Management Discussion and Analysis
for the twelve and three month periods ended December 31, 2019

To Our Shareholders

Management and Directors of Gamehost Inc. (the “Company”) present results for the twelve and three month periods ended December 31, 2019 (the "Year" and "Quarter" respectively).

Operating revenue for the Quarter was down 2.3% from the prior year or $0.4 million to $17.3 million. Despite the reduction in top line results Shareholder earnings for the Quarter were flat at $3.7 million to the prior year as were earnings per common share at $0.15 largely as a result of reduced income taxes. Earnings before interest, taxes, depreciation, and amortization (“EBITDA”) that is attributable to shareholders of the Company ("EBITDA to Shareholders") was up slightly to $6.5 million from $6.4 million in the same quarter of 2018 and EBITDA to Shareholders margin for the Quarter improved to 39.2% from 38.1%. Adoption of IFRS 16 for leases resulted in $0.3 million in adjustments favourable to EBITDA calculations in year-over-year comparisons for the Quarter.

Economic realities in Alberta remain challenging. Over the past five years, private sector organizations have made the necessary adjustments to adapt. The public sector is now soon to make similar adjustments as the provincial government responds to commissioned reports calling for cuts in government spending. There are no clear sightlines pointing to the date Alberta will have a healthy growing economy again. A number of key events, however, set the stage for that day to arrive. Alberta announced a reduction to its' corporate tax rate of 4.0% over four years with the second 1.0% reduction effective January 1, 2020. Alberta now has the lowest corporate tax rate in the country and the spread will widen in subsequent years unless other provinces follow suit. Increasing export capacity for Alberta's energy products moved a step closer when Enbridge's Line 3 replacement project cleared the last regulatory hurtle in February. Construction on the remaining USA section can now commence. Also in the news in February, a Federal Court of Appeal ruling removed the last active court challenge to completion of the Trans Mountain pipeline expansion. While this decision can still be appealed, construction continues on approved sections of the pipeline's route. These two pipelines along with a number of proposed and under-construction oil and gas and petrochemical projects will create significant economic benefits for both Alberta and the rest of the country.

Internally, management has rationalized labour and other operating inputs to the extent possible while still maintaining the quality and services that ensure a positive customer experience at all of the company's properties. During the Quarter, the Company completed negotiations on new financing which has added liquidity and reduced debt service costs by $0.7 million annually based on current debt loads. The Company's balance sheet remains solid with high quality assets producing good cashflow with net debt at 1.1 times EBITDA. The Company's dividend payout ratio, at 95.5% for the Quarter, has improved steadily over the past three quarters.

Management has identified two small expansion projects where good opportunity exists for immediate revenue appreciation. Alberta Gaming, Liquor and Cannabis (AGLC") and the City of Calgary have both approved a development permit application for a 7,500 square foot expansion to gaming and non-gaming amenities at the Deerfoot Casino. Construction is expected to commence in spring 2020. The Company is also preparing plans for a similar sized expansion to non-gaming amenities at Boomtown Casino in Fort McMurray. AGLC and municipal planning commission approvals for this project are still pending.

Containment of the conronavirus (COVID 19) is challenging health authorities around the globe and creating economic uncertainty. Alberta currently has 7 confirmed or presumptive cases of the virus. Although not apparent at this time, consumer behavior related to the virus is subject to erratic actions which could have an adverse impact on business activity at Company properties. The Company is following the recommendations of Health Canada at all of its properties in the combined effort to mitigate the spread of the virus. The virus has resulted in downward pressure on oil demand and recent breakdown in talks between OPEC and Russia to curtail production may pose additional risk to the Alberta economy.

Despite the current challenges, we remain positive on the longer term prospects for the Company and province. In the near term we can look to Grande Prairie to shine. Recent updates from the provincial government indicate construction of Grande Prairie's new regional hospital will be complete by the end of 2020 with the hospital receiving its first patients in 2021. This new hospital will drive business to our three adjacently located properties in the city.

Thank you for your steadfast support of management. Your confidence will be at the forefront of all of our actions.

March 10, 2020

On behalf of all Management and Directors, sincerely,

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

Darcy J. Will
Vice President and Secretary
Gamehost Inc.

Management's discussion and analysis

for the twelve and three month periods ended December 31, 2019

This Management's Discussion and Analysis ("MD&A") of the business, operating results, liquidity, capital resources, and other financial information of Gamehost Inc. (the "Company") is prepared as at March 10, 2020. This MD&A should be read in conjunction with the audited consolidated financial statements of the Company, and the accompanying notes for the twelve and three month periods ended December 31, 2019 (respectively the "Year" and "Quarter"), and with the audited consolidated financial statements of the Company and accompanying notes for the year ended December 31, 2018.

This MD&A focuses on year-over-year comparative results for the Quarter. Readers are directed to prior MD&A for specific discussion of results of previous quarters. Previously issued financial statements and management discussion, and other disclosures of the Company, can be found on the Company website at www.gamehost.ca or SEDAR at www.sedar.com.

Caution to the reader

Use of Non-International Financial Reporting Standards ("IFRS") financial measures

This MD&A makes reference to financial measures that do not have any standardized meaning prescribed by IFRS. Specifically, the MD&A may reference earnings before interest, taxes, depreciation, and amortization ("EBITDA"), EBITDA attributable to shareholders of the Company ("EBITDA to Shareholders"), and EBITDA to Shareholders Margin, which are all non-IFRS financial measures. EBITDA related calculations exclude any gains or losses on retirement of assets, foreign exchange gains or losses, and any fair market value adjustments recorded. EBITDA to Shareholders is reconciled to Profit and comprehensive profit on page 13. Dividend pay-out ratio, and normalized dividend pay-out ratio are both non-IFRS financial measures. Dividend pay-out ratio excludes gains or losses on the sale of assets and any capital expenditures funded by debt. Normalized pay-out ratio excludes additional items such as the cost of share repurchases and capital expenditures funded from operating cash flow.

Other industry specific terms and measures relating to the operations of the Company, used throughout this MD&A, are defined when they first appear and capitalized throughout this MD&A.

Forward-looking statements

This MD&A may contain forward-looking information. All statements, other than statements of historical fact, are forward-looking statements. Forward-looking statements contain wording such as "anticipates," "believes," "could," "expects," "indicates," "plans," or other similar expressions that suggest future outcomes or events. Forward looking information contains risks and uncertainties of varying significance. The Company attempts to minimize the use of forward-looking information. Any use of forward-looking information reflects reasonable assumptions made on the basis of management's current beliefs, with information known by management at the time of writing. Factors that may affect results include, but are not limited to, governmental legislation and regulation at the national, provincial or municipal level, general or local business and economic conditions, financial market volatility, the good standing of our business, gaming and liquor licenses, competition, consumer preferences and disposable incomes, demographic shifts, and weather patterns. Any number of these factors, or others, could cause actual results to differ from forward-looking information. Additional discussion about the inherent risks in forward-looking information and any Company assumptions of risk can be found in the Business risks, opportunities and outlook section at the end of this MD&A.

These factors and other risks and uncertainties are discussed in the Company's continuous disclosure documents filed with the Canadian securities regulatory authorities from time to time, and included in the "Risk Factors" section of the Company's most recent Annual Information Form. Continuous disclosure documents are on public record through SEDAR at www.sedar.com.

Forward-looking information contained in this MD&A or documents incorporated by reference are relevant only at the date of the MD&A or document date. Readers should not place undue reliance on forward-looking information, as there can be no assurances that the plans, intentions, or expectations upon which they are based will occur. The Company undertakes no obligation to publicly revise forward-looking information to reflect subsequent events or circumstances.

Disclosure Controls and Procedures and Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting for the Company. The Company's internal control over financial reporting and disclosure controls and procedures include policies and procedures that: (1) pertain to the maintenance of records that reasonably, accurately, and fairly represent transactions of the Company; (2) provide reasonable assurance that transactions are recorded as required to permit the preparation of consolidated financial statements in accordance with IFRS and that receipts and expenditures are made with appropriate authorization of the Company's management and directors; (3) and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

There has been no change in the Company's internal control over financial reporting or disclosure controls and procedures that occurred during the Year that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting. The effectiveness of internal control over financial reporting has been evaluated at December 31, 2019, and management has concluded that the Company's internal control over financial reporting is designed and operating effectively. There is no "material weakness" relating to the design of the Company's internal control over financial reporting. A "material weakness" is defined as a deficiency, or combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the reporting issuer's annual or interim consolidated financial statements will not be prevented or detected on a timely basis.

The Company used COSO 2013 as its framework for establishing internal control over financial reporting.

Organizational structure

Gamehost Inc. is incorporated in Canada under the Business Corporations Act (Alberta). The consolidated financial statements of the Company are comprised of the Company and its subsidiaries.

Shares

The Company had 24.3 million common shares issued and outstanding as at December 31, 2019 (24.3 million - December 31, 2018) and 24.2 million common shares issued and outstanding as at March 10, 2020, which trade on the Toronto Stock Exchange ("TSX") under the symbol GH. The Company is authorized to issue any number, and any class, of shares.

Address

The head office of the Company is located at #104, 548 Laura Avenue, Red Deer County, Alberta, T4E 0A5. The registered office of the Company is located at 1400, 350 – 7th Avenue SW, Calgary, Alberta, T2P 3N9.

Overview of Gamehost

The Company's activities are currently confined to the province of Alberta, Canada. Operations include Boomtown Casino ("Boomtown") in Fort McMurray, Great Northern Casino ("Great Northern"), Service Plus Inns & Suites ("Service Plus"), and Encore Suites by Service Plus Inns ("Encore Suites"), both limited service hotels, in Grande Prairie. As a complement to the Grande Prairie hotels, the Company owns a retail complex ("Strip Mall") that leases space to a pub/eatery. The Company has a 91% ownership interest in Deerfoot Inn & Casino Inc. ("Deerfoot"), in Calgary.

Gaming operations of the Company are controlled by the Alberta Gaming, Liquor and Cannabis ("AGLC"). Operations include Company owned table games and government owned slot machines, video lottery terminals 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.

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

The Company's current policy is to provide consistent and regular monthly eligible dividends to shareholders to the extent that cash flows, operating metrics, and future needs for cash support continuation of the policy. Dividends are declared to be eligible because the Company has not benefited from any preferential tax rates requiring it to pay ordinary or non-eligible dividends. Eligible dividends are taxed at lower marginal rates to the recipient. The Company's board of directors retain the right to modify the dividend policy from time to time at their discretion.

Overall financial results and condition of the Company

Operating revenue for the Quarter was $0.4 million lower than the same quarter a year earlier. Challenging economic conditions persist.

EBITDA to Shareholders was up $0.1 million in year-over-year comparison for the Quarter. However, adoption of IFRS 16 - Leases at the beginning of the Year had the effect of increasing EBITDA by $0.3 million during the Quarter for depreciation and interest components of lease payments.

At the end of the Quarter, the Company had $176.2 million in total assets, up $1.9 million from the start of 2019. Assets at the end of the Quarter include transitional adjustments from the January 1, 2019 adoption of IFRS 16 for leases and new leases entered into during the Year. Cash balances of $15.4 million are down $0.4 million from the start of 2019. The Company's debt to EBITDA ratio at the end of the Quarter was 1.7 to 1 on total debt of $45.6 million. The Company reduced term and revolver debt by $0.3 million during the Year. Adoption of IFRS 16 for leases during the Year resulted in accounting adjustments that increased net debt by $4.9 million.

Quarterly performance summary

Quarterly performance	2019				2018			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Operating revenue	**17.3**	16.9	16.8	17.0	17.7	17.3	17.8	17.7
Cost of sales	**(10.7)**	(10.0)	(10.5)	(10.5)	(10.9)	(9.9)	(10.0)	(9.8)
Gross profit	**6.6**	6.9	6.3	6.5	6.8	7.4	7.8	7.9
Administrative expenses	**(1.0)**	(1.0)	(0.9)	(1.1)	(1.0)	(1.1)	(1.1)	(1.1)
Profit from operating activities	**5.6**	5.9	5.4	5.4	5.8	6.3	6.7	6.8
Finance costs net of finance income	**(0.5)**	(0.5)	(0.6)	(0.5)	(0.4)	(0.3)	(0.3)	(0.3)
Profit before income tax	**5.1**	5.4	4.8	4.9	5.4	6.0	6.4	6.5
Income tax expense	**(1.1)**	(1.3)	-	(1.3)	(1.4)	(1.5)	(1.6)	(1.7)
Profit	**4.0**	4.1	4.8	3.6	4.0	4.5	4.8	4.8
Less non-controlling interest	**(0.3)**	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)
Profit attributable to shareholders	**3.7**	3.8	4.5	3.3	3.7	4.2	4.5	4.5
Earnings per share								
Basic and diluted	**$ 0.15**	$ 0.16	$ 0.19	$ 0.14	$ 0.15	$ 0.17	$ 0.18	$ 0.18
EBITDA to Shareholders	**6.5**	6.7	6.2	6.3	6.4	6.7	7.1	7.2
EBITDA to Shareholders %	**39.2%**	41.6%	38.5%	38.7%	38.1%	42.9%	42.0%	42.6%
Normalized payout ratio	**95.5%**	100.0%	102.4%	107.7%	93.5%	91.3%	91.5%	89.4%

(in millions of dollars unless stated otherwise)

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. The Gaming segment includes three casinos offering slot machines, video lottery terminals ("VLT"), 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, 2019	Gaming	Hotel	Food & Beverage	Corporate and Other [1]	Total
Operating revenue and other income as % of total	60%	19%	21%	0%	100.0%
Operating revenue	40.8	13.0	14.2	-	68.0
Lease revenue	0.1	-	-	0.2	0.3
Finance income	-	-	-	0.1	0.1
Finance costs	(0.6)	(1.3)	(0.3)	-	(2.2)
Depreciation	(1.6)	(2.1)	(0.7)	-	(4.4)
Other cost of sales and administrative expenses	(19.2)	(7.1)	(11.0)	(4.2)	(41.5)
Profit (loss) before income taxes	19.5	2.5	2.2	(3.9)	20.3
Segment assets	76.9	70.8	24.9	3.6	176.2
Segment liabilities	19.5	20.9	8.9	9.0	58.3
Capital expenditures	0.4	-	-	-	0.4

twelve months ended December 31, 2018	Gaming	Hotel	Food & Beverage	Corporate and Other [1]	Total
Operating revenue and other income as % of total	62%	16%	22%	0%	100%
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

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

(in millions of dollars unless stated otherwise)

Operating revenue

Operating revenue consists of revenues generated by the Company's operating assets: Boomtown, Great Northern, Service Plus, Encore Suites, and Deerfoot. Major revenue streams include rooming revenue, table gaming, slot machines, food and beverage sales, and ancillary revenues.

Operating revenue	Q4 (twelve months)			Q4 (three months)		
	2019	2018	+(-)	**2019**	2018	+(-)
Operating revenue	**68.1**	70.4	(3.3%)	**17.3**	17.7	(2.3%)

(in millions of dollars unless stated otherwise)

Yearly and Quarterly results include revenues from the Encore Suites hotel which was acquired mid-December 2018.

Room revenue

Room revenue includes both guest and meeting room sales at hotels. Occupancy is calculated on guest rooms sold plus complementary guest rooms, while Average Daily Rate (“ADR”) is calculated as guest room revenue divided by sold rooms only.

Room revenue	Q4 (twelve months)			Q4 (three months)		
	2019	2018	+(-)	**2019**	2018	+(-)
Room revenue	**12.8**	11.1	15.3%	**2.8**	2.6	7.7%
Occupancy	**61.2%**	66.9%	(5.7%)	**54.2%**	58.5%	(4.3%)
ADR	**$142.62**	$144.28	($1.66)	**$140.84**	$145.88	($5.04)
% of operating revenue	**18.8%**	15.8%	3.0%	**16.2%**	14.7%	1.5%

(in millions of dollars unless stated otherwise)

Results include operations from the Encore Suites hotel acquired in mid-December 2018 which boosted year-over-year comparable results for room revenue. Occupancy and ADR metrics reflect generally more challenging economic conditions.

At Encore Suites, occupancy was 56.5% with a $148.17 ADR.

At Service Plus, in year-over-year comparisons for the Quarter, rooming revenues were down 9.6%. Occupancy was down 6.4 percentage points to 59.1% from 65.5%. ADR at $130.90, was lower by $1.12. Reported figures are before intercompany eliminations included in the above table.

Deerfoot rooming revenue was down 18.8% for the Quarter in year-over-year comparison. Occupancy was down 5.8 percentage points to 52.1% from 57.9% from the year ago quarter. ADR, at $143.76, was down $11.86 compared to the prior year quarter. Reported figures are before intercompany eliminations included in the above table.

Table game revenue

Table play and table revenue sharing is regulated in Alberta by the AGLC. In general terms, ‘Drop’ is the total amount of money cashed to chips at most table games. ‘Hold’ is the amount kept by the table from the Drop. Hold % is the measure of the Hold to the Drop, and can fluctuate significantly. Table Hold % should average in the 17% range where practised players are involved. Greater participation by inexperienced players can result in higher Hold percentages. Drop, Hold, and Hold % are not always reliable indicators of table activity as demonstrated by the following examples:

Example 1 – A player buys $20,000 in chips at a table. The player plays one hand, loses $2,000, and cashes out. The Drop is high at $20,000, and the Hold is good at $2,000 considering the amount and duration of play. The Hold Percentage is low at 10%. The table was not busy.

Example 2 – A player buys $5,000 in chips at a table. The player plays all evening before losing $1,000 and cashing out. The Drop is low at $5,000, and the Hold is low at $1,000 considering the amount and duration of play. The Hold Percentage is high at 20%. The table was busy.

The preceding examples demonstrate how variables can provide fluctuating results for Drop, Hold, and Hold %. These statistics can be misleading. At the end of the day, the only measure that really counts is Hold.

Hold is shared in varying percentages between charities and the casino operator depending on the size and location of the casino. The operator's percentage of the Hold is the 'Net' or Net Table Revenue. The game of Poker has a 'Pot' rather than a Drop. The Pot is the total amount anted and bet by players at a poker table. 'Rake' is the total amount of the Pot that is retained by the table and is usually a flat fee for each hand played. Rake is shared in varying percentages between charities and the casino operator depending on agreements with the AGLC. The operator's percentage of the Rake is the 'Net.' Consolidated financial statements of the Company report only the Net of the Hold or Rake.

Net table revenue	**Q4 (twelve months)**			**Q4 (three months)**		
	2019	2018	+(-)	**2019**	2018	+(-)
General, progressive and high limit	**10.1**	11.5	(12.2%)	**2.6**	2.8	(7.1%)
Poker	**2.6**	2.6	0.0%	**0.6**	0.7	(14.3%)
Total	**12.7**	14.1	(9.9%)	**3.2**	3.5	(8.6%)
% of operating revenue	**18.6%**	20.0%	(1.4%)	**18.5%**	19.8%	(1.3%)

(in millions of dollars unless stated otherwise)

# of tables	**End of Quarter**		
	2019	2018	+(-)
All Others	**31**	43	(12)
Poker	**17**	17	-
Progressive Table Games	**15**	6	9
Total	**63**	66	(3)

Drop and Hold	**Q4 (twelve months)**			**Q4 (three months)**		
	2019	2018	+(-)	**2019**	2018	+(-)
Drop	**86.1**	90.4	(4.8%)	**20.6**	21.3	(3.3%)
Hold %	**21.4%**	23.1%	(1.7%)	**23.1%**	23.2%	(0.1%)

(in millions of dollars unless stated otherwise)

Boomtown table Drop was down 13.8% for the Quarter. Hold percentage was up 0.7 percentage points softening the reduction to Net Hold. Poker revenues were flat in year-over-year comparison for the Quarter. Rebuilding the base of regular table players following the 2016 area wild fire is ongoing.

For the Quarter, Great Northern tables reported a 20.0% reduction in Drop and a 4.7 percentage point drop in Hold % for a 31.4% drop in Net table revenue. The Hold % for the Quarter was still at the high end of a normal range, but compared to an abnormally high Hold % the prior year. Poker revenues were down 22.9% for the Quarter in year-over-year comparison.

At Deerfoot, Drop was up 2.8% and Hold % up 1.2 percentage points in year-over-year comparison for the Quarter. The two factors combined for an increase in Net table revenue of 13.3%. Poker revenues were down 13.1% year-over-year for the Quarter. A reconfiguration of the table pit areas at Deerfoot for the installation of the new multi-player slot experience, Replay, required the removal of 3 tables during the Year.

Slot revenue

In Alberta, slot machine odds are regulated by the AGLC. The revenue sharing arrangement for amounts won by the machines ("Win") is also set by the AGLC. Under the current arrangement, casino operators, charities and the provincial government share the Win on a 15/15/70 split respectively. Average machine Win/day is determined by the number of hours each machine operates, how much money is played on each machine (‘Cash Play’) during hours of operation, and amount of Win for each machine. Cash Play will be the sum of all cash and TITO Tickets fed into slot machines. Revenue to the operator, or 'Net,' is determined by all of the above factors.

Slot statistics	**Q4 (twelve months)**			**Q4 (three months)**		
	2019	2018	+(-)	**2019**	2018	+(-)
Cash Play	**1,906.6**	2,022.4	(5.7%)	**479.8**	483.6	(0.8%)
Machines [1]	**1,688**	1,640	48.0	**1,688**	1,636	52.0

(in millions of dollars unless stated otherwise)

[1] At the end of the Quarter

Slot revenue	**Q4 (twelve months)**			**Q4 (three months)**		
	2019	2018	+(-)	**2019**	2018	+(-)
Net	**21.9**	22.8	(3.9%)	**5.5**	5.5	0.0%
% of operating revenue	**32.2%**	32.4%	(0.2%)	**31.8%**	31.1%	0.7%

(in millions of dollars unless stated otherwise)

Overall Cash Play and Hold percentage were largely flat for the Quarter resulting in Net revenues being flat in year-over-year comparison. The AGLC has completed the rollout of a provincial player loyalty program which the province expects to drive increased Cash Play.

At Boomtown Casino In year-over-year comparison for the Quarter, Cash Play was higher by 4.1% following two solid months to end the year. This incidentally coincides with the introduction of AGLC's provincial loyalty program which was implemented in mid-November. It's too early at this point to conclude any direct correlation. The Quarter saw an unusual number of large progressive jackpots payouts resulting in a well below average Hold percentage which was 70 basis points lower in year-over-year comparison. As a result, Net revenues were lower by 6.7% for the Quarter.

At Great Northern, in year-over-year comparison for the Quarter, Cash Play was down by 3.3%. Hold percentage, on the other hand, improved for the Quarter, resulting in flat Net revenues in year-over-year comparison.

At Deerfoot, in year-over-year comparison for the Quarter, Cash Play was lower by 2.2%. Hold percentage improved for the Quarter, resulting in a 4.0% increase in Net revenues for the Quarter in year-over-year comparison. Deerfoot received 51 additional slot machines during the Quarter bringing the total slot machine count to 814. This included the new multi-player slot experience, Replay. Deerfoot is one of only three casinos in the province to receive the new slot concept from AGLC and the only Calgary area casino.

Food & beverage ("F&B") revenue

Food service operating arrangements differ by property from 100% owner operations to combinations of owner and third party operating agreements. Only beverage service is consistently delivered directly by the Company. Where food operations are run by a third party, the Company records only the commission on those sales.

F&B Revenue	Q4 (twelve months)			Q4 (three months)		
	2019	2018	+(-)	**2019**	2018	+(-)
Food & mix	**5.2**	5.8	(10.3%)	**1.5**	1.7	(11.8%)
Liquor	**8.7**	9.4	(7.4%)	**2.5**	2.6	(3.8%)
Total	**13.9**	15.2	(8.6%)	**4.0**	4.3	(7.0%)
% of operating revenue	**20.4%**	21.6%	(1.2%)	**23.1%**	24.3%	(1.2%)

(in millions of dollars unless stated otherwise)

Coaxing discretionary spending from customers in Alberta remains challenging. Food and beverage sales, a good barometer of consumer sentiment, were lower at all properties for the Quarter.

Boomtown F&B revenues, net of commissions, were down 1.6% in year-over-year comparison for the Quarter.

Great Northern F&B revenues, net of commissions, were down 3.8% in year-over-year comparison for the Quarter.

Deerfoot F&B revenues were down 7.3% in year-over-year comparison for the Quarter. Deerfoot accounts for the majority of reduction in food & mix revenues as customers continue to scale back on corporate Christmas parties.

Ancillary revenue

Ancillary revenue includes the more significant items of automated teller ("ATM") fees including cash call kiosks, VLT, lottery ticket sales, live entertainment sales, cigarette sales, equipment rentals, movie rentals and other room charges to hotel guests.

Ancillary revenue	Q4 (twelve months)			Q4 (three months)		
	2019	2018	+(-)	**2019**	2018	+(-)
Total	**6.8**	7.2	(5.6%)	**1.8**	1.8	0.0%
% of operating revenue	**10.0%**	10.2%	(0.2%)	**10.4%**	10.2%	0.2%

(in millions of dollars unless stated otherwise)

Cost of sales

The Company's consolidated statement of comprehensive income uses the 'Function' rather than the 'Nature' method of reporting operating expenses. Costs are reported based on their function within the Company. For example, wage costs that are a function of generating revenue are considered a cost of sales rather than by nature a human resource expense. The Company includes in cost of sales all costs of product sold, direct marketing and promotion expenses, direct human resources costs and administrative personnel where they are integral to managing sales, and all other direct operating costs at the facility level. Depreciation of the facility assets are also included in cost of sales.

Cost of sales	Q4 (twelve months)			Q4 (three months)		
	2019	2018	+(-)	**2019**	2018	+(-)
Total	**41.8**	40.5	3.2%	**10.7**	10.9	(1.8%)
% of operating revenue	**61.4%**	57.5%	3.9%	**61.8%**	61.6%	0.2%

(in millions of dollars unless stated otherwise)

Cost of sales - cost of product

Cost of product includes the costs of food, beverage and other incidental items purchased for resale. Cost of product will follow the performance of F&B revenue. Other incidental items of cost of product are made up of mostly room service charges in the hotel for such items as long distance telephone, movie rentals, laundry, etc. Cost of product as a percentage of corresponding revenues will fluctuate moderately for food & mix and liquor categories depending on the sales mix of individual products. More significant variations in the cost of product percentage can be experienced for sales of other incidental items, due to the dissimilar nature of the products included.

Cost of product	Q4 (twelve months)			Q4 (three months)		
	2019	2018	+(-)	**2019**	2018	+(-)
Food & Mix	**1.9**	2.0	(5.0%)	**0.5**	0.6	(16.7%)
Liquor	**1.8**	2.1	(14.3%)	**0.5**	0.5	0.0%
Other	**0.2**	0.2	0.0%	**0.1**	0.1	0.0%
Total	**3.9**	4.3	(9.3%)	**1.1**	1.2	(8.3%)
% of operating revenue	**5.7%**	6.1%	(0.4%)	**6.4%**	6.8%	(0.4%)

(in millions of dollars unless stated otherwise)

Cost of product %	Q4 (twelve months)			Q4 (three months)		
	2019	2018	+(-)	**2019**	2018	+(-)
Food & Mix	**36.5%**	34.5%	2.0%	**33.3%**	35.3%	(2.0%)
Liquor	**20.7%**	22.3%	(1.6%)	**20.0%**	19.2%	0.8%
Other	**56.5%**	48.3%	8.2%	**57.7%**	38.8%	18.9%

Both Boomtown and Great Northern have commission-based third party arrangements for food services, so they do not factor significantly into cost of sales analysis for food. Sites have implemented small price increases where possible to maintain margins.

The Company raised prices selectively by product and location for liquor resulting in improved margins for the Year. Seasonal volatility on sales mix resulted in higher cost of product % on the Quarter.

Cost of sales - operating labour

Operating labour includes wages, salaries, bonuses, benefit costs, payroll taxes and other miscellaneous human resource costs directly attributable to the smooth and safe operation of each facility. No corporate overhead costs are included.

Operating labour	Q4 (twelve months)			Q4 (three months)		
	2019	2018	+(-)	**2019**	2018	+(-)
Operating labour	**20.6**	19.9	3.5%	**5.3**	5.3	0.0%
% of operating revenue	**30.2%**	28.3%	1.9%	**30.6%**	29.9%	0.7%

(in millions of dollars unless stated otherwise)

Quarterly results report the first comparative quarter of the final lift in Alberta's minimum wage which occurred on Oct 1, 2018. Current Quarter results reflect effective management efforts to streamline labour components to offset the higher minimum wage. Reduced hours and head counts to correlate with reduced business volumes have kept overall costs in check.

Cost of sales - marketing and promotions

Marketing and promotions include all donations, sponsorships, and complementary services offered at properties in addition to direct sales and advertising expenses. Staff promotions, including discounted meal vouchers, are also included under this heading.

Marketing	Q4 (twelve months)			Q4 (three months)		
	2019	2018	+(-)	**2019**	2018	+(-)
Total	**3.3**	3.2	3.1%	**0.8**	0.8	0.0%
% of operating revenue	**4.8%**	4.5%	0.3%	**4.6%**	4.5%	0.1%

(in millions of dollars unless stated otherwise)

Marketing efforts are focused on areas of the business that appear responsive to those efforts namely high-limit table and slot business.

Cost of sales - other operating costs

Some of the more significant expenditures in this classification include entertainment, premises leases, repairs & maintenance, utilities, property taxes, depreciation, and operating supplies.

Other operating costs	Q4 (twelve months)			Q4 (three months)		
	2019	2018	+(-)	**2019**	2018	+(-)
Total	**14.0**	13.1	6.9%	**3.5**	3.6	(2.8%)
% of operating revenue	**20.6%**	18.6%	2.0%	**20.2%**	20.3%	(0.1%)

(in millions of dollars unless stated otherwise)

Lease and other income

Lease and other income	Q4 (twelve months)			Q4 (three months)		
	2019	2018	+(-)	**2019**	2018	+(-)
Net profits from investment property	**-**	0.2	(100.0%)	**-**	-	-
Lease revenues	**0.3**	-	-	**-**	-	-
Operating costs of investment property	**(0.1)**	-	-	**-**	-	-
Total	**0.2**	0.2	0.0%	**-**	-	-

(in millions of dollars unless stated otherwise)

The Company's investment property is leased to a third party restaurant/pub operator. 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. The tenants is responsible for their own tenant improvements.

Two other small leases to food service operators occupying space at each of Great Northern and Boomtown casinos generate additional revenue.

Administrative expenses

Administrative expenditures include all costs not directly attributable to the operation of the Company's operating assets. Management fees, costs associated with being a public issuer, professional fees, corporate office costs, corporate travel expenses, and depreciation of corporate assets are included in this category.

Administrative expenses	Q4 (twelve months)			Q4 (three months)		
	2019	2018	+(-)	**2019**	2018	+(-)
Total	**4.1**	4.5	(8.9%)	**1.0**	1.0	0.0%
% of operating revenue	**6.0%**	6.4%	(0.4%)	**5.8%**	5.6%	0.2%

(in millions of dollars unless stated otherwise)

Net finance costs

Interest expense is recorded on the Company's demand term debt and revolver. Interest expense also includes imputed interest on leased right-of-use assets. Interest income is earned on cash balances held in the Company's bank accounts. Amounts are netted for presentation purposes.

Net finance costs	Q4 (twelve months)			Q4 (three months)		
	2019	2018	+(-)	**2019**	2018	+(-)
Total	**2.1**	1.1	90.9%	**0.5**	0.4	25.0%

(in millions of dollars unless stated otherwise)

For most of the Quarter all of the Company's debt was subject to changes in our lender's prime lending rate which has been flat since October 2018. Comparative net finance costs for the Quarter reflect an increase the amounts drawn on our revolving credit facility for the acquisition of the Encore Suites hotel in late December 2018. Interest charges during the Quarter for leased right-of-use assets added on transition to IFRS 16, though not significant, round out the total increase to net finance costs.

On December 1, 2019 the Company renegotiated lending terms with our existing lender. Term debt was fixed at 3.5% and floating debt at bank prime, currently 3.95%. The new lending terms will reduce annual debt service costs by $0.7 million based on current debt loads.

Income tax

Income tax includes provision for current income taxes, timing differences between depreciation recorded by the Company on property, plant and equipment versus amounts allowed for tax purposes, and timing differences on amortization of cumulative eligible capital and that allowed for tax purposes. Originations and changes in timing differences are also recorded to income tax expense in the period in which the originations or changes occur. Taxes are calculated using corporate tax rates substantively enacted for the period the taxes are expected to be payable.

Income tax	Q4 (twelve months)			Q4 (three months)		
	2019	2018	+(-)	**2019**	2018	+(-)
Provision for current income tax	**5.2**	6.3	(17.5%)	**1.3**	1.4	(7.1%)
Taxes arising from changes in timing differences	**(1.5)**	-	n/a	**(0.2)**	-	n/a
Income tax expense	**3.7**	6.3	(41.3%)	**1.1**	1.4	(21.4%)

(in millions of dollars unless stated otherwise)

The combined federal and provincial tax rate in Alberta is 26.5% for 2019 (27.0% - 2018).

The Alberta government's Bill 3 - Job Creation Tax Cut, received Royal Assent on June 28, 2019 and was effective July 1, 2019. The bill reduces Alberta's corporate tax rate from 12% to 8% over four years. The first reduction of 1% was effective July 1, 2019 and will make Alberta the lowest corporate tax jurisdiction in the country. On January 1st of each of the next three years, beginning in 2020, corporate taxes will be further reduced by 1% annually.

Reconciliation of EBITDA to Shareholders to Profit

EBITDA to Shareholders to Profit	Q4 (twelve months)			Q4 (three months)		
	2019	2018	+(-)	**2019**	2018	+(-)
EBITDA to Shareholders	**25.7**	27.4	(6.2%)	**6.5**	6.4	1.6%
EBITDA to Shareholders Margin	**39.5%**	40.8%	(1.3%)	**39.2%**	38.1%	1.1%
Adjustments:						
Amortization on property, plant and equipment	**(4.4)**	(3.0)	46.7%	**(1.1)**	(0.9)	22.2%
Finance costs	**(2.2)**	(1.2)	83.3%	**(0.5)**	(0.4)	25.0%
Income tax expense	**(3.7)**	(6.3)	(41.3%)	**(1.1)**	(1.4)	(21.4%)
EBITDA attributable to non-controlling interest	**1.2**	1.3	(7.7%)	**0.2**	0.3	(33.3%)
Profit	**16.6**	18.2	(8.8%)	**4.0**	4.0	0.0%

(in millions of dollars unless stated otherwise)

Adoption of IFRS 16 - Leases provided a $1.3 million boost to EBITDA for the Year and $0.3 million for the Quarter over the same Years in 2018.

Facility enhancement

Capital expenditures	Q4 (twelve months)			Q4 (three months)		
	2019	2018	+(-)	**2019**	2018	+(-)
Capital maintenance	**0.4**	0.6	(33.3%)	**0.1**	0.2	(50.0%)
Capital expansion	**-**	12.5	(100.0%)	**-**	12.5	(100.0%)
	0.4	13.1	(96.9%)	**0.1**	12.7	(99.2%)

(in millions of dollars unless stated otherwise)

The Company's development permit application for a 6,000 square foot gaming and F&B expansion at Deerfoot has been approved by the AGLC and the City of Calgary. Detailed building plans are currently being finalized in anticipation for a spring 2020 construction start date. The Company is also at the early stage of planning for an expansion and exterior refresh at Boomtown as part of lease renewal negotiations with the Landlord. This project still requires approval from AGLC and the regional planning commission.

Financial condition

Liquidity

Net cash provided by operating activities totalled $5.8 million for the Quarter, up $0.3 million from the year ago quarter. At the end of the Quarter cash balances totalled $15.4 million compared to $15.8 million at the start of 2019. Factors affecting the Company's ability to generate cash in the near and longer terms are listed in the section 'Forward looking statements.' These factors are discussed in more specific terms in the section 'Business risks, opportunities and outlook.'

The Company has a $30.0 million revolving credit facility of which $9.2 million was available to be drawn at the end of the Quarter.

The Company's cash balances are made up of cash floats and traditional bank balances only.

The Company has a 91% participating interest in the operating activities of Deerfoot and an 87.75% contributing interest responsibility for any capital requirements of the Deerfoot that result in additional financing.

Working capital

Internal working capital requirements for the Company consists of cash floats for the operation of gaming tables, slot machines, VLT, ATM machines, TITO Kiosks, POS terminals, progressive jackpots and petty cash. Float amounts are set by management and will fluctuate based on activity levels in the casinos. Management works to minimize any float balances on premises to a maximum 150% of combined slot Cash Play and table Drop activity levels with cash surplus held in bank accounts or used to reduce revolving debt.

In addition to cash floats on premises, the Company maintains cash sufficient to fund one month's operating expenses, one month's interest cost on traditional debt facilities and one month's dividends payable to the Common Shareholders less amounts due to related parties. Unused portions of revolving debt are considered working capital in the Company's determination of internal working capital.

Inventory levels and receivable targets vary by operation. Minimum targets include a food and beverage inventory turnover ratio of 8.0 times. Receivables are limited to hotel and banquet operations. Operations are expected to maintain a day's-sales-outstanding (DSO) not greater than 45 days. The Company's objective is to maintain the highest relationship with suppliers and remits all payables within stated terms, typically 30 days, but will take advantage of all early payment discounts offered.

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 currently just under the MCNWCP requirements and is working with its lender to secure additional revolving loan capacity to satisfy the requirement.

The Company's term debt, held by Gamehost Limited Partnership and Deerfoot, includes demand clauses in the event certain performance covenants are not met. The Company is in compliance with all covenants.

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 contractual commitments. Commitments are for services or for leased assets of low value or lease assets of short term duration. The future undiscounted minimum payments for these non-lease commitments are as follows:

Commitments

	Total	One year or less	One to five years	More than five years
	0.3	0.2	0.1	-

(in millions of dollars unless stated otherwise)

Dividend policy and practice

The board of directors of the Company is responsible for determining the dividend policy of the Company. Under the Alberta Business Corporations Act (the "ABCA"), the dividend policy must comply with the requirements of the ABCA, including satisfying the dividend test applicable to ABCA companies (i.e. an ABCA company shall not declare or pay a dividend if there are reasonable grounds for believing that (a) a company is, or would after the payment be, unable to pay its liabilities as they become due, or (b) the realizable value of the company's assets would thereby be less than the aggregate of its liabilities and stated capital of all classes).

The monthly dividend policy of the Company is designed to provide for regular monthly dividend payments to holders of common shares to the extent that cash flows, operating metrics and future needs for cash support continuation of same. The Company's Board of Directors retain the right to modify such dividend policy from time to time at its discretion.

Dividend pay-out ratio

There is no standardized method for calculating dividend pay-out ratio under IFRS. The Company's method for determining its dividend pay-out ratio deducts all debt service costs, depreciation and interest expenses on right-of-use assets and current income tax expenses from EBITDA earned during the same period, regardless of the timing of settlement for those costs. The dividend pay-out ratio is normalized for reporting purposes by removing non-routine or volatile items such as capital maintenance or share repurchases paid for from operating cash flow and any gains or losses on disposal of assets.

Dividend pay-out ratio	**Q4 (twelve months)**			**Q4 (three months)**		
	2019	2018	+(-)	**2019**	2018	+(-)
EBITDA to Shareholders	**25.7**	27.4	(6.2%)	**6.5**	6.4	1.6%
Adjustments (excl. Non-controlling interest portions)						
Scheduled principal payments on demand debt	**(0.8)**	(1.5)	(46.7%)	**(0.2)**	(0.2)	0.0%
Interest expensed	**(1.9)**	(1.2)	58.3%	**(0.4)**	(0.3)	33.3%
Lease amortizations	**(1.2)**	-	nmf	**(0.3)**	-	nmf
Current Income tax expense	**(5.2)**	(6.3)	(17.5%)	**(1.2)**	(1.4)	(14.3%)
Cash available for distribution	**16.6**	18.4	(9.8%)	**4.4**	4.5	(2.2%)
Dividends delared	**16.8**	16.9	(0.6%)	**4.2**	4.2	0.0%
Surplus (deficit) to dividends declared	**(0.2)**	1.5	(113.3%)	**0.2**	0.3	(33.3%)
Normalized dividend pay-out ratio [1]	**101.2%**	**91.8%**	9.4%	**95.5%**	**93.3%**	2.2%

(in millions of dollars unless stated otherwise)

[1] Share repurchases and capital expenditures funded by operating earnings are removed for the purposes of normalizing dividend pay-out ratios.

Normalized payout ratio has improved steadily, quarter by quarter, over the course of the Year (Quarterly performance summary - Page 4). The payout ratio is closely monitored by the Company's board of directors.

Productive capacity

The Company's assets include land, land improvements, buildings, leasehold improvements, and furniture, fixtures and equipment. At the end of the Quarter, productive capacity of the Company consisted of 122 guest rooms and 1 meeting room at Service Plus, 94 guest rooms at Encore Suites, 188 guest rooms, 10 meeting/banquet rooms, 1 showroom, 3 restaurants, and a lounge at Deerfoot, and ancillary amenities for both facilities. Great Northern has a cafe and a segregated showroom, while Boomtown has a cafe and an integrated stage/live entertainment area. Also included in productive capacity are the Company's interests in three gaming licenses, one each for Boomtown Casino, Great Northern Casino, and Deerfoot Casino. Together these licenses provide a revenue stream for the Company from an equivalent 1,742 electronic gaming devices, 63 table/poker games, and other ancillary equipment. The table below summarizes changes in productive capacity since the beginning of operations.

Productive capacity

Year	Event	Gaming sq. ft	Banquet sq. ft.	Guest rooms	F & B seating	Electronic gaming devices	Tables	Lease/ retail sq. ft.
2003	Inception of Company	31,864		123	165	420	32	10,530
2003	Great Northern Casino Expansion	9,800	1,200		45	59		
2003 - 2004	AGLC adds slot machines					103		
2005	Deerfoot opening	24,000	8,000	75	140	252	13	
2006	Boomtown Casino expansion	11,000			40	193		
	AGLC adds slot machines					20		
2007	Deerfoot renovation	480			(20)	23		
2008	AGLC adds slot machines					19		
	Stampede Joint Venture	19,200	480		60	120	8	
2009	AGLC adds slot machines					8		
	Stampede Joint Venture now discontinued operations	(19,200)	(480)		(60)	(120)	(8)	
2010	AGLC adds slot machines					60		
	AGLC adds VLTs					3		
	Acquisition of an additional 51% interest in Deerfoot	31,212	10,200	113	153	448	22	
2011	AGLC adds VLTs					3		
2012	AGLC adds slot machines					1		
	AGLC adds VLTs					3		
2013	AGLC adds slot machines	400				30		
	Great Northern Casino expansion	870	1,730		55	86		
2014	AGLC adds slot machines					5		
	AGLC adds VLTs at Great Northern					20		
	Bingo closed at Great Northern	(270)	270			(80)		
	Service Plus guestroom decommissioned for use as breakfast room commissary			(1)				
2015	AGLC adds VLTs at Deerfoot					4		
2016	Deerfoot removes table						(1)	
2016 - 2017	AGLC adds VLTs at Deerfoot					15		
2017	Land purchase, GNC future expansion							
2018	AGLC removes slot machines					(5)		
	Acquisition - Encore Suites			94				
2019	Changes in gaming devices					52	(3)	
at December 31, 2019		**109,356**	**21,400**	**404**	**578**	**1,742**	**63**	**10,530**

Productive capacity maintenance

Productive capacity maintenance costs for facilities of the Company are minimal. Maintaining the shine on our properties so that they continue to attract guests is largely a program of regular refurbishment such as paint or new carpets. For the most part, maintenance costs are treated as operational expenses at the time they are incurred and as such are already included in the periodic cash provided by (used for) operating activities as reported in consolidated financial statements. Management may, however, undertake smaller capital projects to be paid from cash generated from operating activities. These capital costs, when funded from operating cash flow, would fall into the category of productive capacity maintenance.

Liquor sales require the Company to hold valid liquor licenses issued by the AGLC. Productive capacity maintenance of liquor sales is most significantly related to keeping these licenses in good standing, and requires the Company to pay for liquor orders electronically prior to delivery from AGLC wholesale.

Slot, VLT, and Lottery equipment is owned and maintained by the AGLC. Tables are owned or leased and maintained by the Company. Productive capacity maintenance of both tables and electronic gaming devices are more significantly measured in terms of maintenance of the Company's charitable gaming facility operator licenses issued by AGLC. Holders of these licenses must adhere to a strict set of terms and conditions. The Company's three licenses were renewed in June 2017 for six year terms expiring June 30, 2023. The Company considers the licenses to have indefinite life.

Average annual capitalized costs for productive capacity maintenance are not expected to exceed $0.8 million in any given year.

Discretionary and other items

From time to time, at their discretion, management or directors may elect to use or reserve cash for other purposes. Discretionary uses of cash reduce the availability of cash for distribution to shareholders.

Long-term unfunded contractual obligations

The Company has no long-term unfunded contractual obligations. The Company does not have a pension plan or stock based compensation plan. The benign nature of the Company's operations does not require that reserves be set up for environmental clean up, asset retirement, or other real or potential liabilities.

Capital Strategy

Current debt instruments will be maintained or eliminated to the extent they allow for repayment. Debt maintenance includes regular amortized monthly principal payments, and intermittent payments on outstanding revolving debt instruments when surplus cash is available. Management's objective is to limit Total Debt to EBITDA to a ratio of 2.0 to 1 or less until such time as opportunities encourage a different strategy. The Company's Total Debt to EBITDA ratio at the end of the Quarter is 1.7 to 1. The ratio is up from 1.4 to 1 at the end of 2018 due to the recording of transitional adjustments on adoption of IFRS 16 requiring the inclusion of off balance sheet lease liabilities effective January 1, 2019.

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 dividends in the manner described under "Dividend policy and practice." Current loan agreements and interest rates allow for scheduled amortization periods of 20 years.

Financing restrictions on dividends caused by debt covenants

The Company has two term loans secured by assets owned or leased by the Company. The loans require blended principal and interest payments, which are scheduled to term out over 20 years to the year 2039. The Company also has a revolving loan secured by the same assets requiring interest only payments.

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 2.5 to 1 at the end of the Year (3.7 to 1 - December 31, 2018), and a debt to tangible net worth ratio of not greater than 3.0 to 1, the actual ratio being 1.1 to 1 at the end of the Year (1.0 to 1 - December 31, 2018).

Income taxes

The Company is subject to income taxes and made monthly installment payments on estimated taxable income for the Year.

Cash dividends declared

2020 dividend summary

Month	$'s per Share	Date			Net Shares o/s [1]	Dividends
		Declared	Record	Payment		
January	0.0575	17-Jan-20	31-Jan-20	14-Feb-20	24,253,308	1.4
February	0.0575	18-Feb-20	29-Feb-20	13-Mar-20	24,248,108	1.4
Total	0.1150					2.8

2019 dividend summary

Month	$'s per Share	Date			Net Shares o/s [1]	Dividends
		Declared	Record	Payment		
January	0.0575	16-Jan-19	31-Jan-19	15-Feb-19	24,307,908	1.4
February	0.0575	20-Feb-19	28-Feb-19	15-Mar-19	24,307,908	1.4
March	0.0575	12-Mar-19	31-Mar-19	15-Apr-19	24,307,908	1.4
April	0.0575	17-Apr-19	30-Apr-19	15-May-19	24,307,908	1.4
May	0.0575	15-May-19	31-May-19	14-Jun-19	24,307,908	1.4
June	0.0575	19-Jun-19	30-Jun-19	15-Jul-19	24,307,908	1.4
July	0.0575	16-Jul-19	31-Jul-19	15-Aug-19	24,307,908	1.4
August	0.0575	13-Aug-19	31-Aug-19	13-Sep-19	24,299,408	1.4
September	0.0575	19-Sep-19	30-Sep-19	15-Oct-19	24,293,808	1.4
October	0.0575	16-Oct-19	31-Oct-19	15-Nov-19	24,293,808	1.4
November	0.0575	12-Nov-20	30-Nov-19	13-Dec-19	24,272,908	1.4
December	0.0575	16-Dec-19	31-Dec-19	15-Jan-20	24,253,308	1.4
Total	0.6900					16.8

2018 dividend summary

Month	$'s per Share	Date: Declared	Date: Record	Date: Payment	Net Shares o/s [1]	Dividends
January	0.0575	16-Jan-18	31-Jan-18	15-Feb-18	24,671,853	1.5
February	0.0575	15-Feb-18	28-Feb-18	15-Mar-18	24,606,753	1.4
March	0.0575	13-Mar-17	31-Mar-18	13-Apr-18	24,512,853	1.4
April	0.0575	16-Apr-18	30-Apr-18	15-May-18	24,506,953	1.4
May	0.0575	8-May-18	31-May-18	15-Jun-18	24,506,953	1.4
June	0.0575	18-Jun-18	30-Jun-18	13-Jul-18	24,506,953	1.4
July	0.0575	18-Jul-18	31-Jul-18	15-Aug-18	24,488,553	1.4
August	0.0575	14-Aug-18	31-Aug-18	14-Sep-18	24,398,408	1.4
September	0.0575	17-Sep-18	30-Sep-18	15-Oct-18	24,392,108	1.4
October	0.0575	18-Oct-18	31-Oct-18	15-Nov-18	24,392,108	1.4
November	0.0575	13-Nov-18	30-Nov-18	14-Dec-18	24,375,308	1.4
December	0.0575	17-Dec-18	31-Dec-18	15-Jan-19	24,312,908	1.4
Total	0.6900					16.9

(in millions of dollars unless stated otherwise)

[1] Total outstanding shares less shares to be cancelled from purchases made by the Company under normal course issuer bid (NCIB) where dividends were paid to the Company.

Tax attributes of dividends to Shareholders

Dividends paid to Shareholders are considered 'eligible dividends.' Eligible dividends are subject to a schedule of gross-up rates and enhanced dividend tax credits, providing the investor with a more favourable income stream for tax purposes. Generally, the Income Tax Act aims to provide a lower tax rate on all dividends ultimately sourced from income subject to the usual corporate level tax rates in Canada (i.e., income that is not income of a Canadian-controlled private corporation (CCPC) subject to the small business rate).

Income taxes

Income taxes include provisions for income taxes payable on current year taxable income, and temporary differences and carry-forwards, which give rise to future income tax assets and liabilities. Taxes are calculated using the applicable combined federal and Alberta tax rate substantively enacted. To the extent taxes can be deferred, they will be calculated at the rate of tax expected at the time the future tax asset or liability will be realized.

Current income tax

twelve months ended December 31	2019	2018
Current tax expense	5.2	6.3
Deferred tax expense		
Origination and reversal of temporary differences	(0.3)	-
Changes in future enacted tax rates	(1.2)	-
	3.7	6.3

(in millions of dollars unless stated otherwise)

Deferred taxes have been calculated using the combined federal and provincial substantially enacted for the periods reported.

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 earnings before income taxes for the following reasons:

twelve months ended December 31	2019	2018
Profit attributable to shareholders	15.5	17.0
Income tax expense	3.7	6.3
Shareholder profit excluding income tax	19.2	23.3
Income tax using Company's domestic tax rate	26.50%	27.00%
Expected income tax expense	5.1	6.3
Changes in income tax expense resulting from:		
Effect of changes in temporary differences	(0.2)	-
Changes in future enacted tax rates	(1.2)	-
Income tax expense	3.7	6.3

(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.

Capital resources

The Company has a term loan secured by its land and buildings. The Company is paying interest at a rate of 3.50%. Term loans are scheduled for repayment over 20 years to 2039. The Company will make blended monthly principal and interest payments on the loans. A revolving loan has an available limit of $30.0 million and is secured by the same assets as the demand term loans. The revolving loan requires interest-only payments at the lender's prime rate, currently 3.95%.

Deerfoot has a term loan secured by its land and buildings. Deerfoot is paying interest at a rate of 3.50%. The term loan is scheduled for repayment over 20 years to 2039. Deerfoot will make blended monthly principal and interest payments on the loan.

	Maturity	December 31, 2019	December 31, 2018
Credit facilities available at face value			
Revolving credit line	2039	30.0	25.0
Term loans	2039	14.7	10.9
Deerfoot term loan	2039	5.2	5.6
Leases right-of-use assets	Various	4.9	-
		54.8	41.5
Carrying value of borrowed amounts			
Current liabilities			
Revolving credit line		20.8	24.5
Term loans		0.5	0.5
Deerfoot - term loan		0.2	0.3
Lease liabilities		0.9	-
		22.4	25.3
Non-current liabilities			
Term loans		14.2	10.4
Deerfoot - term loan		5.0	5.3
Lease liabilities		4.0	-
		23.2	15.7
		45.6	41.0
Interest rate			
Revolving credit Lines [1]		3.95% (P +0.00%)	4.95% (P +1.00%)
Term loan		3.50%	4.95% (P +1.00%)
Deerfoot - term loan		3.50%	4.95% (P +1.00%)
Leases right-of-use assets		5.00% (discount rate)	n/a

(in millions of dollars unless stated otherwise)

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

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.

Financial instruments

Fair value

The fair value of cash, restricted cash, trade and other receivables, trade and other payables, loans and borrowings and dividends payable, approximate their carrying value due to the short-term maturities of these instruments.

Interest rate risk

The Company's interest rate risk arises primarily from its variable rate debt in the aggregate amount of $20.8 million. The Company is paying interest at 3.95% on revolving debt at the end of the Year. A 1.0% increase in interest rates would have an unfavourable impact on earnings of $0.2 million or $0.01/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.

Carrying amounts of accounts receivable are reduced for expected credit losses based on historical results and a factor for any deterioration in the economic and credit environment. Direct losses are recorded on an account-specific basis when appropriate. Carrying amounts of accounts receivable are reduced by direct write-off to earnings in the period of loss recognition. At the end of the Year, past due accounts and accounts written off are not material.

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 December 2039.

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.

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

As at December 31, 2019	Carrying amount	Contractual cash flows	1 year or less	2 to 5 years	More than 5 years
Trade and other payables	4.2	4.2	4.2	-	-
Leases right-of-use assets	4.9	2.1	1.5	0.6	-
Term loans	19.9	27.8	1.4	5.6	20.8
Revolving credit facility	20.8	20.8	20.8	-	-
	49.8	54.9	27.9	6.2	20.8
As at December 31, 2018					
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

(in millions of dollars unless stated otherwise)

The Company intends to execute a five year renewal option for the Boomtown Casino property lease. The discounted liability for the extension is included in the carrying amount for leases of right-of-use assets. The extension agreement has not yet been negotiated and therefore is not included in the contractual cash flow figures.

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. In light of the current economic climate in Alberta, the company has taken steps to increase diligence on new hotel customers applying for credit. Management has also increased the frequency of routine credit calls and is monitoring all customers for any perceived change in financial health.

Non-controlling interest

An investor in Deerfoot is entitled to a 9% non-controlling participating interest in the assets, liabilities, equity, income, and any distributions of Deerfoot.

Shareholder equity

The Company is authorized to issue an unlimited number of shares of any class. Common shares are valued at the original contributed capital amount, as at the 2003 plan of arrangement forming the former Gamehost Income Fund, plus fair value adjustments on former Class B limited partnership units that were converted to common shares, plus shares purchased by the Company for cancellation under normal course issuer bids, plus convertible debentures that were converted to common shares, and amortization of a conversion privilege on the Company's matured debentures.

On May 29, 2018 the Company commenced a normal course issuer bid (the "2018 Bid"). Pursuant to the 2018 Bid, Gamehost was 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 could 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. During the Year, 800 common shares were purchased under the 2018 Bid at prices averaging $9.20/common share plus commissions. The 2018 Bid expired on May 28, 2019.

On July 15, 2019 the Company commenced a normal course issuer bid (the "2019 Bid"). Pursuant to the 2019 Bid, Gamehost is authorized to purchase for cancellation up to a maximum of 1.6 million common shares, being equal to 10% of Gamehost's “public float” outstanding on July 10, 2019. Notwithstanding the foregoing, pursuant to the rules of the TSX, Gamehost may not purchase more than 2,214 common shares in any one day, such amount being equal to 25% of the average daily trading volume for the six months ended June 30, 2019. Common shares purchased under the 2019 Bid will be made in the open market through the facilities of the TSX and any other Canadian marketplaces at the prevailing market price of the shares on the TSX and any other Canadian marketplaces at the time of purchase. The 2019 Bid will terminate on July 14, 2020 or such earlier time as the 2019 Bid is completed or terminated at the option of the Company. There were 24,293,808 common shares issued and outstanding as at July 10, 2019. Of this amount, 15,687,757 common shares constitute the “public float,” calculated in accordance with the rules of the TSX. During the Year, 54,600 common shares were purchased under the 2019 Bid at prices averaging $8.21/common share plus commissions.

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 30.5% (30.0% - 2018) of the outstanding common shares of the Company.

- The Company incurred $1.3 million ($1.5 million - 2018) 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.

  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 $nil ($0.1 million – 2018) of charter aircraft rental expenses for the Year with Will Air Inc., a company controlled by the Wills, which is included in administrative expenses. Travel to the Company's operational centres of Grande Prairie and Fort McMurray is made more efficient via charter air services than can be accomplished through commercial carriers.

- The Company incurred $0.1 million ($0.1 million – 2018) of office rent expenses for the Year which is included in administrative expenses. 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 – 2018) of rental expenses for the Year which is included in cost of sales. The Company rents tractor trailer parking 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 – 2018) 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 – 2018) 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 $0.6 million ($0.5 million – 2018) 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.

Business risks, opportunities and outlook

General economic outlook

The International Monetary Funds' most recent outlook for world GDP growth was revised downward on social unrest and geopolitical risks. Improvements in Brexit and US - China trade tensions is noted, but have the potential to reverse. Overall global growth is expected to improve to 3.3% in 2020 (2.9% - 2019) while growth is expected to slow in the United States to 2.0% (2.3% - 2019). GDP Growth for Canada is expected to be more muted for 2020 at 1.6% (1.7% - 2019) with both Ontario and Alberta's provincial governments signalling program spending cuts.

Increased economic risk associated with the spread of the coronavirus is manifesting daily. Central banks around the globe are beginning to react to the risk the virus will have on slowing economic growth by cutting interest rates. Reduced demand for fossil fuels and new pressure on commodity prices will not be helpful to the Alberta economy. Cases of the virus in Alberta are few and direct impact to business levels at Company properties, as yet, has not been noticed. The situation is very fluid, however, and highly dependant on public health measures and good community adherence to hygiene and self monitoring.

Views are mixed on the growth of the Alberta economy in 2020. The Conference Board of Canada had been predicting Alberta would post growth of 2.4% in 2020 citing positive developments on the Trans Mountain Pipeline and the lifting of Alberta oil curtailments. Economists closer to home are more cautious. The Chief Economist for Alberta Treasury Branch is projecting a 0.9% growth rate for the province and the City of Edmonton is anticipating the city will grow by 1.4%. Alberta's unemployment rate, at 6.9% remains above the national average of 5.7%. This was all before the recent collapse of talks between OPEC and Russian oil producers which spelled the end of three years of coordinated output cuts aimed at supporting prices and reducing stockpiles. Without agreement between the two groups oil prices have entered another round of high volatility and potential risk to the Alberta economy.

Local economic outlook

Fort McMurray continues to adjust to what is being referred to as the "new normal". Since the oil price collapse in 2014 and wildfire in 2016, it is estimated that about 11% of the population have left the municipal district. Numerous business closures have left the community with less consumer choice for eating and entertainment. Gamehost is in the early planning stages of helping to fill that void with an expansion to non-gaming amenities offered at our Boomtown Casino. We are confident that an modest rebound in the community's fortune is on the horizon.

We remain optimistic for the whole of the Grande Prairie region in the short and longer terms. Energy activity remains strong in the region given favourable economics and demand for condensate production required by oil-sands producers. The region is well positioned to benefit from the export of LNG off of the British Columbia coast with Alberta gas required to replace the void created by BC volumes shipped off shore. Work continues on the new hospital located immediately adjacent to our Grande Prairie properties. The hospital fixturing period, and once open, is expected to boost occupancy at the company's two hotels.

In Calgary, a development permit application has been approved by the AGLC and City of Calgary for a modest 6,000 square foot expansion of the Deerfoot property's gaming and food & beverage amenities. The addition along with a general refresh of the venue is expected to provide immediate returns in revenue streams that are presently under served.

Government regulation

The Alberta and Canadian gaming industries are highly regulated by provincial governments resulting in high barriers of entry. Revenue sharing agreements between governments and operators are subject to change by unilateral government action. Revenue sharing and operator agreements are not the same from province to province. Neither are they the same for traditional casino operators and First Nations casino operators. Traditional casino operators in Alberta receive less favourable compensation when compared to competing Alberta First Nations operators and some of their provincial counterparts.

Since 2008 the Board of the AGLC has maintained a moratorium on new casino licences.

Competition

AGLC's request for proposal for a turnkey online gaming platform closed in May 2019. Evaluations have been completed and announcement is expected in early 2020 on who has been awarded the contract. A live site is expected to launch in early 2021. AGLC does not expect the launch to have an adverse impact on brick and mortar casinos and in fact intend to implement strategies to use the platform to drive traffic to brick and mortar casinos.

Management is not aware of any gaming expansions that could have a material effect on the Company's operations.

There are eight slot gaming licences issued in the Calgary region including a racing entertainment centre (REC) located in an adjacent county to the north. The Company's Deerfoot Inn & Casino is located deep in the south east quadrant of the city with the nearest casino competition some 13 kilometres to the north west. There is sparse nearby competition to the Deerfoot's rooming business. The closest being a property operated by a related party to Deerfoot. This property operates at a different price point to the Deerfoot and has been beneficial in boosting room capacity for banquets and conferences held at Deerfoot Inn & Casino. Otherwise, the next closest comparable competition is an older property located 4.2 kilometres to the north, which also offers banquet and convention services.

A First Nations casino on Calgary's western edge also provides hotel accommodations, meeting/conference space and event space. The First Nations live entertainment showroom allows for larger single night performances than can be accommodated at Deerfoot, but otherwise, the Deerfoot maintains a superior overall location and conference packaging.

The Great Northern Casino in Grande Prairie is the only full service casino in the city. Evergreen Park is the area's Agribition and trade grounds located 8.5 kilometres from the city centre. The park operates a small REC with off-track betting, 99 slot machines and VLTs. Great Northern Casino has the city's premier intimate live entertainment space. The F&B market is competitive and ever-changing, but the casino's unique offering and location give it a competitive niche.

The Company’s Service Plus and Encore Suites hotel properties operate in a highly competitive market. Both properties succeed on superior location and service. The properties are located adjacent to and across the street, respectively, from the Great Northern Casino and help to drive foot traffic to the casino. The locations are in advantageous proximity to the area's community college, Gateway Power Centre big box shopping outlet, and the new under construction Grande Prairie Regional Hospital. Each of the two properties serve the mid-scale market at different price points catering to a wide clientele of business and leisure travellers.

The Company's Boomtown Casino in Fort McMurray operates without any gaming-related competition in the trading area. At present, gaming demand is well served by the Company's current capacity. More immediate and significant competition exists to the food and beverage segment of our business as new franchise and independent operators get established. The Company is currently evaluating options for the casino which is nearing the end of the current property lease. Key considerations are expanded space allowing for improved amenities and additional parking.

Information Security

Gamehost relies on information technology systems for the efficient management and operation of its business. Reliability and security of these systems is essential to effective uninterrupted operations and information privacy. The Company relies significantly on AGLC systems and security protocols related to AGLC owned and controlled electronic games. Additional Company owned and implemented technology systems are deployed and continually monitored. Although AGLC and Company information technology systems contain safeguards against unauthorized access, there is risk that safeguards could fail or be breeched. Failure of, or malicious security breach to, any AGLC or Company systems could result in adverse consequences, including but not limited to: unavailability, disrupted functionality, loss, corruption, ransom, or unauthorized disclosure of sensitive Company, customer, vendor or employee information. The Company attempts to prevent any such failures or breeches through the implementation of effective internal controls, processes, procedures, and technology security measures. The Company contracts third party providers, skilled in the area of information systems to advise, implement, and manage network and information security, but there can be no assurance that these measures will be fully effective. There were no known or detected breeches during the Quarter. A first ever IT security standards audit was completed in April with the Company receiving a satisfactory opinion.

International Financial Reporting Standards (IFRS)

Standards, amendments and interpretations effective and applied

The Company has applied the following standards and amendments, effective January 1, 2019. Changes were made in accordance with applicable transitional provisions.

- *IFRS 16 - Leases* (replaces IAS 17) - specifies how to recognise, measure, present, and disclose leases. Lessor accounting is largely un-impacted. The new standard requires lessees to recognize assets and liabilities for all leases. A number of approaches and practical expedients are available to reduce the burden of implementation. The Company has made use of the modified retrospective approach and elected to measure right-of-uses assets equal to their liability with no adjustment to retained earnings. The Company's incremental borrowing rate of 5.0% was used to discount lease payments. Adjustments on implementation have been recorded at January 1, 2019 and as a consequence, comparative data is not restated. The Company has also taken advantage of practical expedients for all short term leases. Leases with a remaining term of twelve months or less were excluded as were all leases with terms of 12 months or less. The Company has also excluded all low value leases using a threshold of $7,500. Short term and low value leases continue to be reported as in previous years as operating leases. The impact on Company financial statements is disclosed separately in note 15 of the financial statements.

- *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 had no impact on the Company's financial statements.

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, 2019 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 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.

Additional information

All required public disclosures including material documents, press releases, annual information form, and consolidated financial statements of the Company can be found on SEDAR at www.sedar.com. Additional information about the Company can be found at www.gamehost.ca.