions, and any unrealized income and expenses arising from intra-company transactions, are eliminated in preparing the consolidated financial statements.

3 Significant accounting policies (cont.)

(b) Financial instruments

The Company's financial assets and liabilities are classified by category and method of measurement under the former IAS 39 and adopted IFRS 9. January 1, 2018 adoption of the new standard did not have any impact on the amounts reported in the Company's financial statements.

Financial asset/liability	Classification under IAS 39	IAS 39 measurement	IFRS 9 measurement
Cash	Loans and receivables	Amortized Cost	FVTPL
Trade and other receivables	Loans and receivables	Amortized Cost	Amortized Cost
Trade and other payables	Other financial liabilities	Amortized Cost	Amortized Cost
Loans and borrowings	Other financial liabilities	Amortized Cost	Amortized Cost

(in millions of dollars unless stated otherwise)

The Company has not recorded any expected credit losses ("ECL"). The Company's method for assessing, measuring and recording ECL is discussed in Financial risk and capital management [note 22].

i) Non-derivative financial assets

The Company initially recognizes loans, receivables and deposits on the date that they are originated. All other financial assets are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument. The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire.

The Company classifies its non-derivative financial assets in the loans and receivables category. Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

Loans and receivables are comprised of cash and trade and other receivables inclusive of ECL.

ii) Non-derivative financial liabilities

The Company initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

Other financial liabilities are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

Other financial liabilities are comprised of loans and borrowings and trade and other payables.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

3 Significant accounting policies (cont.)

iii) Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares are recognized as a deduction from equity, net of any tax effects.

(c) Cash

Cash includes cash on hand and balances with financial institutions. Cash balances with financial institutions earn interest at a rate of bank prime less 1.65%.

(d) Inventories

Inventories are measured at the lower of cost or net realizable value. The cost of inventories is based on the first-in, first-out method and includes expenditures incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less selling expenses.

(e) Property, plant and equipment

i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, and borrowing costs on qualifying assets.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized as a net amount in profit or loss.

ii) Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

3 Significant accounting policies (e) (cont.)

iii) Depreciation

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life. Depreciable amount is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognized in profit or loss on a declining or straight-line basis, over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives for the current and comparative years are as follows:

Land Improvements	2% straight line
Buildings	4% to 5% declining balance
Building - carpet	20% straight line
Leaseholds	5 to 10 years straight line
Furniture, fixtures and equipment	20% to 100% declining balance

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

(f) Intangible assets

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. See [note 3(a) i)] for the policy on measurement of goodwill at initial recognition. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired, see [note 3(i) ii)].

Licenses

Licenses are issued by the AGLC and allow for the operation of government owned slot machines, VLT's and lottery ticket kiosks as well as private operator owned table games in private operator facilities. They are measured at cost less accumulated impairment losses. Licenses are renewable every six years for a nominal fee. The Company does not foresee a limit to the period over which the licenses are expected to generate cash inflows for the Company. Numerous factors support an indefinite life for licenses. License holders are subject to rigorous diligence investigation at each license renewal. Licenses come with a high cost of maintenance by holders in the form of extensive capital outlay for facilities and staff to support the daily operation of regulated games and equipment. Licenses are not subject to competition and are not dependant on the useful life of other assets of the Company.

(g) Investment property

Investment property is property held either to earn rental income or capital appreciation or both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. The Company measures investment property at fair value with any change therein recognized in profit or loss.

When the use of a property changes such that it is reclassified as property, plant and equipment, the fair value at the date of reclassification becomes its cost for subsequent accounting.

The Company's Strip Mall has been classified as investment property measured at fair value.

3 Significant accounting policies (cont.)

(h) Leases

Leases in which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. The Company does not currently have any finance leases and has not made any significant judgements in determining lease classifications.

The Company is a lessee of its Boomtown premises and for numerous small equipment throughout the organization. Operating leases are not recognized in the Company's statement of financial position. Payments made under operating leases are recognized in profit or loss on a straight-line basis over the term of the lease.

The Company is a lessor of space at the Company's Strip Mall and to food service providers at both Boomtown and Great Northern casinos.

(i) Impairment

i) Financial Assets (including loans and receivables)

In assessing collective impairment, the Company uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

Loans and receivables are comprised of cash and trade, lease, loan and other receivables inclusive of ECL. Loans include non-material amounts owed by tenants for tenant improvements. Lease payments are due in advance. A significant portion of the Company's trade, lease, loan and other receivables are considered to have negligible credit risk. Other receivable amounts relate to gaming funds or automated teller machine ("ATM") funds that are systematically deposited to the Company's bank accounts by AGLC or our white label ATM transaction processor, respectively, within 30 days of the date they become due. Trade receivable amounts are mostly aged corporate accounts related to hotel stays and or banquets.

The Company used the simplified approach in determining a lifetime ECL based on historical losses over the most recent 8 year period. A provision matrix was established which considers the types or groups of receivables when applying factors for calculating lifetime ECL. Factors are adjusted annually in the determination of lifetime ECL based on management's assessment of changes in economic conditions that may have increased the risk of impairment. The Company mitigates such risk by increasing due diligence for new credit accounts and increasing the frequency of communication with clients. Lifetime ECL amounts for the company are not material.

The Company's write-off policy requires objective evidence that there is no reasonable expectation of recovery in the form of bankruptcy notice or a complete cessation of communication from the customer.

ii) Non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there are any indicators of impairment. If any such indicators exist, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives, the recoverable amount is estimated each year at the same time or more frequently if indicators of impairment exist.

3 Significant accounting policies (i) ii) (cont.)

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU"). For the purposes of goodwill impairment testing, goodwill acquired in a business combination is allocated to the CGU, or the group of CGUs, that is expected to benefit from the synergies of the combination. This allocation is subject to an operating segment ceiling test and reflects the lowest level at which that goodwill is monitored for internal reporting purposes.

The Company's corporate assets do not generate separate cash inflows and are utilized by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (or group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (or group of CGUs) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indicators that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

iii) Investment property

Investment property is measured at fair value. Fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

iv) Fair value hierarchy

The fair value hierarchy categorizes into three levels the inputs to valuation techniques used to measure fair value. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1 inputs), and the lowest priority to unobservable inputs (Level 3 inputs).

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly such as derived from prices.
- Level 3 inputs are unobservable inputs for the asset or liability.

3 Significant accounting policies (cont.)

(j) Income taxes

Income tax expense is comprised of current income tax and deferred income tax. Current income tax and deferred income tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current income tax is the expected income tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable or receivable in respect of previous years.

Deferred income tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes, and the amounts used for taxation purposes. Deferred income tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred income tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred income tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity. Deferred tax assets and liabilities may also be offset when they relate to different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Deferred tax assets are recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(k) Employee benefits

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in profit or loss in the year during which services are rendered by employees. The Canada Pension Plan corresponds to a defined contribution plan.

A liability is recognized for the amount expected to be paid under short term cash bonus if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(l) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received. The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as the principal or agent.

For contracts with customers, a five step model is utilized to achieve the core revenue recognition principle: (1) identify the contract(s) with customers; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to the obligations in the contract; and (5) recognize revenue when, or as, the Company satisfies a performance obligation.

The following specific recognition criteria must also be met before revenue is recognized:

3 Significant accounting policies (I) (cont.)

i) Gaming operations

The Company has various retailer agreements with AGLC, which do not meet the definition of a contract with a customer as prescribed by IFRS 15. Patrons participating in gameplay are considered the Company's customer. Terms and conditions of the AGLC retailer agreements are dictated solely by AGLC, which include what, when and how the Company must meet its obligations to be entitled to share in gaming wins net of prizes paid. The Company's significant obligations include providing facilities, utilities and insurance to house and for the safe operation of AGLC equipment, providing staff to support gameplay, and providing cash floats to facilitate gameplay and the payout of prizes won.

Revenues from gaming operations consist of the Company's share of gaming wins net of prizes paid, which are set by the AGLC at its sole discretion, and are recognized in profit or loss in the same period in which the game is played. Related operating costs are recorded in profit or loss in the period they are incurred.

ii) Hotel operations

Revenues from hotel operations are recognized in profit or loss when services are rendered to customers, when the selling price is fixed or determinable, and when collection is reasonably assured. Related operating costs are recorded in profit or loss in the period they are incurred.

Contracts with customers are limited to blocks of rooms and/or banquet services, where goods and services are delivered over a brief span of time. These larger individual contracts require a deposit which is recorded as a contract liability until the Company satisfies its obligations under the contract. Individual contracts are not material in amount. Recorded deposits, either independently or in the aggregate, are not material in amount.

iii) Food and beverage operations

Revenues from food and beverage sales are recognized in profit or loss when services are rendered to customers, when the selling price is fixed and determinable, and when collection is reasonably assured. Related operating costs are recorded in profit or loss in the period they are incurred.

In certain locations, food and beverage sales are commission based. When the Company acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognized is the net amount of commissions earned by the Company. The Company is an agent in food and non-alcoholic beverage sales at both Boomtown and Great Northern.

As agent, the Company charges a commission on gross food and non-alcoholic beverage sales at Great Northern of 5.0%. The Company does not take a commission on gross sales of food and non-alcoholic beverages at Boomtown.

The Company offers live entertainment for which tickets are sold in advance and recorded as a contract liability until the entertainment event has been delivered. Individual contracts are not material in amount. Recorded advance payments, either independently or in the aggregate, are not material in amount.

3 Significant accounting policies (I) (cont.)

iv) Investment property

Revenues from investment property are recognized in profit or loss per the terms and conditions stipulated in lease agreements with tenants and when lease payments are reasonably assured. Related operating costs are recorded in profit or loss in the period they are incurred.

Future minimum lease payments arise from a single lease expiring at the end of March 2021. The lease does not include any inducements and none have been recorded on the company's financial statements. Talks are ongoing with an additional potential tenant.

As at December 31, 2018	1 year or less	2 to 5 years	More than 5 years
Future minimum lease payments	0.2	0.3	-
As at December 31, 2017	1 year or less	2 to 5 years	More than 5 years
Future minimum lease payments	0.2	-	-

(in millions of dollars unless stated otherwise)

(m) Finance income and finance costs

Finance income comprises interest income on funds on deposit. Interest income is recognized as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings.

Borrowing costs that are not directly attributable to the acquisition, construction, or production of a qualifying asset are recognized in profit or loss using the effective interest method.

(n) Foreign currency

Foreign currency transactions are recorded at the exchange rate on the date of transaction. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the retranslation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in profit and loss account on a net basis. Exchange gains and losses recorded in the Company's financial statement are immaterial in the ordinary course of business.

(o) Earnings per share

The Company presents basic and diluted earnings per share ("EPS") data for its common shares. Basic EPS is calculated by dividing the profit or loss attributable to common shareholders of the Company by the weighted average of common shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to common shareholders, and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares.

3 Significant accounting policies (cont.)

(p) Standards, amendments, and interpretations, effective and applied

The Company has applied the following amended standards, effective January 1, 2018. Changes were made in accordance with applicable transitional provisions. Application of the standards and amendments have had no financial impact on the Company's consolidated financial statements.

- 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.
- 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.
- 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.
- 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. In applying the new standard the Company did not rely on any of the available practical expedients.

3 Significant accounting policies (cont.)

(q) 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, 2018 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.

- IFRS 16 - Leases (replaces IAS 17) - specifies how to recognise, measure, present, and disclose leases. 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 consolidated statements of financial position. The presentation of lease expenses on the consolidated statements of profit and comprehensive profit 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 lessee's principal obligations will result in higher "Net cash provided by operating activities," offset by equally higher amounts of "Net cash used in financing activities." Financial covenants on the Company's debt are based on measures that will change under IFRS 16. The standard is effective for annual periods beginning on or after January 1, 2019. The Company will use the modified retrospective approach in determining the quantitative impact of the new standard where relief is not available. The Company's premises lease for Boomtown will have the most significant impact on reported financial results. On adoption of the standard, this lease and a number of significantly smaller leases, are expected to increase property, plant and equipment assets by approximately \$2.0 million and increase current and long-term lease liability amounts by approximately \$1.0 million each. There will not be a material impact to interim or annual presentations on the consolidated statements of profit and comprehensive profit or consolidated statements of cash flows.
- IFRIC 23 - Uncertainty over Income Tax Treatments - addresses the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over tax treatments under IAS 12. The standard is applicable to annual reporting periods beginning on or after January 1, 2019. Application of the standard is not expected to have a material impact on Company financial statements.
- IFRS 3 - Business Combinations - amended to provide clarity to the definition of a business in Appendix A. Specifically the amendment substantiates that to be considered a business, an acquired set of activities must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendment also narrows the current definition by removing the reference to an ability to reduce costs. The amendment is effective for annual periods beginning on or after January 1, 2020.
- IAS 1 and IAS 8 - Definition of Material - amendments to clarify the definition of material and align the definition used in the conceptual framework and the standards. The amendment is effective for annual periods beginning on or after January 1, 2020.

Management continues to assess the impact of the above future accounting changes on the Company's consolidated financial statements.

4 Operating segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. Operating results of each segment for which specific financial information is available are reviewed regularly by the Company's Chief Operating Officer ("COO"), to make decisions about resources to be allocated to the segment and assess its performance.

Segment results that are reported to the COO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the Year to acquire property, plant and equipment, and intangible assets other than goodwill.

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. The Gaming segment includes three casinos offering slot machines, VLT's, lottery ticket kiosks and table games. The Hotel segment includes three 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.

twelve months ended December 31, 2018	Gaming	Hotel	Food & Beverage	Corporate and Other ¹	Total
Operating revenue and other income	43.4	11.5	15.5	0.2	70.6
Finance income	-	-	-	0.1	0.1
Finance costs	(0.3)	(0.8)	(0.1)	-	(1.2)
Depreciation	(1.0)	(1.5)	(0.5)	-	(3.0)
Other cost of sales and administrative expenses	(20.0)	(6.0)	(11.6)	(4.4)	(42.0)
Profit (loss) before income taxes	22.1	3.2	3.3	(4.1)	24.5
Segment assets	74.8	71.9	24.1	3.5	174.3
Segment liabilities	15.5	20.5	8.4	10.3	54.7
Capital expenditures	0.3	12.7	0.1	-	13.1

(in millions of dollars unless stated otherwise)

Hotel segment figures include the business acquisition of Encore Suites in segment assets and capital expenditures and related financing in segment liabilities. Profit includes immaterial operating results for 18 days in December 2018 [note 19], [note 24].

twelve months ended December 31, 2017	Gaming	Hotel	Food & Beverage	Corporate and Other ¹	Total
Operating revenue and other income	42.0	11.2	14.9	0.3	68.4
Finance costs	(0.4)	(0.5)	(0.2)	-	(1.1)
Depreciation	(1.1)	(1.4)	(0.6)	-	(3.1)
Other cost of sales and administrative expenses	(19.1)	(5.8)	(11.1)	(4.2)	(40.2)
Profit (loss) before income taxes	21.4	3.5	3.0	(3.9)	24.0
Segment assets	75.1	61.2	24.6	3.2	164.1
Segment liabilities	11.0	13.4	5.7	10.0	40.1
Capital expenditures	0.2	0.1	0.1	-	0.4

(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.

Notes to the condensed interim consolidated financial statements
for the twelve and three month periods ended December 31, 2018 (audited, except three month figures)

5 Cost of sales by nature

	twelve months ended December 31		three months ended December 31	
	2018	2017	2018	2017
Cost of sales - Other				
Food and beverage inventory used	4.1	3.9	1.1	1.2
Human resources [note 5 (a)]	19.9	18.9	5.3	4.9
Marketing and promotions	3.2	3.2	0.8	0.8
Operating	9.3	8.9	2.4	2.2
Direct overhead and other	2.2	2.3	0.7	0.5
	38.7	37.2	10.3	9.6

(in millions of dollars unless stated otherwise)

5(a) Human resources

	twelve months ended December 31		three months ended December 31	
	2018	2017	2018	2017
Human resources				
Wages and salaries	17.5	16.6	4.7	4.3
Canada pension plan remittances	0.7	0.6	0.2	0.2
Employment insurance remittances	0.5	0.5	0.1	0.1
Other human resource related expenses	1.2	1.2	0.3	0.3
	19.9	18.9	5.3	4.9

(in millions of dollars unless stated otherwise)

The Company does not have a defined benefit plan obligation. Employee benefits are limited to those under the Canada Pension Plan ("CPP"), for which the Company makes regular contributions with each payroll period. In addition to contributions to CPP, the Company also has an employee Health Spending Plan ("HSP"). Benefits under this plan are limited to fixed annual Company contributions, which if not used for allowable medical expenses as defined by the Canada Revenue Agency, are paid out as taxable income to the employee.

6 Operating revenue

	twelve months ended December 31		three months ended December 31	
	2018	2017	2018	2017
Revenue				
Sale of goods	15.5	14.9	3.0	2.4
Rendering of services	54.9	53.3	14.7	15.3
	70.4	68.2	17.7	17.7

(in millions of dollars unless stated otherwise)

Sale of goods primarily relates to food and beverage and entertainment revenues. Rendering of services includes all other operating revenue [note 4].

Notes to the condensed interim consolidated financial statements
for the twelve and three month periods ended December 31, 2018 (audited, except three month figures)

7 Other income

Other income	twelve months ended December 31		three months ended December 31	
	2018	2017	2018	2017
Net profits from investment property	0.2	0.2	-	-
Other income	0.2	0.2	-	-

(in millions of dollars unless stated otherwise)

Other income is comprised of net profits from investment property leasing activities. As lessor, the Company is responsible for all exterior or building shell maintenance of a capital nature. The Company manages the operational costs including property tax, building insurance, repairs and maintenance and security of the property which costs are shared pro-rata by property tenants as common area costs. Annual operational costs are typically less than \$0.1 million.

Tenants are responsible for their own tenant improvements unless inducements are negotiated at the outset of the lease. The Company provided a loan to the existing tenant for the purpose of performing tenant improvements. Amounts remaining on the loan are not material.

8 Administrative expenses - by nature

Administrative expenses - Other	twelve months ended December 31		three months ended December 31	
	2018	2017	2018	2017
Corporate salaries	0.4	0.4	0.1	0.1
Management fees	1.9	1.8	0.5	0.5
Legal and other professional fees	0.2	0.2	-	-
General and other	0.8	0.6	0.1	0.1
	3.3	3.0	0.7	0.7

(in millions of dollars unless stated otherwise)

9 Net finance costs

Net finance costs recognized in profit or loss	twelve months ended December 31		three months ended December 31	
	2018	2017	2018	2017
Interest income on bank deposits	0.1	0.1	-	-
Finance income	0.1	0.1	-	-
Interest on loans	1.2	1.2	0.4	0.2
Finance costs	1.2	1.2	0.4	0.2
Net finance costs recognized in profit	1.1	1.1	0.4	0.2

(in millions of dollars unless stated otherwise)

Notes to the condensed interim consolidated financial statements
for the twelve and three month periods ended December 31, 2018 (audited, except three month figures)

10 Income tax expense

Current income tax

twelve months ended December 31	2018	2017
Current tax expense	6.3	5.2
Deferred tax expense (recovery)		
Origination and reversal of temporary differences	-	1.0
Income tax expense	6.3	6.2

(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:

twelve months ended December 31	2018	2017
Profit attributable to Shareholders before income taxes	23.3	22.9
Income tax using Company's domestic tax rate	27.00%	27.00%
Expected income tax expense	6.3	6.2
Income tax expense	6.3	6.2

(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. Income tax instalments made during the year approximate taxes payable.

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:

at December 31	Assets	2018 Liabilities	Net	Assets	2017 Liabilities	Net
Intangible assets	-	(7.2)	(7.2)	-	(7.1)	(7.1)
Property, plant and equipment	-	(1.2)	(1.2)	-	(1.3)	(1.3)
Deferred tax assets (liabilities)	-	(8.4)	(8.4)	-	(8.4)	(8.4)

(in millions of dollars unless stated otherwise)

b) Movement in deferred tax balances

twelve months ended December 31	Opening	2018 Recognized in profit	Closing	Opening	2017 Recognized in profit	Closing
Deferred partnership income	-	-	-	1.1	(1.1)	-
Intangible assets	(7.1)	(0.1)	(7.2)	(7.0)	(0.1)	(7.1)
Property, plant and equipment	(1.3)	0.1	(1.2)	(1.5)	0.2	(1.3)
Deferred tax assets (liabilities)	(8.4)	-	(8.4)	(7.4)	(1.0)	(8.4)

(in millions of dollars unless stated otherwise)

11 Earnings per share

Basic earnings per share

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

	twelve months ended December 31		three months ended December 31	
	2018	2017	2018	2017
Profit and comprehensive income attributable to shareholders				
Profit and comprehensive income attributable to shareholders	17.0	16.7	3.7	4.5
	twelve months ended December 31		three months ended December 31	
	2018	2017	2018	2017
Weighted average number of common shares				
Opening balance of common shares	24.7	24.7	24.5	24.7
Weighted average common shares outstanding	24.5	24.7	24.4	24.7
Basic and diluted earnings per share	\$ 0.69	\$ 0.68	\$ 0.15	\$ 0.18

(in millions of dollars except per share figures)

12 Restricted cash

Restricted cash consists of progressive jackpot funds that have accumulated over time on specific progressive table games. Progressive jackpot funds are not available for use in general operations. Included in trade and other payables is \$0.5 million (\$0.9 million - 2017) relating to progressive jackpots.

13 Inventories

	December 31, 2018	December 31, 2017
Consumables	0.1	0.1
Merchandise	0.1	-
Product supplies	0.5	0.5
	0.7	0.6

(in millions of dollars unless stated otherwise)

Consumables consist of supplies that are used in daily operations including uniforms and cards. Product supplies include food, liquor and mix and other condiments used in the supply of food and beverages. During the Year, consumables and product supplies recognized as cost of sales amounted to \$4.3 million (\$4.2 million - 2017). During the Year, \$0.1 million in uniform inventories across all operations were expensed to align with changes to corporate policy. No other inventories were written down, and no reversals of previous write-downs occurred during the Year.

Notes to the condensed interim consolidated financial statements
for the twelve and three month periods ended December 31, 2018 (audited, except three month figures)

14 Property, plant and equipment

	Land	Land Improvement	Buildings	Leaseholds	Furniture and equipment	Total
Cost						
At January 1, 2017	11.1	3.3	75.1	2.8	21.4	113.7
Additions	0.5	0.7	10.3	-	1.6	13.1
At December 31, 2018	11.6	4.0	85.4	2.8	23.0	126.8
Accumulated depreciation						
At January 1, 2017	-	0.8	26.4	2.7	18.5	48.4
Depreciation	-	0.1	2.2	-	0.7	3.0
At December 31, 2018	-	0.9	28.6	2.7	19.2	51.4
Carrying value at December 31, 2018	11.6	3.1	56.8	0.1	3.8	75.4

Additions during the Year include the acquisition of the land, building and equipment of Encore Suites, a limited service hotel, in Grande Prairie, Alberta for \$12.5 million which approximates the fair value of land and the original costs of construction and purchase price of chattels.

	Land	Land Improvement	Buildings	Leaseholds	Furniture and equipment	Total
Cost						
At January 1, 2016	10.9	3.3	75.1	2.8	21.2	113.3
Additions	0.2	-	-	-	0.2	0.4
At December 31, 2017	11.1	3.3	75.1	2.8	21.4	113.7
Accumulated depreciation						
At January 1, 2016	-	0.8	24.1	2.7	17.7	45.3
Depreciation	-	-	2.3	-	0.8	3.1
At December 31, 2017	-	0.8	26.4	2.7	18.5	48.4
Carrying value at December 31, 2017	11.1	2.5	48.7	0.1	2.9	65.3

(in millions of dollars unless stated otherwise)

Certain equipment and machines on premises of the Company have not been included in these financial statements. This equipment includes slot, VLT, and lottery equipment provided by and owned by AGLC, and certain low cost equipment accounted for as operating leases or leased equipment with terms of one year or less.

15 Intangible assets

	December 31, 2018	December 31, 2017
Goodwill	57.9	57.9
Licences	19.0	19.0
	76.9	76.9

(in millions of dollars unless stated otherwise)

For the purpose of impairment testing, intangible assets are allocated to the Company's CGUs which represent the lowest level within the Company at which the intangible assets are monitored for internal management purposes, which is not higher than the Company's operating segments.

Goodwill and intangible assets with indefinite lives are tested annually for impairment. The recoverable amount of the Company's CGUs is based on the higher of fair value less costs to sell and value in use estimates. The fair value measurement of the Company's CGUs have been categorized as Level 3 in the fair value hierarchy, [note 3 (i) iv)], based on the inputs to the valuation techniques used.

15 Intangible assets (cont.)

Recoverable amounts for the tested CGUs are all based on fair value less costs to sell as determined by independent fair market appraisals less 5% costs to sell. In determining fair value, the independent appraiser applied discounted cash flow and direct capitalization method of valuation. Cash flow projections incorporate estimates of annual gaming revenue, food and beverage, hotel and ancillary revenues, operating and administrative expenses, and capital maintenance expenditures. Valuations are sensitive to the following estimates:

CGU	Key assumptions
Great Northern	Discount rate of 18.8%; Projected 5 year average annual EBITDA growth rate of 4.0%; Capitalization rate 15.3%
Boomtown	Discount rate of 19.5%; Projected 5 year average annual EBITDA growth rate of 3.5%; Capitalization rate 16.5%
Deerfoot Casino	Discount rate of 17.3%; Projected 5 year average annual EBITDA growth rate of 5.0%; Capitalization rate 13.5%
Deerfoot Hotel	Discount rate of 17.3%; Projected 5 year average annual EBITDA growth rate of 5.0%; Capitalization rate 13.5%

CGU	December 31, 2018			December 31, 2017		
	Carrying Value	Recoverable Amount	Excess (Impairment)	Carrying Value	Recoverable Amount	Excess (Impairment)
Great Northern	35.8	54.7	18.9	40.2	41.8	1.6
Boomtown	14.1	61.7	47.6	19.3	61.7	42.4
Deerfoot Casino	67.3	87.5	20.2	50.3	75.5	25.2
Deerfoot Hotel	17.2	24.4	7.2	24.3	36.5	12.2
	134.4	228.3	93.9	134.1	215.5	81.4

(in millions of dollars unless stated otherwise)

Included in CGU Carrying Value	December 31, 2018			December 31, 2017		
	Licenses	Goodwill	Intangibles	Licenses	Goodwill	Intangibles
Great Northern	-	29.4	29.4	-	29.4	29.4
Boomtown	-	13.2	13.2	-	13.2	13.2
Deerfoot Casino	19.0	11.3	30.3	19.0	11.3	30.3
Deerfoot Hotel	-	4.0	4.0	-	4.0	4.0
	19.0	57.9	76.9	19.0	57.9	76.9

(in millions of dollars unless stated otherwise)

16 Investment property

	2018	2017
Balance at January 1	2.8	2.8
Balance at December 31	2.8	2.8

(in millions of dollars unless stated otherwise)

The Company classifies the Strip Mall as an investment property. The investment property is intended to be fully leased to third parties for the purpose of generating income. The property is currently 75% leased to a tenant operating a restaurant/pub. The Company is currently in renewal negotiations with this tenant who has two five year renewal options. The Company is actively searching for an additional tenant(s) at market rates.

There were no changes to the fair value of the investment property during the Year.

17 Loans and borrowings

The Company has demand term loans secured by land and buildings. The rate on these loans is 1.0% above the lender's prime lending rate. The Company is making blended monthly principal and interest payments on the loans, amortized over 15 years. A demand revolving credit line with an available limit of \$25.0 million is secured by the same assets, and requires interest only payments.

Deerfoot has a term loan secured by its land and buildings. The rate on the Deerfoot loan is 1.0% above the lender's prime lending rate. Deerfoot is making blended monthly principal and interest payments on the loan, amortized over 15 years.

	Maturity	December 31, 2018	December 31, 2017
Credit facilities available at face value			
Revolving credit line	2033	25.0	18.0
Term loans	2033	10.9	11.9
Deerfoot - term loan	2033	5.6	6.1
		41.5	36.0
Carrying value of borrowed amounts			
Current liabilities			
Revolving credit line		24.5	7.8
Term loans		0.5	1.3
Deerfoot - term loan		0.3	0.7
		25.3	9.8
Non-current liabilities			
Term loans		10.4	10.6
Deerfoot - term loan		5.3	5.4
		15.7	16.0
		41.0	25.8
Interest rate			
¹ Revolving credit Line		4.95% (P +1.00%)	4.20% (P +1.00%)
¹ Term loan		4.95% (P +1.00%)	4.20% (P +1.00%)
¹ Deerfoot - term loan		4.95% (P +1.00%)	4.20% (P +1.00%)

(in millions of dollars unless stated otherwise)

2018 - Reconciliation of liabilities arising from financing activities	January 1	Cash flows			December 31
		Debt repayment	Business acquisition	Share repurchases	
Short term borrowings	7.8	(0.3)	12.5	4.5	24.5
Long-term borrowings	18.0	(1.5)	-	-	16.5
Liabilities arising from financing activities	25.8	(1.8)	12.5	4.5	41.0

(in millions of dollars unless stated otherwise)

2017 - Reconciliation of liabilities arising from financing activities	January 1	Cash flows			December 31
		Debt repayment		Share repurchases	
Short term borrowings	9.8	(2.0)	-	-	7.8
Long-term borrowings	20.0	(2.0)	-	-	18.0
Liabilities arising from financing activities	29.8	(4.0)	-	-	25.8

(in millions of dollars unless stated otherwise)

¹ Prime rate (P) at the end of the Year was 3.95%.

18 Equity

	twelve months ended December 31, 2018		twelve months ended December 31, 2017	
	Shares	\$'s	Shares	\$'s
Opening number of common shares	24.7	169.3	24.7	169.3
Common shares purchased for cancellation under normal course issuer bid	(0.4)	(4.5)	-	-
Ending number of common shares	24.3	164.8	24.7	169.3

(in millions)

Normal course issuer bid(s)

On April 25, 2017 the Company commenced a normal course issuer bid (the "2017 Bid"). Pursuant to the 2017 Bid, Gamehost was authorized to purchase for cancellation up to a maximum of 0.8 million 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 could 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. 222,150 common shares were purchased during the Year under the 2017 Bid for \$2.3 million at prices averaging \$10.32/common share plus commissions. The 2017 Bid terminated April 24, 2018.

On May 29, 2018 the Company commenced a normal course issuer bid (the "2018 Bid"). Pursuant to the 2018 Bid, Gamehost is authorized to purchase for cancellation up to a maximum of 1.5 million common shares, being equal to 10% of Gamehost's "public float" outstanding on May 22, 2018. Notwithstanding the foregoing, pursuant to the rules of the TSX, Gamehost may not purchase more than 2,179 common shares in any one day, such amount being equal to 25% of the average daily trading volume for the six months ended April 30, 2018. Common shares purchased under the 2018 Bid will be transacted 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 2018 Bid will terminate on May 28, 2019 or such earlier time as the 2018 Bid is completed or terminated at the option of the Company. There were 24,506,953 common shares issued and outstanding as at May 22, 2018. Of this amount, 14,544,652 common shares constitute the "public float," calculated in accordance with the rules of the TSX. 198,245 common shares were purchased during the Year under the 2018 Bid for \$2.2 million at prices averaging \$10.94/common share plus commissions.

The Company did not have any options, warrants, or rights that would be potentially dilutive during the Year.

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.

18 Equity (cont.)

Dividends

Dividends declared at Record Date	2018		2017	
	per Share	Dividends	per Share	Dividends
January	0.0575	1.5	0.0575	1.4
February	0.0575	1.4	0.0575	1.4
March	0.0575	1.4	0.0575	1.4
April	0.0575	1.4	0.0575	1.4
May	0.0575	1.4	0.0575	1.4
June	0.0575	1.4	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	1.4	0.0575	1.5
October	0.0575	1.4	0.0575	1.4
November	0.0575	1.4	0.0575	1.4
December	0.0575	1.4	0.0575	1.4
	0.6900	16.9	0.6900	17.0

(in millions of dollars unless stated otherwise)

Dividends are considered "eligible" dividends for income tax purposes of the holder. Dividends are paid on or about the 15th of the month following the month of declaration.

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.

19 Related party transactions

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

The Company had related party transactions with David Will and Darcy Will and/or companies owned or controlled by David Will and/or Darcy Will (collectively the "Wills"). The Wills are key management personnel, directors of the Company, and significant shareholders. Together, the Wills control 30.0% (35.6% - 2017) of the outstanding common shares of the Company.

- The Company incurred \$1.5 million (\$1.3 million - 2017) in key management personnel compensation with the Wills for the Year which is included in administrative expenses. Compensation is in the form of short term employee benefits, director fees, management agreements, and a general partnership agreement. Management fees stipulated in management services agreements are based on a percentage of revenues and/or earnings before interest, taxes, depreciation and amortization.
- A management services agreement between the Company and the Wills stipulates that the Wills are entitled to 1.5% of gross operating profit before interest, taxes, depreciation, amortization, and extraordinary items of the Company. These amounts are included in figures for key management personnel compensation.

19 Related party transactions (cont.)

- The management services company engaged to perform the services referred to above is also the general partner of Gamehost Limited Partnership. The partnership agreement stipulates that the general partner is entitled to 0.01% of all cash distributions of the partnership. These amounts are included in figures for key management personnel compensation.
- A management services agreement between Deerfoot and the Wills stipulates that the Wills are entitled to 1.5% of the gross revenues plus 2.0% of operational earnings before interest, taxes, depreciation, amortization, and extraordinary items of Deerfoot. These amounts are included in figures for key management personnel compensation.
- The Company incurred \$0.1 million (\$0.1 million – 2017) of charter aircraft rental expenses with Will Air Inc., a company controlled by the Wills, for the Year, which is included in administrative expenses.
- The Company incurred \$0.1 million (\$0.1 million – 2017) of office rent expenses for the Year which is included in administrative expenses. The Company has corporate office space leased from Darcy Co Holdings Ltd., a company wholly owned by Darcy Will. Deerfoot rents its head office space from DJ Will Holdings Limited, a company wholly owned by David Will.

The Company incurred \$0.1 million (\$0.1 million – 2017) of rental expenses for the Year which is included in cost of sales. The Company rents tractor trailer parking and storage space from Peace Country Hospitality Inc., a company controlled by the Wills together with the Company's Chief Operating Officer ("COO").

The Company incurred \$0.1 million (\$0.1 million – 2017) in directors fees for the Year paid to other directors of the Company which is included in administrative expenses.

The Company incurred \$0.2 million (\$0.2 million – 2017) of charter aircraft rental expenses during the Year with Noren Air Inc., a company controlled by the Company's COO, which is included in administrative expenses.

The Company incurred \$0.5 million (\$0.5 million – 2017) for the Year in key management personnel compensation paid to other officers or companies controlled by other officers of the Company, which is included in administrative expenses. Included in these figures are fees paid under an operational services agreement between the Company and the Company's COO for overseeing site operations of the Company.

On December 14, 2018, the Company completed the purchase of the business and property known as Encore Suites by Service Plus Inns located in Grande Prairie, Alberta from Peace Country Hospitality Inc ("Peace Country") for a price of \$12.5 million. Peace Country is a company controlled by David Will, Darcy Will and Elston Noren, each of whom are officers and significant shareholders of the Company. The purchase was approved by a special committee of independent board members. The transaction was exempt from the formal valuation and minority shareholder approval requirements under applicable securities law for related party transactions as both the fair market value of the property, the business being acquired, and the fair valuation for the consideration paid were substantially less than 25% of Gamehost's market capitalization. The property was independently appraised at a value moderately higher than the purchase price. The purchase price closely approximates the vendor's cost to develop and equip the property including a reasonable profit and the fair value of acquired land.

20 Commitments

The Company has an 87.75% contributing interest responsibility to Deerfoot for any capital funding requirements. All current capital requirements of Deerfoot have been satisfied. No capital was contributed during the Year.

The Company has certain other commitments for equipment, services, and premises rent under operating leases for which the future minimum payments are as follows:

Commitments						
	2019	2020	2021	2022	2023	Thereafter
Total	1.6	1.0	0.2	0.1	-	-

(in millions of dollars unless stated otherwise)

21 Determination of fair values

Some of the Company's accounting policies require the determination of fair value. Fair values have been determined for measurement and disclosure purposes as follows:

Non-financial assets

The Company's non-financial assets requiring impairment testing consist of property, plant and equipment [note 3(e)], and intangible assets [note 3(f)]. The Company's intangible assets consist of goodwill and licenses, both of which have indefinite lives. Non-financial assets have been grouped together in CGUs.

No events have occurred or are expected to occur that would change our assessment of the Company's determination of CGUs. Factors used in determination of the Company's CGUs, such as customer base and independent cash flows, remain consistent with the date of determination of the Company's CGUs [note 15].

There are no indicators of impairment in any of the Company's non-financial assets, and no impairment loss has been recorded or reversed during the Year.

Financial assets

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

	December 31, 2018		December 31, 2017	
	Carrying amount	Fair value	Carrying amount	Fair value
Assets carried at amortized cost				
Cash	15.8	15.8	14.6	14.6
Restricted cash	0.5	0.5	0.9	0.9
Trade and other receivables	1.8	1.8	2.6	2.6
	18.1	18.1	18.1	18.1
Liabilities carried at amortized cost				
Trade and other payables	3.8	3.8	4.5	4.5
Loans and borrowings	41.0	41.0	25.9	25.9
	44.8	44.8	30.4	30.4

(in millions of dollars unless stated otherwise)

21 Determination of fair values (cont.)

Valuation techniques

The carrying amounts of cash, restricted cash, accounts receivable, other receivables, accounts payable and accrued liabilities approximate their fair values due to their short term nature.

Investment property

The Company's investment property is measured at fair value and categorized as Level 2 in the fair value hierarchy [note 3 (i) iv)]. The property was appraised by an external, independent valuation company in 2018. The appraisal was completed by a representative of the valuation company with recognized professional qualifications and experience in the location and category of property being valued. The appraisal was based on market values, being the estimated amount for which the property could expect to be sold for on the date of the valuation to a willing buyer in an arm's length transaction after proper marketing where both the buyer and the seller had each acted knowledgeably and willingly. Leases to businesses complimentary to our own is considered the highest and best use of the property.

Loans and borrowings

Loans and borrowings consist of term debt including revolving debt and are accounted for at amortized cost, using the effective interest rate method. The fair value required to be disclosed is measured using current rates offered to the Company for similar debt with similar terms and risk profiles, and is therefore classified within Level 2 of the fair value hierarchy.

22 Financial risk and capital management

Financial risk management

The Company is exposed to certain risks as a result of holding financial instruments including interest rate risk, credit risk, liquidity risk, foreign currency risk and industry risk.

Interest rate risk

The Company's interest rate risk arises primarily from its variable rate debt in the aggregate amount of \$41.0 million. The Company was paying interest at 4.95% on traditional bank term debt and revolving debt at the end of the Year. A 1.0% increase in interest rates would have an unfavourable impact on earnings of \$0.4 million or \$0.02/common share on an annualized basis.

Credit risk

Credit risk arises from cash held with banks and credit exposure to customers and lessees. The Company's day-to-day commercial banking is with 'A' rated Canadian financial institutions. Day-to-day commercial banking is not concentrated with a single financial institution.

The Company, in the normal course of operations, monitors the financial condition of its customers, lessees and other receivables. The Company does not have significant exposure to any individual customer or counterparty. Stated credit terms are typically 30 days, but in practice extend 90 to 120 days for select customers operating in the energy sector which is common industry practise. Individual accounts are monitored at minimum monthly and any unexpected changes escalated to senior management on a case by case basis. Individual accounts are considered fully collectable until a notice of receivership is received or communication from the customer ceases.

22 Financial risk and capital management (cont.)

Carrying amounts of accounts receivable are reduced on an account specific basis when appropriate by direct write-off to profit or loss in the period in which they are assessed as uncollectible. The Company maintains a lifetime ECL of a non-material amount. At the end of the Year, past due accounts are insignificant.

Liquidity risk

Liquidity risk arises from excess financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient, readily available reserves in order to meet on-going liquidity requirements.

Accounts payable, excluding accrued liabilities, are due in 90 days or less.

The Company, and Deerfoot, have term loans scheduled for monthly blended payments that will fully amortize term loan balances by August 2033.

The AGLC requires all casinos to maintain a Minimum Continuing Net Working Capital Position ("MCNWCP"). The MCNWCP is a requirement for casino operations only. Additional working capital from non-casino operations and available debt facilities can be used to satisfy the requirement. The calculation of MCNWCP includes cash floats, restricted cash, one month's operating expenses, and one month's interest costs on debt facilities. The Company is in compliance with this requirement.

The following are the undiscounted contractual maturities of financial liabilities, including estimated interest payments:

As at December 31, 2018	Carrying amount	Contractual cash flows	1 year or less	years 2 to 5	More than 5 years
Trade and other payables	3.8	3.8	3.8	-	-
Term loans	16.5	23.2	1.6	6.4	15.2
Revolving credit facility	24.5	24.5	24.5	-	-
	44.8	51.5	29.9	6.4	15.2
As at December 31, 2017					
Trade and other payables	4.5	4.5	4.5	-	-
Term loans	18.0	21.1	2.8	11.2	7.1
Revolving credit facility	7.8	7.8	7.8	-	-
	30.3	33.4	15.1	11.2	7.1

(in millions of dollars unless stated otherwise)

Foreign currency risk

The Company's foreign currency risk arises primarily from the purchases of specialized goods and services in United States dollars. While not significant, fluctuations in the exchange rate between the Canadian and United States dollar result in exchange gains or losses. The Company mitigates foreign currency risk by purchasing United States dollars when deterioration in exchange rates is expected. United States currency is held in United States dollar denominated bank accounts for this purpose.

Industry risk

The Company's operations are all located in Alberta, and to varying extents derive portions of their business income from corporate clients in the energy sector. As a result, the Company is exposed to some industry risk.

22 Financial risk and capital management (cont.)

Capital management

The Company's primary objectives when managing capital are to safeguard the Company's ability to continue as a going concern, pay regular dividends to its shareholders, and to fund maintenance and growth expenditures.

The Company's capital is comprised of net debt and shareholder equity:

	December 31, 2018	December 31, 2017
Total debt including revolving loans	41.0	25.8
Less cash	(15.8)	(14.6)
Net debt	25.2	11.2
Total equity	119.6	124.0
	144.8	135.2

(in millions of dollars unless stated otherwise)

Current debt instruments will be maintained or eliminated to the extent they allow for repayment. All of the Company's traditional bank debt instruments allow for additional payments without penalty. Debt maintenance includes regular amortized monthly principal payments and intermittent payments on outstanding revolving debt instruments when surplus cash is available.

Larger scale expansions or acquisitions would be funded by debt or equity at the discretion of the directors of the Company.

The Company intends to repay existing non-revolving debt obligations over a period of time which will allow it to continue to pay regular dividends at the current monthly rate of \$0.0575 per common share. Current interest rates allow for scheduled amortization periods of 15 years in meeting dividend objectives.

The Company will use normal course issuer bid(s), to repurchase for cancellation, shares trading on the open market at prices below their inherent value.

Financing restrictions on dividends caused by debt covenants

The Company's revolving loans and term loans require the maintenance of certain financial covenants and conditions. Specifically, the Company must maintain a cash flow coverage ratio of not less than 1.25 to 1, the actual ratio being 3.7 to 1 at the end of the Year (3.3 to 1 - December 31, 2017), and a debt to tangible net worth ratio of not greater than 3.0 to 1, the actual ratio being 1.0 to 1 at the end of the Quarter (0.5 to 1 - December 31, 2017).

23 Deerfoot Inn & Casino

The Company has a 91% controlling interest in Deerfoot Inn & Casino Inc., a legal joint venture formed for the construction and operation of Deerfoot. Decisions affecting Deerfoot require the consent of investors holding a minimum 60% interest in Deerfoot. A non-controlling interest ("NCI") is held by one additional investor.

The NCI holds a participating interest which entitles it to 9% of the income, assets, liabilities and equity of Deerfoot. Distributions from Deerfoot, in any form, must conform to the participating interest held by each investor. Distributions to the NCI totaled \$1.2 million for the Year.

23 Deerfoot Inn & Casino (cont.)

The NCI has a contributing interest obligation to fund 12.25% of any capital requirements of Deerfoot that are not funded by operating cash flow or debt financing. Deerfoot has not needed capital funding requirements of this nature since the initial construction was completed.

Each of Deerfoot's investors has a right of first refusal on any bonafide offer made for the other investor's interest in Deerfoot.

24 Business Acquisition

On December 14, 2018, the Company completed the purchase of the assets of Encore Suites, an operating limited service hotel, in Grande Prairie, Alberta. The property was purchased from a related party [note 19], for \$12.5 million in cash financed entirely by the Company's revolving credit facility. The purchase is intended to support the ongoing dividend policy of the Company. Encore Suites will continue to operate independently from the Company's other operating assets.

An independent "going concern" market valuation of Encore Suites was completed in May 2018 valuing the business and assets at \$13.3 million. The valuation closely approximates the vendors original cost to acquire, develop and furnish the property. Accordingly, the Company has not allocated any value to goodwill. Inventories of an immaterial amount were included in the purchase price. The Company did not purchase receivables or liabilities of the vendor. Amounts of major asset classes recognized at the acquisition date are listed at their fair values:

Property, plant and equipment	12.5
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(in millions of dollars unless stated otherwise)

Continued rights to the use of a trademark name and online reservation platform were consented to as a component of the transaction. The value of these rights is estimated to be negligible and no value has been attributed to them in the company's financial statements.

Acquisition related costs of an immaterial amount have been expensed and are recorded in cost of sales - other in the Company's consolidated statements of profit and comprehensive profit.

Operating results for Encore Suites for 18 days are included in the reported results for the Year. Reported amounts are immaterial.

25 Subsequent events

Regular monthly dividends

The Company declared a regular monthly dividend of \$0.0575 per common share for January 2019 and February 2019, payable on or about the 15th day of the subsequent months.

Normal course issuer bid

From January 1, 2019 to March 12, 2019, the Company purchased for cancellation 800 common shares at prices averaging \$9.20 per common share plus commissions.

25 Subsequent events (cont.)

Investment property lease renewal

The Company negotiated a two year lease, expiring March 31, 2021, with an existing tenant which includes an 8.0 percent increase in minimum lease payments. The new lease does not include renewal term options that protect the tenant, but the tenant may negotiate a new lease at the expiry of the term at the Company's sole discretion. The Company intends to redevelop the investment property to attract a higher class of tenant(s).