Management Discussion and Analysis

for the twelve and three month periods ended December 31, 2020

To Our Shareholders

Management and Directors of Gamehost Inc. (the “Company”) present results for the twelve and three month periods ended December 31, 2020 (the "Year" and "Quarter" respectively).

In year-over-year comparison for the Quarter, operating revenue was down 48.3% from $17.2 to $8.9, EBITDA to shareholders was down 33.8% from $6.5 to $4.3, and net earnings to shareholders was down 51.4% from $3.7 to $1.8 with future income tax adjustments compounding the lower results. Earnings per share for the Quarter is down $0.07 per common share to $0.08 per common share.

The Company's casinos were open and operating with restricted capacities through the Quarter until November 27, 2020 when the Government of Alberta (GOA) ordered table games in the province closed. With rising COVID-19 case numbers and hospitalizations the GOA ordered a full shut down of all provincial land-based gaming venues effective December 13, 2020. The Company's Deerfoot Inn in Calgary closed along with the casino on December 13, 2020 while the Company's two remaining hotels operated continuously throughout the Quarter serving reduced demand. Early in the new year, Deerfoot Inn reopened primarily to service our regular clientele. All Gamehost hotels continue to operate under enhanced Company COVID-19 protocols and GOA restrictions that limit service to appointment only check-in.

The GOA announced a four step plan for lifting economic and physical gathering restrictions that is tied to hospitalization numbers. The plan stipulates a minimum three weeks between moving forward from one step to another and a clear trend to declining hospitalizations. Other factors such as case counts and test positivity rates may also factor in any GOA decision to move between steps. The province is currently in Step 1 of the plan which requires hospitalizations to be less than 600. The Company could benefit moderately at Step 2, 450 hospitalizations, which includes easing current restrictions for hotels and banquet halls. Casinos are assigned to Step 3 of the GOA plan at 300 hospitalizations. Potential easing of restrictions on live entertainment is included in the final Step 4 of the GOA plan at 150 hospitalizations. Provincial hospitalizations have descended into Step 3 territory creating opportunity for additional restrictions to be lifted at the GOA's discretion. Ultimately though, effective vaccines with wide reaching distribution and acceptance will be required before economies everywhere and the Company can begin a more certain and stable recovery.

The Company continues to repurchase shares at what management perceives to be opportunistic prices. During the Quarter the Company purchased 228,300 common shares at prices averaging $5.25 per common share. The Company's current issuer bid expires in July 2021.

The Company's dividend remains temporarily suspended. A decision to reinstate the dividend in whole or in part is reviewed at regular intervals by the board of directors. Experience to date has demonstrated that the Company can operate cash flow positive under partial restrictions coupled with current available COVID-19 relief subsidies. During periods of full casino closure cash burn rates can be reduced to between $0.3 million and $0.5 million per month. The Company has ample liquidity to support full or partial restrictions for the foreseeable future.

The Company is taking full advantage of the current casino closures to accelerate construction on two expansion projects. A $3.5 million, 7,500 square foot expansion to gaming and non-gaming amenities at the Deerfoot Casino is expected to be completed spring of 2021. A net $2.5 million, 6,350 square foot expansion to gaming and non-gaming amenities at Boomtown Casino is expected to be completed summer of 2021.

It has been a year of challenges. The Company has performed remarkably well all things considered. During periods of casino closures and with COVID-19 relief subsidies, for which we are grateful, the Company is able to reduce cash burn to sustainable levels. Management is optimistic the worst of this pandemic may soon be in the rear-view mirror and confident the Company is well positioned to weather the impact in days ahead. We look forward to welcoming back all of our valued staff and patrons soon. Stay safe and please continue to do your part in limiting the spread of COVID-19.

11-Mar-21

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, 2020

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 9, 2021. This MD&A should be read in conjunction with the Consolidated Financial Statements of the Company and accompanying notes for the Year ended December 31, 2020 and the Company's Annual Information Form for the Year ended December 31, 2020.

This MD&A focuses on year-over-year comparative results for three months ended December 31, 2020 (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.

COVID-19

The following points record a timeline of significant events and Company responses to the COVID-19 pandemic:

- Early March. In response to COVID-19 guidelines issued by Alberta's Office of the Chief Medical Officer of Health, the Company adopted all recommendations including, but not limited to, conducting staff training and awareness, posting COVID-19 signage, implementing enhanced cleaning and food service protocols, installing additional hand sanitizing stations, and monitoring and screening of staff and patrons.

- March 16, 2020. The Company's board of directors hold a special meeting to enact a response plan for the anticipated closure of provincial casinos. In addition to management initiatives to reduce the rate of cash burn, directors agree to a temporary suspension of dividends and directors and senior management under management contracts agree to 100% deferral of remuneration until further directive from the board.

- March 17, 2020. All Company casinos closed by order of the Government of Alberta (GOA). Staff issued temporary lay off notices. Lines of communication established to disseminate information on Company and provincial and federal support programs available to team members.

- March 25, 2020. Deerfoot Inn is closed due to abrupt decline in business and forward cancellations. Deerfoot hotel staff issued temporary lay off notices. Gamehost's two Grande Prairie hotels continue operations at reduced occupancy while following all recommendations of Alberta's health authorities.

- May 2020. The Company begins accessing various federal and provincial relief subsidies. Programs accessed include Canada Emergency Wage Subsidy (CEWS), Canada Emergency Commercial Rent Assistance (CECRA), Small & Medium Enterprise Relaunch Grant (SMERG), income tax and GST deferrals, WCB premium and tourism levy forgiveness.

- May 2020. The Company ramps up expansion projects for Deerfoot Casino and Boomtown Casino taking advantage of closures to accelerate timelines and reduce costs.

- June 19, 2020. The Company reopened all casinos following the lifting of provincial restrictions. Deerfoot Inn reopened in conjunction with the casino. Casinos operate at reduced capacity with limited slot machines and partial food and beverage seating. Table games remain closed. Day to day operations strictly adhere to new COVID-19 Guidance for Casinos and Racing Entertainment Centres (GCREC) prepared by the GOA as recommended by Alberta's Chief Medical Officer of Health.

- August 2020. The Company makes face coverings mandatory at all of its casino operations throughout the province and is the first Alberta casino operator to voluntarily do so.

- September 3, 2020. The Alberta Gaming, Liquor and Cannabis Commission (AGLC) green lights table games to reopen under GCREC. The Company begins recalling laid-off gaming workers and announces intentions to reopen tables on September 5, 2020 at Deerfoot and on Sept 11, 2020 at both Boomtown and

- September 13, 2020. The Company issues termination notices for 110 hotel staff on expiry of their extended temporary lay-off period.

- October, 2020. The Company arranges an additional $5.0 in term financing to improve available liquidity. The Company's cumulative investment in equipment, supplies and health and safety protocols since the onset of the COVID-19 pandemic totals $0.8.

- November 13, 2020. The GOA further restricts operating hours for bars and pubs.

- November 23, 2020. The new Canada Emergency Rent Subsidy (CERS) is opened to receive applications from qualifying organizations. Gamehost is eligible and begins making submissions.

- November 24, 2020. The GOA enacts a second state of public health emergency for areas of the province designated enhanced-status which includes all Gamehost casinos. New restrictions effective November 27, 2020 require the closure of all table games and a limitation to 25% of building fire code capacity for casinos and food and beverage establishments operating in enhanced-status areas of the province.

- December 8, 2020. The GOA announces additional measures to slow the spread of COVID-19. New restrictions include an order to close all casinos effective December 13, 2020. The GOA also announces an increase in one time SMERG payments from $5,000 dollars to $20,000 dollars for eligible businesses. Gamehost properties all qualify and submit applications.

- January 29, 2021. The GOA outlines their four step plan for lifting restrictions based on the number of provincial hospitalizations for COVID-19. Casinos fall under Step 3 with 300 hospitalizations and a declining trend. At Step 1, on this date, hospitalizations are less than the maximum of 600 and trending lower.

- March 1, 2021. Hospitalizations are at 250 and trending lower. The GOA moved to Step 2 of their recovery plan, but keeps some of the scheduled restrictions in place. The earliest possible date for reopening of Company casinos would be March 22, 2021 subject to additional discretion by the GOA.

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 14. 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, 2020, 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 23.3 million common shares issued and outstanding as at December 31, 2020 (24.3 million - December 31, 2019) and 23.2 million common shares issued and outstanding as at February 28, 2021, 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, and Great Northern Casino (Great Northern) in Grande Prairie, as well as Service Plus Inns & Suites (Service Plus), and Encore Suites by Service Plus Inns (Encore Suites), both limited service hotels, in Grande Prairie. The Company has a 91% ownership interest in Deerfoot Inn & Casino Inc. (Deerfoot), in Calgary.

Gaming operations of the Company are controlled by the AGLC and the Interprovincial Lottery Corporation (ILC). Operations include Company owned live table games, AGLC owned slot machines, video lottery terminals (VLT), electronic gaming tables (EGT), and ILC owned 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 board of directors have temporarily suspended the regular monthly dividend to shareholders in the wake of events related to the Covid-19 pandemic. The Company's board of directors retain the right to modify the dividend policy from time to time at their discretion.

(In millions of CDN dollars, unless otherwise stated)

Overall financial results and condition of the Company

Company casinos remain closed under a state of public health emergency. Casinos were under full closure or restricted capacity orders for 289 days of the Year. Other than two brief voluntary closures of Deerfoot Inn during the Year all Company hotels are open and operated continuously during the Year. GOA operating restrictions for hotels did not impact the Company's capacity to meet levels of demand.

In year-over-year comparison for the Quarter, operating revenue was down 48.3% from $17.2 to $8.9, EBITDA to shareholders was down 33.8% from $6.5 to $4.3, and net earnings to shareholders was down 51.4% from $3.7 to $1.8 with future income tax adjustments compounding the lower results.

At the end of the Quarter, the Company had $175.0 in total assets, down $1.2 from the start of 2020. Cash balances of $10.3 are down $5.1 from the start of 2020. Total debt sits at $40.8 down $0.1 from the start of the Year.

Quarterly performance summary

Quarterly performance	**2020**				2019			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Operating revenue	**$ 8.9**	$ 10.1	$ 1.8	$ 13.8	$ 17.2	$ 17.0	$ 16.8	$ 17.0
Cost of sales	**(6.6)**	(6.6)	(3.3)	(8.9)	(10.7)	(10.1)	(10.5)	(10.5)
Gross profit (loss)	**2.3**	3.5	(1.5)	4.9	6.5	6.9	6.3	6.5
Lease and other income	**2.1**	1.5	0.4	0.1	0.1	0.1	0.1	-
Administrative expenses	**(0.9)**	(0.9)	(0.8)	(1.0)	(1.0)	(1.0)	(1.0)	(1.1)
Profit (loss) from operating activities	**3.5**	4.1	(1.9)	4.0	5.6	6.0	5.4	5.4
Fair value adjustment	**(0.2)**	-	-	(0.6)	-	-	-	-
Finance costs net of finance income	**(0.4)**	(0.4)	(0.3)	(0.4)	(0.5)	(0.5)	(0.6)	(0.5)
Profit (loss) before income tax	**2.9**	3.7	(2.2)	3.0	5.1	5.5	4.8	4.9
Income tax (expense) recovery	**(1.0)**	(0.6)	0.6	(0.7)	(1.1)	(1.2)	(0.4)	(1.3)
Profit (loss)	**1.9**	3.1	(1.6)	2.3	4.0	4.3	4.4	3.6
Less non-controlling interest	**(0.1)**	(0.2)	0.1	(0.2)	(0.3)	(0.2)	(0.2)	(0.3)
Profit (loss) attributable to shareholders	**$ 1.8**	$ 2.9	$ (1.5)	$ 2.1	$ 3.7	$ 4.1	$ 4.2	$ 3.3
Earnings (loss) per share								
Basic and diluted	**$ 0.08**	$ 0.12	$ (0.06)	$ 0.09	$ 0.15	$ 0.17	$ 0.17	$ 0.14
Weighted average shares outstanding	**23.4**	23.7	24.0	24.2	24.3	24.3	24.3	24.3
EBITDA to Shareholders	**4.3**	4.9	(0.7)	4.2	6.5	6.7	6.2	6.3
EBITDA to Shareholders %	**41.7%**	44.5%	-33.3%	31.6%	39.2%	41.6%	38.5%	38.7%
Normalized dividend payout ratio	**0.0%**	0.0%	0.0%	175.0%	95.5%	100.0%	102.4%	107.7%

(In millions of CDN dollars, unless otherwise stated)

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 compliments the other segments. The Gaming segment includes three casinos offering slot machines, video lottery terminals VLT's, EGT's, lottery ticket kiosks and live 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 compliment to those segments.

twelve months ended December 31, 2020	**Gaming**	**Hotel**	**Food & Beverage**	**Corporate and Other [1]**	**Total**
% of total revenue	**61%**	**16%**	**17%**	**6%**	**100.0%**
Total revenues	**23.9**	**6.1**	**6.5**	**2.2**	**38.7**
Profit (loss) before income taxes	**10.9**	**(1.3)**	**0.1**	**(2.2)**	**7.5**
Segment assets	**77.7**	**67.9**	**26.2**	**3.2**	**175.0**
Segment liabilities	**24.3**	**20.3**	**8.9**	**8.7**	**62.2**
Capital expenditures	**1.0**	**-**	**1.1**	**-**	**2.1**

twelve months ended December 31, 2019	Gaming	Hotel	Food & Beverage	Corporate and Other [1]	Total
% of total revenue	60%	19%	21%	0%	100%
Total revenues	40.9	13.0	14.2	0.2	68.3
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	10.5	59.8
Capital expenditures	0.4	-	-	-	0.4

[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.

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)**		
	2020	2019	+(-)	**2020**	2019	+(-)
Operating revenue	**34.6**	68.0	(49.1%)	**8.9**	17.2	(48.3%)

Casino operations have been closed or under COVID-19 capacity restrictions since March 17, 2020 and are currently closed since December 13, 2020. The Company has voluntarily and periodically closed Deerfoot Inn. All other Gamehost hotels have operated continuously throughout the Year.

(In millions of CDN dollars, unless otherwise stated)

Room revenue

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

Room revenue	Q4 (twelve months)			Q4 (three months)		
	2020	2019	+(-)	**2020**	2019	+(-)
Room revenue	**5.7**	12.8	(55.5%)	**1.1**	2.8	(60.7%)
Occupancy	**29.7%**	61.2%	(31.5%)	**23.8%**	54.2%	(30.4%)
ADR	**$136.58**	$142.62	($6.04)	**$134.79**	$140.84	($6.05)
% of operating revenue	**16.5%**	18.8%	(2.3%)	**12.4%**	16.3%	(3.9%)

Quarter results include a period of closure for one of the Company's three hotel operations. COVID-19 guidelines for hotels as mandated by GOA order during the Quarter include reservations by appointment only.

Encore Suites in Grande Prairie remained open throughout the Quarter. In year-over-year comparison, occupancy was 23.5%, down from 56.5%. ADR was down $5.80 per room to $142.37 vs $148.17 for the Quarter.

Service Plus in Grande Prairie remained open throughout the Quarter. In year-over-year comparison, occupancy was 32.4%, down from 59.1%. ADR was down $9.76 per room to $121.14 from $130.90 for the Quarter.

Deerfoot Inn in Calgary was voluntarily closed from March 25, 2020 to June 19, 2020 due to a lack of bookings during the initial stage of the declared COVID-19 health pandemic. Deerfoot closed a second time coinciding with the closing of the Deerfoot Casino effective December 13, 2020 and remained closed through the end of the Year. In year-over-year comparison, occupancy was 18.5%, down from 52.1%. ADR was up $3.55 per room to $147.31 from $143.76 for the Quarter attributable to a lower mix of corporate stays.

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.

(In millions of CDN dollars, unless otherwise stated)

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)**		
	2020	2019	+(-)	**2020**	2019	+(-)
General, progressive and high limit	**4.6**	10.1	(54.5%)	**1.5**	2.6	(42.3%)
Poker	**0.9**	2.6	(65.4%)	**0.3**	0.6	(50.0%)
Total	**5.5**	12.7	(56.7%)	**1.8**	3.2	(43.8%)
% of operating revenue	**15.9%**	18.7%	(2.8%)	**20.2%**	18.6%	1.6%

# of tables	**End of Year**		
	2020	2019	+(-)
All Others	**26**	31	(5)
Poker	**15**	17	(2)
Progressive Table Games	**15**	15	-
Total	**56**	63	(7)

Drop and Hold	**Q4 (twelve months)**			**Q4 (three months)**		
	2020	2019	+(-)	**2020**	2019	+(-)
Drop	**38.0**	86.1	(55.9%)	**13.3**	20.6	(35.4%)
Hold %	**22.3%**	21.4%	0.9%	**20.8%**	23.1%	(2.3%)

Casinos throughout the province were first closed on March 17, 2020. Table games were allowed to reopen on September 3, 2020 and operated continuously at Gamehost casinos during the Quarter at reduced capacity until a second GOA order mandated tables across the province to close effective November 27, 2020. The order remains in effect.

Boomtown reopened, for reduced seating, 7 of 10 table games and 1 of 3 poker tables on September 11, 2020 and then operated continuously through November 27, 2020. Drop was down 49.9% and Hold % was lower by 9.8 percentage points for a for reduction in Hold of 68.7% year-over-year for the Quarter. A stretch of table losses adversely affected Hold during the Quarter. Poker revenue was down 64.0% for the Quarter compared to the prior year.

Great Northern reopened, for reduced seating, 10 of 12 table games and 2 of 4 poker tables on September 11, 2020 and then operated continuously through November 27, 2020. Drop was down 54.7% and Hold % was higher by 2.0 percentage points for a reduction in Hold of 51.1% year-over-year for the Quarter. Poker revenue was down 65.4% for the Quarter compared to the prior year.

Deerfoot reopened, for reduced seating, 24 of 24 table games on September 5, 2020. The property also reopened, for reduced seating, 6 of 10 poker tables. Tables then operated continuously from this date through November 27, 2020. Drop was down 29.1% and Hold % was lower by 1.8 percentage points for a for reduction in Hold of 34.8% year-over-year for the Quarter. Poker revenue was down 38.8% for the Quarter compared to the prior year. Table performance for the Quarter suggests a high level of pent up demand.

(In millions of CDN dollars, unless otherwise stated)

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 GOA 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)**		
	2020	2019	+(-)	**2020**	2019	+(-)
Cash Play	**1,281.1**	1,906.6	(32.8%)	**338.5**	479.8	(29.4%)
Active machines [1]	**1,401**	1,641	(240.0)	**1,401**	1,654	(253.0)

[1] Not restricted under AGLC COVID-19 GCREC

Slot revenue	**Q4 (twelve months)**			**Q4 (three months)**		
	2020	2019	+(-)	**2020**	2019	+(-)
Net	**14.1**	21.9	(35.6%)	**3.8**	5.5	(30.9%)
% of operating revenue	**40.8%**	32.2%	8.6%	**42.7%**	32.0%	10.7%

A public health emergency declared for the COVID-19 virus resulted in the closure of all Gamehost casinos on March 17, 2020. The GOA partially lifted restrictions allowing casinos to reopen on June 12, 2020 under GCREC. Gamehost Casinos reopened with reduced slot machines on June 19, 2020 that operated continuously until a second GOA province-wide casino closure was ordered effective December 13, 2020.

At Boomtown, in year-over-year comparison for a the Quarter, Cash Play was down 36.5%. Hold percentage was up 80 basis points in year-over-year comparison resulting in 28.6% lower Net revenues for the Quarter. Physical distancing constraints allowed for 261 machines in operation at the end of October 2020 increasing to 303 by the end of November 2020 of a possible 450 slot machines.

At Great Northern, in year-over-year comparison for the Quarter, Cash Play was down 38.1%. Hold percentage was down 20 basis points, and Net revenues were down 40.0% in year-over-year comparison. Physical distancing constraints allowed for 334 of a possible 424 machines in operation during the Quarter.

At Deerfoot, in year-over-year comparison for the Quarter, Cash Play was down 20.3%. Hold percentage was down 60 basis points resulting in a 26.9% decrease in Net revenues for the Quarter. Physical distancing constraints allowed for 764 of a possible 814 machines in operation during the Quarter.

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 delivered directly by the Company at all locations. 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)**		
	2020	2019	+(-)	**2020**	2019	+(-)
Food & mix	**2.0**	5.2	(61.5%)	**0.4**	1.5	(73.3%)
Liquor	**3.8**	8.7	(56.3%)	**0.9**	2.5	(64.0%)
Total	**5.8**	13.9	(58.3%)	**1.3**	4.0	(67.5%)
% of operating revenue	**16.8%**	20.4%	(3.6%)	**14.6%**	23.3%	(8.7%)

(In millions of CDN dollars, unless otherwise stated)

Restrictions to hours of service for bars and pubs went into effect on November 13, 2020 before the GOA forced a complete closure of casinos beginning March 17, 2020. The company voluntarily shuttered hotel associated food and beverage services on March 25, 2020. Closures continued through June 18, 2020 to limit the risk of transmission of COVID-19. The Company resumed food and beverages services in conjunction with the reopening of casinos and until casinos were closed again effective December 13, 2020. During the period food and beverage services were offered during the Quarter, capacities and operating hours were limited. Mandatory face coverings at all of the Company`s casinos further contributed to reduced consumption.

At Boomtown, during the Quarter, the Company took over food operations from a third party operator. The Company will operate the business segment until a new operator is contracted to begin service in conjunction with the Boomtown expansion project.. Overall F&B revenues were down 61.1% in year-over-year comparison for the Quarter.

At Great Northern, overall F&B revenues, net of commissions, were down 72.6% in year-over-year comparison for the Quarter.

Deerfoot F&B revenues were down 74.4% in year-over-year comparison for the Quarter. Both the casino and hotel sides of the food and beverage operations were closed effective December 13, 2020.

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)**		
	2020	2019	+(-)	**2020**	2019	+(-)
Total	**3.5**	6.7	(47.8%)	**0.9**	1.7	(47.1%)
% of operating revenue	**10.1%**	9.9%	0.2%	**10.1%**	9.9%	0.2%

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)**		
	2020	2019	+(-)	**2020**	2019	+(-)
Total	**25.5**	41.8	(39.0%)	**6.6**	10.7	(38.3%)
% of operating revenue	**73.7%**	61.5%	12.2%	**74.2%**	62.2%	12.0%

(In millions of CDN dollars, unless otherwise stated)

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 calls, 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)**		
	2020	2019	+(-)	**2020**	2019	+(-)
Food & Mix	**0.7**	1.9	(63.2%)	**0.1**	0.5	(80.0%)
Liquor	**0.8**	1.8	(55.6%)	**0.2**	0.5	(60.0%)
Other	**0.1**	0.2	(50.0%)	**-**	0.1	(100.0%)
Total	**1.6**	3.9	(59.0%)	**0.3**	1.1	(72.7%)
% of operating revenue	**4.6%**	5.7%	(1.1%)	**3.4%**	6.4%	(3.0%)

Cost of product %	**Q4 (twelve months)**			**Q4 (three months)**		
	2020	2019	+(-)	**2020**	2019	+(-)
Food & Mix	**35.0%**	36.5%	(1.5%)	**25.0%**	33.3%	(8.3%)
Liquor	**21.1%**	20.7%	0.4%	**22.2%**	20.0%	2.2%
Other	**81.3%**	56.5%	24.8%	**76.7%**	57.7%	19.0%

Great Northern has a commission-based third party arrangement for food services, as did Boomtown for a portion of the Year and Quarter. Operations at these locations do not factor significantly into cost of sales analysis for food.

Large rebates based on prior year sales volumes were received during the Quarter reducing cost of sales for food & mix. Liquor spoilage due to closure drove liquor costs of sales higher.

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)**		
	2020	2019	+(-)	**2020**	2019	+(-)
Operating labour	**11.5**	20.6	(44.2%)	**3.1**	5.3	(41.5%)
% of operating revenue	**33.2%**	30.3%	2.9%	**34.8%**	30.8%	4.0%

With the second closure of the Company's casinos, staff are again on temporary lay off effective December 13, 2020. Casinos require minimum staffing levels when open to satisfy terms and conditions of our Casino Facility License with the AGLC. In addition, reduced demand currently at Company hotels does not allow for efficient economics for the utilization of staff. Both conditions have resulted in rising labour costs as a percentage of revenue.

The Company continues to receive COVID-19 relief from CEWS for all properties. Payments received under CEWS are recorded in other income.

(In millions of CDN dollars, unless otherwise stated)

Cost of sales - marketing and promotions

Marketing and promotions include all donations, sponsorships, and complimentary 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)		
	2020	2019	+(-)	**2020**	2019	+(-)
Total	**1.9**	3.3	(42.4%)	**0.5**	0.8	(37.5%)
% of operating revenue	**5.5%**	4.9%	0.6%	**5.6%**	4.7%	0.9%

The Company's main marketing efforts have always been focused around entertainment offerings and hotel guest stays. With live entertainment currently curtailed and hotel accommodation demand at low levels, the Company has equally scaled back marketing spending. Management has been creative in offering events that accommodate gathering size limitations and physical distancing requirements. Management marketing efforts are designed to maintain our presence if in mind only in our local communities.

Cost of sales - other operating costs

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

Other operating costs	Q4 (twelve months)			Q4 (three months)		
	2020	2019	+(-)	**2020**	2019	+(-)
Total	**10.5**	14.0	(25.0%)	**2.7**	3.5	(22.9%)
% of operating revenue	**30.3%**	20.6%	9.7%	**30.3%**	20.3%	10.0%

Lease and other income

Lease and other income	Q4 (twelve months)			Q4 (three months)		
	2020	2019	+(-)	**2020**	2019	+(-)
Gross revenue from investment property	**0.2**	0.3	(33.3%)	**-**	-	-
Lease revenues	**-**	0.1	(100.0%)	**-**	0.1	(100.0%)
Operating costs of investment property	**(0.1)**	(0.1)	0.0%	**-**	-	-
Other income	**4.0**	-	-	**2.1**	-	-
Total	**4.1**	0.3	1266.7%	**2.1**	0.1	2000.0%

The Company has and continues to receive COVID-19 relief payments under various federal and provincial programs. The Company has accessed the following federal programs: CECRA, CEWS, CERS, and Alberta's SMERG. All COVID-19 related subsidies have been recorded to other income.

Lease revenues arise from two leases to third party food service operators occupying space at each of Great Northern and Boomtown. The lease at Boomtown was terminated during the Quarter. The Company absorbed a non-material 25.0% reduction to these revenues as a condition of accessing COVID-19 relief subsidies for six months under CECRA.

The Company has an investment property located adjacent to its other Grande Prairie properties that leases space to a restaurant/pub operator. The Company absorbed a 25.0% reduction to these revenues totaling $0.1 as a condition of accessing COVID-19 relief subsidies for six months under CECRA.

(In millions of CDN dollars, unless otherwise stated)

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)**		
	2020	2019	+(-)	**2020**	2019	+(-)
Total	**3.4**	4.1	(17.1%)	**0.9**	1.0	(10.0%)
% of operating revenue	**9.8%**	6.0%	3.8%	**10.1%**	5.8%	4.3%

A number of permanent reductions to head office personnel were made following the first shut down of the Company's casino operations. More significantly, management fees which are based on a percentage of EBITDA account for the sizable reduction in administrative expenses during the Year and Quarter.

Net finance costs

Interest expense is recorded on the Company's demand term debt and revolver. Interest expense also includes interest accretion 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)**		
	2020	2019	+(-)	**2020**	2019	+(-)
Total	**1.5**	2.1	(28.6%)	**0.4**	0.5	(20.0%)

During periods of temporary closure due to COVID-19, the Company deposited all site floats to interest earning bank accounts or reduced revolving loan balances during the Year and Quarter.

In the prior year, on December 1, 2019, the Company renegotiated lending terms with our existing lender. Term debt formerly floating at the lenders prime rate plus 1.0% was fixed at 3.5% on a five year term with amortization extended to 20 years. The Company added a second term facility that floats at the lenders prime rate, 2.45% at the end of the Year. The Company's revolving loan at the lenders prime rate benefited from a 1.5% reduction to the Bank of Canada rate in March 2020. The new lending terms are expected to reduce total annual debt service costs by $0.7 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)**		
	2020	2019	+(-)	**2020**	2019	+(-)
Provision for current income tax	**1.9**	5.2	(63.5%)	**0.6**	1.3	(53.8%)
Taxes arising from changes in timing differences	**(0.1)**	(1.2)	(91.7%)	**0.4**	(0.2)	(300.0%)
Income tax expense	**1.8**	4.0	(55.0%)	**1.0**	1.1	(9.1%)

(In millions of CDN dollars, unless otherwise stated)

The combined federal and provincial tax rate in Alberta is 24.0% for 2020 (26.5% - 2019).

As part of the GOA's economic recovery plan, the Job Creation Tax Cut previously announced was accelerated in response to COVID-19. The general corporate income tax rate was reduced to 8% effective July 1, 2020, a year and a half sooner than originally set. This solidifies Alberta's title as the lowest corporate tax jurisdiction in the country.

The Company has deferred tax assets related to leased assets which are netted against lease liabilities. Management expects the future benefits of these assets to be fully realized.

Reconciliation of EBITDA to shareholders to Profit and comprehensive profit

EBITDA to shareholders to Profit and comprehensive profit	Q4 (twelve months)			Q4 (three months)		
	2020	2019	+(-)	**2020**	2019	+(-)
EBITDA to shareholders	**13.4**	25.7	(47.9%)	**4.3**	6.5	(33.8%)
Adjustments:						
Amortization on property, plant and equipment	**(4.1)**	(4.4)	(6.8%)	**(1.1)**	(1.1)	0.0%
Finance costs	**(1.5)**	(2.2)	(31.8%)	**(0.4)**	(0.5)	(20.0%)
Income tax expense	**(1.8)**	(4.0)	(55.0%)	**(1.0)**	(1.1)	(9.1%)
EBITDA attributable to non-controlling interest	**(0.3)**	1.2	(125.0%)	**0.1**	0.2	(50.0%)
Profit and comprehensive profit	**5.7**	16.3	(65.0%)	**1.9**	4.0	(52.5%)

Facility enhancement

Capital expenditures	Q4 (twelve months)			Q4 (three months)		
	2020	2019	+(-)	**2020**	2019	+(-)
Capital maintenance	**0.2**	0.4	(50.0%)	**0.1**	0.1	0.0%
Capital expansion	**1.9**	-	-	**1.7**	-	n/a
	2.1	0.4	425.0%	**1.8**	0.1	1700.0%

The Company received AGLC and municipal approval for a 7,500 square foot gaming and F&B expansion at Deerfoot. The project is expected to cost $3.5 with a spring 2021 completion. Project costs will be shared by contributing interest responsibility between the Company and non-controlling interest as defined in the Deerfoot joint venture agreement. The Company's contributing interest responsibly is 87.75%. The Company has also received AGLC and municipal approval for a 6,350 square foot expansion and interior/exterior refresh at Boomtown. The project will add new kitchen and dining amenities along with a separate showroom and additional gaming space. The project is expected to cost $4.5 less $1.9 in inducements for tenant improvements with a summer 2021 completion.

During the Year, a new dedicated high limit slot room was completed at Great Northern Casino using reallocated non-gaming space. The project did not result in a change to the number slot machines.

Financial condition

Liquidity

COVID-19 has resulted in casino, hotel and food & beverage operations being subject to full closure or restricted operations by order of the GOA. Management believes the Company has ample liquidity to support ongoing obligations during periods of restrictions. Management has taken steps taken to reduce the rate of cash burn during this period of uncertainty. The Company has and will access all COVID-19 relief programs and effect deferrals of commitments when deemed appropriate.

Net cash provided by operating activities during the Quarter totaled $1.6, down $4.2 from the year ago quarter. At the end of the Quarter cash balances totaled $10.3 compared to $15.4 at the start of 2020. 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.'

At the end of the Year available revolving debt totaled $13.8. Management approximates the Company's cash burn during periods of full casino closure inclusive of anticipated COVID-19 subsidies but excluding changes in working capital, capital expenditures and share repurchases at between $0.3 and $0.5 per month.

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

The Company has signed a contract for a facility expansion at leased premises for Boomtown. The project is expected to be completed for $4.5 and will be initially funded with working capital. The Company's lease includes inducements for tenant improvements of $1.9 which will be paid by the landlord on completion of the project. The Company has funded $0.3 or 6.7% of its total commitment to the project at the end of the Year.

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. Deerfoot has initiated a $3.5 capital expansion project. The Company has funded $1.4 or 46.6% of its total commitment to the project at the end of the Year.

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 remit all payables within stated terms, typically 30 days, but the Company will take advantage of all early payment discounts offered.

(In millions of CDN dollars, unless otherwise stated)

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’s term debt, includes demand clauses in the event certain performance covenants are not met. The Company's lender does not consider term debt to be current obligations.

The Company qualifies for and has received amounts under various COVID-19 relief programs including CECRA, CEWS, SMERG and CERS. Reduction to tourism levies, WCB premiums and SOCAN fees have provided additional relief. The duration and benefits under these programs can not be projected with any certainty.

Commitments

The Company has an 87.75% contributing interest responsibility to Deerfoot for any capital funding requirements. Deerfoot is undertaking a 7,500 square foot expansion of its gaming and non-gaming amenities. Gamehost contributed $1.4 during the Year to the project representing 46.6% of the Company's contributing interest responsibility for the expected total project cost of $3.5.

The Company has a commitment for a 6,350 square foot expansion of its non-gaming amenities at Boomtown. Gamehost contributed $0.3 during the Year to the project representing 6.7% of the expected total project cost of $4.5.

The Company has various other contractual commitments for services. Future undiscounted minimum payments of all commitments are:

Commitments

	Total	**One year or less**	**Two to five years**	**More than five years**
	5.9	5.9	-	-

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 (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).

In response to the COVID-19 pandemic, the Company's board of directors suspended the regular monthly dividend temporarily following payment of the dividend declared for March 2020. The Company's Board of Directors retain the right to modify the 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.

(In millions of CDN dollars, unless otherwise stated)

Dividend pay-out ratio	Q4 (twelve months)			Q4 (three months)		
	2020	2019	+(-)	**2020**	2019	+(-)
EBITDA to Shareholders	**13.4**	25.7	(47.9%)	**4.3**	6.5	(33.8%)
Adjustments (excl. Non-controlling interest portions)						
Scheduled principal payments on demand debt	**(0.5)**	(0.8)	(37.5%)	**(0.2)**	(0.2)	0.0%
Interest expensed	**(1.3)**	(1.9)	(31.6%)	**(0.3)**	(0.4)	(25.0%)
Lease amortizations	**(1.1)**	(1.2)	(8.3%)	**(0.2)**	(0.3)	(33.3%)
Current Income tax (expense) recovery	**(1.9)**	(5.2)	(63.5%)	**(0.6)**	(1.2)	(50.0%)
Cash available for distribution	**8.6**	16.6	(48.2%)	**3.0**	4.4	(31.8%)
Dividends delared	**4.2**	16.8	(75.0%)	**-**	4.2	(100.0%)
Surplus (deficit) to dividends declared	**4.4**	(0.2)	(2300.0%)	**3.0**	0.2	1400.0%
Normalized dividend pay-out ratio [1]	**48.8%**	**101.2%**	(52.4%)	**0.0%**	**95.5%**	(95.5%)

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

Dividends were suspended temporarily following the Company's March 2020 declared dividend. The Company's board of directors will monitor the evolving COVID-19 situation and any continuing risk to cash flow before any reinstatement of the dividend in whole or in part.

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 and one meeting room at Encore Suites, and 188 guest rooms, 10 meeting/banquet rooms, 1 showroom, 2 restaurants and three lounges at Deerfoot. Great Northern has a cafe and a separate 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 1,744 electronic gaming devices, 63 table/poker games, and other ancillary equipment.

The health emergency created by the COVID-19 pandemic will result in ongoing fluctuations in the amount of productive capacity in use based on GOA restrictions in place at any point in time. At the end of the Year, all electronic gaming devices, tables, banquet space and 188 hotel rooms were closed. 188 hotel rooms reopened in January 2021.

Productive capacity

	Gaming sq. ft	Banquet sq. ft.	Guest rooms	F & B seating	Electronic gaming devices	Tables	Lease/ retail sq. ft.
At January 1, 2019	109,356	21,400	404	578	1,690	66	10,530
Additions (deletions) in gaming devices					54	(3)	
At December 31, 2019	109,356	21,400	404	578	1,744	63	10,530
at December 31, 2020	**109,356**	**21,400**	**404**	**578**	**1,744**	**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 the AGLC wholesale division.

Slots, VLTs, and EGT's, are owned and maintained by the AGLC. Lottery equipment is owned and maintained by Interprovincial Lottery Corporation (ILC). Live table games 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 issued for six year terms expiring in 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 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. A period of temporary closures of casino operations and/or reduced capacities to other operations due to the COVID-19 pandemic distorts the calculation of the Company's Total Debt to EBITDA ratio at the end of the Year. The ratio at 3.7 to 1 will begin to normalize as the property resumes full operation.

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

(In millions of CDN dollars, unless otherwise stated)

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 between 10 years and 20 years, 3 months.

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 amortize over 10 years and 20 years, 3 months. 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. At the end of the Year, the Company's cash flow coverage ratio is 3.0 to 1 (2.5 to 1 - December 31, 2019). The Company must also maintain a debt to tangible net worth ratio of not greater than 3.0 to 1, the actual ratio being 1.4 to 1 at the end of the Year (1.1 to 1 - December 31, 2019).

Income taxes

The Company is subject to income taxes and made intermittent installment payments based on estimated taxable income for the 2020 and 2021 fiscal years. The Government of Canada provided COVID-19 relief in the form of deferred payment of taxes to September 30, 2020. The Company expects to resume installment payments once restrictions are lifted to allow full operations.

Cash dividends declared

2020 dividend summary		Date				
Month	$'s per Share	Declared	Record	Payment	Net Shares o/s [1]	Dividends
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
March	0.0575	10-Mar-20	31-Mar-20	15-Apr-20	24,094,992	1.4
Total	0.1725					4.2

In response to the COVID-19 pandemic, the Company's board of directors temporarily suspended the regular monthly dividend following payment of the March 2020 dividend paid April 15, 2020.

(In millions of CDN dollars, unless otherwise stated)

2019 dividend summary

Month	$'s per Share	Date Declared	Date Record	Date Payment	Net Shares o/s [1]	Dividends
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

[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	2020	2019 (Restated)
Current tax expense	1.9	5.2
Deferred tax expense		
Origination and reversal of temporary differences	(0.1)	0.2
Changes in future enacted tax rates	-	(1.4)
Income tax expense	1.8	4.0

(In millions of CDN dollars, unless otherwise stated)

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	2020	2019 (Restated)
Shareholder profit excluding income tax	7.1	19.3
Income tax using Company's domestic tax rate	24.0%	26.5%
Expected income tax expense	1.7	5.1
Changes in income tax expense resulting from:		
Effect of changes in temporary differences	0.1	0.3
Changes in future enacted tax rates	-	(1.4)
Income tax expense	1.8	4.0

On June 29, 2020, the Government of Alberta introduced Alberta's Recovery Plan which included a reduction to Alberta's general corporate income tax rate from 10.0% to 8.0% effective July 1, 2020. This accelerated previously enacted tax reductions.

Capital resources

The Company has two 5 year term loans secured by its land and buildings. On Term loan 1 the Company is paying interest at a rate of 3.50%. This loan is scheduled for repayment over 20 years and 3 months to 2040. On Term loan 2 the Company is paying interest at the lenders prime rate. This loan is scheduled for repayment over 10 years. The Company is making blended monthly principal and interest payments on the loans. The Company received a three month payment deferral from the lender as relief due to the COVID-19 pandemic. Scheduled payments resumed July 1, 2020.

The Company has a revolving loan with an available limit of $30.0 which is secured by the same assets as the Company's demand term loans. The revolving loan requires interest-only payments at the lender's prime rate. The Company received a three month payment deferral from the lender as relief due to the COVID-19 pandemic. Interest payments resumed August 1, 2020.

Deerfoot has a 5 year 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 and 3 months to 2040. Deerfoot will make blended monthly principal and interest payments on the loan. The Company received a three month payment deferral from the lender as relief due to the COVID-19 pandemic. Scheduled payments resumed July 1, 2020.

(In millions of CDN dollars, unless otherwise stated)

	Maturity	December 31, 2020	December 31, 2019
Credit facilities available at face value			
Revolving credit line	01-Dec-23	30.0	30.0
Term loan 1	01-Dec-23	14.4	14.7
Term loan 2	01-Dec-25	5.0	-
Deerfoot term loan	01-Dec-23	5.2	5.2
		54.6	49.9
Carrying value of borrowed amounts			
Current liabilities			
Revolving credit line		16.2	20.8
Term loan 1		0.6	0.5
Term loan 2		0.4	-
Deerfoot term loan		0.2	0.2
		17.4	21.5
Non-current liabilities			
Term loan 1		13.8	14.2
Term loan 2		4.6	-
Deerfoot term loan		5.0	5.0
		23.4	19.2
		40.8	40.7
Interest rate			
Revolving credit line		2.45% (P +0.00%)	3.95% (P +0.00%)
Term loan 1		3.50%	3.50%
Term loan 2		2.45% (P +0.00%)	n/a
Deerfoot term loan		3.50%	3.50%

[1] Prime rate (P) at the end of the Quarter.

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 $21.2. The Company is paying interest at 2.45% on both revolving debt and term loan 2 at the end of the Year. A 1.0% increase in interest rates would have an unfavourable impact on earnings of $0.2 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. A significant portion of lessee receivables are tied to point-of-sale systems (POS) owned by the Company from which the Company collects all revenues. Amounts due to the lessee are paid net of any commissions or past due rents. Therefore lessee receivables are considered low risk. 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 are 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 (ECL) 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. The COVID-19 pandemic has had a significant impact on the general economy and specifically commodity prices and demand in the fossil fuel sector. Management recognizes the elevated credit risk and is monitoring all accounts accordingly. DSO at the end of the Year was well within Company targets. At the end of the Year, past due accounts and accounts written off are not material. The Company has not recorded an adjustment for ECL.

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 2025 and March 2040.

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.

(In millions of CDN dollars, unless otherwise stated)

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

As at December 31, 2020	Carrying amount	Contractual cash flows	1 year or less	2 to 5 years	More than 5 years
Trade and other payables	2.4	2.4	2.4	-	-
Term loans	24.6	31.9	2.0	8.0	21.9
Revolving credit facility	16.2	16.2	16.2	-	-
	43.2	50.5	20.6	8.0	21.9
As at December 31, 2019					
Trade and other payables	4.2	4.2	4.2	-	-
Term loans	19.9	27.8	1.4	5.6	20.8
Revolving credit facility	20.8	20.8	20.8	-	-
	44.9	52.8	26.4	5.6	20.8

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 collection 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 July 11, 2019 the Company commenced a normal course issuer bid (the "2019 Bid") to purchase for cancellation up to 1.6 million of its common shares. The 2019 Bid commenced on July 15, 2019 and ended on July 14, 2020. During the Year, the Company purchased for cancellation 332,295 common shares under the 2019 Bid at prices averaging $4.55/common share not including commissions.

On July 21, 2020 the Company commenced a normal course issuer bid (the "2020 Bid"). Pursuant to the 2020 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 July 10, 2020. Notwithstanding the foregoing, pursuant to the rules of the TSX, Gamehost may not purchase more than 2,690 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, 2020. Common shares purchased under the 2020 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 2020 Bid will terminate on July 20, 2021 or such earlier time as the 2020 Bid is completed or terminated at the option of the Company. During the Year, 611,765 common shares were purchased under the 2020 Bid at prices averaging $5.50/common share not including commissions.

From January 1, 2021 through February 28, 2021 76,800 common shares were purchased under the 2020 Bid at prices averaging $6.35/common share not including 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 32.1% (30.5% - December 31, 2019) of the outstanding common shares of the Company at end of the Year.

- The Company incurred $0.7 ($1.3 - 2019) 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. $0.1 ($nil - 2019) remains in accounts payable at the end of the Year.
    - 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 administrative expenses.
    - 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 administrative expenses.
    - 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 administrative expenses.
- The Company incurred $0.1 ($0.1 – 2019) 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 ($0.1 – 2019) 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 advanced $1.7 ($nil – 2019) for construction projects at Deerfoot and Boomtown during the Year which is included in property, plant and equipment. The Company has contracted DJ Will Construction Ltd, a company controlled by the Wills to complete the expansion projects. Total expected commitments for these projects are $3.1 and $4.5 respectively.

The Company incurred $0.1 ($0.1 – 2019) in directors fees for the Year paid to other directors of the Company which is included in administrative expenses.

The Company incurred $0.2 ($0.2 – 2019) of charter aircraft rental expenses during the Year with Noren Air Inc., a company controlled by the Company's COO. Portions of these expenses are included in administrative expenses or capitalized to project costs dependant on their purpose.

The Company incurred $0.6 ($0.6 – 2019) for the Year in key management personnel compensation paid or accrued to other officers or companies controlled by other officers of the Company, which is included in administrative expenses. Included in these figures are monthly 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 COVID-19 global pandemic continues to create uncertainty the world over. Approaches in combatting the virus and balancing health and safety against the economic impact have been varied. Health authorities provide cautionary advice while politicians weigh the many other factors requiring consideration when forming ever evolving policy decisions. Debate amongst individuals and between local and higher levels of government result in a patchwork of actions taken. Governments have generally responded quickly and significantly and continue to do so. Numerous promising vaccines have been developed and approved for human treatment with more in the pipeline for approval. Vaccine developments have created a collective sigh of relief even while second and third waves of the virus manifest. Now, multiple variants of the virus and challenges with production and distribution of approved vaccines are tempering earlier optimism. Economies everywhere are in various stages of lifting or restricting economic and physical social activity. Uncertainty will remain high until significant portions of populations receive vaccination and those vaccinations prove effective.

Efforts to secure vaccine doses in Canada have hampered the collective efforts of provinces to get treatments into the arms of Canadians. Numerous jurisdictions have had to implement second lockdowns as case counts rise and health systems strain from the pressure of hospitalizations. Federal relief subsidies for individuals and businesses are dulling the economic pain felt throughout the country.

Here in Alberta, the province is attempting to emerge from a second period of restrictions that began mid-December 2020. The GOA announced a four step plan for lifting economic and physical gathering restrictions that is tied to hospitalization numbers. The plan stipulates a minimum three weeks between moving forward from one step to another and a clear trend to declining hospitalizations. Other factors such as case counts and test positivity rates may also factor in any GOA decision to move between steps. The province is currently in Step 1 of the plan which requires hospitalizations to be less than 600. The Company could benefit moderately at Step 2, 450 hospitalizations, which includes easing current restrictions for hotels and banquet halls. Casinos are assigned to Step 3 of the GOA plan at 300 hospitalizations. Potential easing of restrictions on live entertainment is included in the final Step 4 of the GOA plan at 150 hospitalizations. Provincial hospitalizations most recently descended into Step 2 territory creating opportunity for additional restrictions to be lifted at the GOA's discretion. Ultimately though, effective vaccines with wide reaching distribution and acceptance will be required before economies everywhere and the Company can begin a more certain and stable recovery.

Local economic outlook

Construction is in full swing on the Company's 6,350 square foot casino expansion in Fort McMurray. The December 2020 forced closure of the Boomtown Casino is allowing for uninterrupted construction without having to work around ongoing business operations which should speed up the project timeline and reduce costs. Management expects to see significant upside to revenues when the expanded and completely refreshed venue is completed by summer 2021.

The Company's Grande Prairie hotels continue uninterrupted operations albeit with reduced demand. The Company expects fortunes at these properties to steadily improve over time. They will certainly benefit from the expected summer 2021 opening of the new Grande Prairie Regional Hospital which is located adjacent to the Company's properties. The Company's Great Northern Casino is currently under a second mandatory closure order due to the COVID-19 pandemic. It is expected that business will bounce back strongly similar to that experienced when the property reopened following the first mandatory closure. The Company completed a new high limit slot room at Great Northern Casino during the first forced closure which is expect to boost monthly results when open again.

Construction is progressing on schedule on a 7,500 square foot expansion of the Deerfoot property's gaming and food & beverage amenities. Management is optimistic that the improvements to the property will drive additional business to the property. The casino portion of the busines is currently closed, while the hotel and some food and beverage operations are operating at reduced capacity responding to lower demand. It's is expected the gaming side of activity will ramp up quicky when open again. The hotel, banquet and remaining food and beverage business will take longer to recover.

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

On Oct 1, 2020, the AGLC's new online gambling site, PlayAlberta.ca, went live with virtual slot and table games. The AGLC expects the site to attract net new money largely from unregulated offshore virtual sites rather than divert from Alberta's land-based casinos. Money gambled through PlayAlberta.ca goes directly into general revenues for the province with no direct benefit to charitable organizations as is the case through Alberta's land-based casinos.

Management is not aware of any gaming expansions that could have a material effect on the Company's operations. Management is aware of a number of Alberta casino operations that have not reopened following the lifting of COVID-19 gaming restrictions and whose longer term viability may be in doubt. Casinos in British Columbia have not reopened presenting an opportunity for some Alberta operators within reasonable proximity or transportation options.

VLT's have been in the news recently again in Alberta as a number of municipalities consider lifting bans on VLT's that have been in place for many years. Those bans are being re-evaluated considering that access to online gaming options has been highlighted during this period of COVID-19. Fort McMurray is one of the remaining communities with a ban on VLT's currently in place. To date, there has been no official actions by council to remove the ban.

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 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. There is currently opportunity in the entertainment, food & beverage sector as competition has been reduced by the COVID-19 pandemic.

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 the 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 Year. AGLC requires the Company to implement policies and procedures that effectively assess, monitor and test against cyber attacks. Accordingly, the Company has developed a rotating three year plan to mitigate cyber security risks.

International Financial Reporting Standards (IFRS)

Standards, amendments and interpretations effective and applied

Effective June 1, 2020, the Company has adopted the following polices and/or applied the following amended International Accounting Standards ("IAS") and IFRS issued by the IASB.

- *On 28 May 2020, the IASB published 'COVID-19-Related Rent Concessions (Amendment to IFRS 16)' amending the standard to provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification. The amendment is effective for annual reporting periods beginning on or after 1 June 2020. The Company did not receive any COVID-19-Related Rent Concessions during the Year.*

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.