Gamehost Inc.

Management Discussion and Analysis
For the three and twelve months ended December 31, 2021

To Our Shareholders

Management and Directors of Gamehost Inc. (the “Company”) present results for the twelve and three month periods ended December 31, 2021 (the "Year" and "Quarter" respectively).

In year-over-year comparison for the Quarter, operating revenue was up 52.8% to $13.6 from $8.9 ($17.3 - 2019), EBITDA to Shareholders was up 9.3% to $4.7 from $4.3 ($6.5 - 2019). Earnings per share for the Quarter were $0.01 lower to $0.7 from $0.08 per share ($0.15 - 2019).

The Company's casinos operated under Alberta's Restrictions Exemption Program (REP) from the mid-point in September 2021 through the end of the Quarter. REP mandates entry only to patrons with proof of vaccination or those providing a recent negative COVID-19 test or medical exemption certificate. Additional limitations on food and beverage service were added later in the Quarter resulting in service being cut-off at 11:00PM and no service outside of seated areas with-in lounge or restaurants. Company hotels continued to operate with standard masking and physical distancing at check-in. Restrictions had a negative affect on patron visitation and length of patron visits. This was especially the case in Grande Prairie and to a lesser extent in Fort McMurray. Citizens in both of these regions have vaccination rates lower than the provincial average and pushed back hard on government mandated, COVID-19 related restrictions.

During the Quarter, work on two major expansion projects also depressed revenue generation. Both projects, a $4.4 million, 5,000 square foot expansion of gaming and non-gaming amenities at Deerfoot Casino and a $6.3 million, 6,687 square foot expansion of non-gaming amenities and complete exterior refurbishment at Rivers Casino were completed late in the Quarter. Both projects were impacted by COVID-19 related supply and inflationary pressures. The Company used surplus cash and revolving debt to finance the two projects. The Company received a $1.9 million payment for tenant allowances in Q1 2022. The Company is finalizing plans for a renovation at Great Northern Casino which should commence this coming spring. Plans include an exterior modernization and general interior refresh along with expanded food and beverage areas.

The Company repurchased 245,100 shares for an aggregate $2.0 million or average $7.95 per share before commissions during the Quarter. The Company's current normal course issuer bid is open to July 20, 2022 and management intends to continue purchasing shares as long as the trading price of the shares do not adequately reflect underlying value.

At the regular scheduled meeting of the board of directors held March 7, 2022 the board reinstated a dividend for shareholders which has been suspended since April 2020. The board declared a dividend for the month of March 2022, of $0.03/common share. The dividend will be paid on or about April 15, 2022. In it's decision, the board considered the waning impact of COVID-19 and the lifting of related provincial operating restrictions. Management presented the board with future cash flow projections with a view of putting funds aside for accelerated debt payments through 2022 and reserving additional cash for share repurchases if warranted. The board determined that restarting the dividend at a monthly rate of $0.03 per common share is a fiscally responsible starting point and will review the dividend policy on a quarterly basis.

To say the last two years in our industry has been a challenge would be an understatement. This is especially true for our dedicated front line team who deliver the daily services that our success is built on. They have endured multiple openings and closings and adapted to ever-changing rules for operating safely. The resulting ebbs and surges in business activity created unpredictable work schedules. The Company directors and management extend our most sincere thank you, thank you, thank you.

Looking forward, a shift from pandemic phase to endemic phase, for Covid-19, appears to be taking shape. With each restriction lifted we observed an uptick in our business. More importantly, we see a lot of green shoots in the Alberta economy. Outside of the obvious benefits from higher oil and gas prices, heavy investment is being made in solar, wind and other green energy infrastructure throughout the province. Public and private investment in biofuels, film, information technology, construction and other industries, along with affordable housing, is driving higher immigration and lower unemployment. With optimism we are looking past these last two years to a bright Alberta future!

08-Mar-22

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 months ended December 31, 2021

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 8, 2022. 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, 2021 ("Annual Financial Statements") and the Company's Annual Information Form for the Year ended December 31, 2021.

This MD&A focuses on year-over-year comparative results for the three months ended December 31, 2021 (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 during the Year:

- April 9, 2021. The province returned to Step 1 of its 4 step plan for relaunching the economy further delaying the reopening of casinos which were closed on December 13, 2020.

- April 2021. The Company was eligible for an additional tranche of the Small and Medium Enterprise Relaunch Grant recently announced by the governement of Alberta ("GOA").

- April 19, 2021. The federal government announced extensions to both CEWS and CERS relief subsidies adding an additional 16 weeks coverage to September 25, 2021.

- May 26, 2021. The provincial government unveiled its three-stage "open for summer" plan which ties vaccination rates and hospitalization numbers to easing all public-health restrictions. The GOA announcement predicted the province to be fully open by the beginning of July or earlier. Casinos are included in Stage 2 predicted at June 10, 2021. The abatement period for remitting the Alberta Tourism Levy was extended through June 30, 2021.

- June 10, 2021. Great Northern reopens slots, tables and food & beverage services to one third of fire code capacity. Deerfoot and Boomtown casino openings are delayed to accommodate ongoing construction projects.

- June 18, 2021. Deerfoot reopens slots, tables and food & beverage services to one third of fire code capacity. Operations are working around construction that is nearing completion on an expanded Wild Horse Pub, Sushi Kiosk, high limit slot area and new poker and high limit gaming areas.

- July 1, 2021. GOA declares Alberta's 'Open for Summer' economic relaunch with all COVID-19 restrictions lifted.

- July 6, 2021. Rivers Casino & Entertainment Centre ("Rivers" - formerly Boomtown Casino) reopens slots, tables and food & beverage services with no COVID-19 restrictions as the rebranded Rivers Casino & Entertainment Centre. Operations are working around construction that is reducing gaming capacity. Dining and live entertainment amenities remain closed.

- September 16, 2021. Alberta declared another state of public health emergency introducing new restrictions for casinos and food & beverage outlets effective September 20, 2021. Restrictions include a reduction to one third of fire code capacity. A restriction exemption program ("REP") allows for businesses to operate without restrictions if they implement proof of vaccination or a negative COVID test result and continue mandatory masking for all customers. The Company's casinos have opted to implement the REP to continue uninterrupted operations. Furthermore, in the interest of occupational health and safety, the Company implemented the same requirements for staff as are required for customers.

- October 7, 2021. The GOA announces a one time grant, the Restrictions Exempt Program Implementation Grant ("REPIG"), for Alberta businesses choosing to implement the REP.

- October 21, 2021. The federal government announced the Tourism and Hospitality Recovery Program ("THRP") and Hardest-Hit Business Recovery Program ("HBRP") which will replace the expiring CERS and CEWS.

- December 24, 2021. The AGLC further resticted beverge sales limiting per table seating to a maximum of 10.

- December 28, 2021. The GOA reintroduced an abatement period on remitting Alberta Tourism Levy amounts collected between Oct 1, 2021 and March 31, 2022 for eligible accommodation providers with a 40% decline in room revenue compared to 2019.

- January 20, 2022. The AGLC further resticted beverge sales to ending sales by 11:00 PM and no beverge consumption outside of seated dining and lounge areas.

- February 9, 2022. Alberta entered Step 1 of a phased approach to elimination of all COVID-19 related restrictions. Step 1 includes an end to the REP including proof of vaccination requirement at Company casinos. Food and beverage service on gaming floors can also resume, but termination of service at 11:00 PM remains in force.

- March 1, 2022. Alberta entered Step 2 of its phased approach to elimination of all COVID-19 related restrictions. Step 2 lifts the only remaining restriction that has a direct impact on our business. Food and beverage service returns to normal operating hours.

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, 2021, 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 22.7 million common shares issued and outstanding as at December 31, 2021 (23.3 million - December 31, 2020) and 22.7 million common shares issued and outstanding as at February 28, 2022, 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 Rivers 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

As of March 1, 2022, Company casinos are open and operating without any restirctions under Step 2 of Alberta's reopening plan.

In year-over-year comparison for the Quarter, operating revenue was up $4.7 or 52.8% from $8.9 to $13.6, EBITDA to shareholders was up $0.4 or 9.3% from $4.3 to $4.7, and net earnings to shareholders was down marginally by $0.1 to $1.7 from $1.8.

At the end of the Quarter, the Company had $188.4 in total assets, an increase of $13.4 from the start of 2021. Cash balances of $15.6 are up $5.3 from the start of the Year. Total debt sits at $49.0 up $8.2 from the start of 2021 with cash floats, construction advances and share purchases funded by the Company's revolving credit line.

Quarterly performance summary

Quarterly performance	**2021**				2020			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Operating revenue	**$ 13.6**	$ 15.7	$ 2.9	$ 1.1	$ 8.9	$ 10.0	$ 1.8	$ 13.8
Cost of sales	**(10.0)**	(8.4)	(3.6)	(2.8)	(6.6)	(6.6)	(3.3)	(8.9)
Gross profit (loss)	**3.6**	7.3	(0.7)	(1.7)	2.3	3.4	(1.5)	4.9
Lease and other income	**0.8**	1.2	1.3	1.3	2.1	1.6	0.4	0.1
Administrative expenses	**(1.0)**	(1.0)	(0.8)	(0.6)	(0.9)	(0.9)	(0.8)	(1.0)
Profit (loss) from operating activities	**3.4**	7.5	(0.2)	(1.0)	3.5	4.1	(1.9)	4.0
Fair value adjustment	**(0.5)**	-	-	-	(0.2)	-	-	(0.6)
Finance costs net of finance income	**(0.5)**	(0.4)	(0.3)	(0.4)	(0.4)	(0.4)	(0.3)	(0.4)
Profit (loss) before income tax	**2.4**	7.1	(0.5)	(1.4)	2.9	3.7	(2.2)	3.0
Income tax (expense) recovery	**(0.5)**	(1.4)	0.1	0.3	(1.0)	(0.6)	0.6	(0.7)
Profit (loss)	**1.9**	5.7	(0.4)	(1.1)	1.9	3.1	(1.6)	2.3
Less non-controlling interest	**(0.2)**	(0.4)	-	0.1	(0.1)	(0.2)	0.1	(0.2)
Profit (loss) attributable to shareholders	**$ 1.7**	$ 5.3	$ (0.4)	$ (1.0)	$ 1.8	$ 2.9	$ (1.5)	$ 2.1
Earnings (loss) per share								
Basic and diluted	**$ 0.07**	$ 0.23	$ (0.02)	$ (0.04)	$ 0.08	$ 0.12	$ (0.06)	$ 0.09
Weighted average shares outstanding	**22.7**	23.0	23.1	23.3	23.4	23.7	24.0	24.2
EBITDA to Shareholders	**$ 4.7**	$ 8.1	$ 0.8	$ -	$ 4.3	$ 4.9	$ (0.7)	$ 4.2
EBITDA to Shareholders %	**34.6%**	50.9%	19.5%	0.0%	41.7%	44.5%	-33.3%	31.6%
Normalized dividend payout ratio	**0.0%**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	175.0%

(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 and electronic gaming tables, together (electronic gaming devices ("EGD"), VLT'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, 2021	**Gaming**	**Hotel**	**Food & Beverage**	**Corporate and Other [1]**	**Total**
Total revenues	**23.0**	**8.4**	**6.3**	**0.2**	**37.9**
Profit (loss) before income taxes	**10.2**	**1.0**	**0.2**	**(3.8)**	**7.6**
Segment assets	**88.6**	**68.9**	**28.4**	**2.5**	**188.4**
Segment liabilities	**29.9**	**24.4**	**11.1**	**8.5**	**73.9**
Capital expenditures	**5.2**	**0.2**	**3.5**	**-**	**8.9**

twelve months ended December 31, 2020	Gaming	Hotel	Food & Beverage	Corporate and Other [1]	Total
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

[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: Rivers, 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)**		
	2021	2020	+(-)	**2021**	2020	+(-)
Operating revenue	**33.3**	34.6	(3.8%)	**13.6**	8.9	52.8%

A new state of public health emergency was declared September 16, 2021. The Company scaled back operations under the provinces REP and began requiring proof of vaccination for entry to company casinos and dining venues. This resulted in a sharp drop in patron visits which has recovered in varying degrees based on provincial geography. Citizens in our northern and more rural regions are less willing to comply with mandated proof of vaccine.

(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)		
	2021	2020	+(-)	**2021**	2020	+(-)
Room revenue	**7.2**	5.7	26.3%	**2.1**	1.1	90.9%
Occupancy	**35.6%**	29.7%	5.9%	**38.6%**	23.8%	14.8%
ADR	**$139.04**	$136.58	$2.46	**$150.72**	$134.79	$15.93
% of operating revenue	**21.6%**	16.5%	5.1%	**15.4%**	12.4%	3.0%

Hotels are seeing a gradual and steady improvement in occupancy levels, even with the COVID-19 omicron variant precipitating a new state of public health emergency in mid-September, 2021.

Encore Suites in Grande Prairie occupancy was 39.8% for the Quarter, up from 23.5% the prior year. ADR for the Quarter showed some recovery as well to $144.67 vs $142.37 the prior year. The property is recording a favourable increase in health related room stays since the opening of the new Grande Prairie Regional hospital in early December of the Year.

Service Plus in Grande Prairie occupancy was 48.2% for the Quarter, up from 32.4% the prior year. ADR for the Quarter was $116.84 vs $121.14 the prior year. Lower rates for long term corporate clients were necessitated by competitors dropping rates. The property is recording a significant increase in health related room stays since the opening of the new Grande Prairie Regional hospital in early December of the Year.

Deerfoot Inn in Calgary occupancy was 38.7% for the Quarter, up from 18.5% the prior year. ADR for the Quarter was $153.33 vs $147.31 the prior year. Bookings for banquet and meeting space were gaining traction before renewed public health restrictions mandated in September 2021 resulted in cancellations.

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 or performance.

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)**		
	2021	2020	+(-)	**2021**	2020	+(-)
General, progressive and high limit	**6.5**	4.6	41.3%	**2.9**	1.5	93.3%
Poker	**0.9**	0.9	0.0%	**0.4**	0.3	33.3%
Total	**7.4**	5.5	34.5%	**3.3**	1.8	83.3%
% of operating revenue	**22.2%**	15.9%	6.3%	**24.3%**	20.2%	4.1%

# of tables	**End of Year [1]**		
	2021	2020	+(-)
All Others	**18**	26	(8)
Poker	**14**	15	(1)
Progressive Table Games	**16**	15	1
Total	**48**	56	(8)

[1] Operating at the end of the Year

Drop and Hold	**Q4 (twelve months)**			**Q4 (three months)**		
	2021	2020	+(-)	**2021**	2020	+(-)
Drop	**49.7**	38.0	30.8%	**21.7**	13.3	63.2%
Hold %	**23.9%**	22.3%	1.6%	**24.6%**	20.8%	3.8%

In both the Quarter and prior year quarter, GOA mandated restrictions were in place for portions of each. Comparable figures should consider that for Q4 2020, table games were only open from early September at reduced capacity until a second GOA order mandated tables close at the end of November and thru to the end of the year. For the current Quarter, Gamehost casinos were operating without restriction to September 20, 2021 when the GOA declared a new state of public health emergency and Company casinos began operating under REP, requiring proof of vaccination to enter our facilities.

Rivers table Drop was up 97.3% during the Quarter and Hold % was 13.2 percentage points higher at 29.5% resulting in a 257.2% increase in Net table revenue over the prior year quarter. Poker revenues were up 116.5% year-over-year for the Quarter. Table performance also benefited from the late December 2021 opening of expanded non-gaming amenities which attracted interest following an extended period of closure during construction. Rivers operates 10 gaming tables plus 3 poker tables.

Great Northern table Drop was up 23.4% during the Quarter and Hold % was 4.7 percentage points higher at 31.4% resulting in a 45.1% increase in Net table revenue over the prior year quarter. Poker revenues are up 24.2% year-over-year for the Quarter. The Grande Prairie region has one of the lowest vaccination rates in the province and area residents are proving to be adverse to proof of vaccine mandates currently in force resulting in lower than expected patronage. Great Northern operates 10 gaming tables plus 2 poker tables.

(In millions of CDN dollars, unless otherwise stated)

Deerfoot table Drop was up 64.8% during the Quarter and Hold % was 2.7 percentage points higher at 23.2% resulting in a 86.9% increase in Net table revenue over the prior year quarter. Poker revenues are up 30.8% year-over-year for the Quarter. Table performance also benefited from the opening of a new poker room August 27, 2021 and new high limit tables room on September 10, 2021. Expanded non-gaming amenities opened in November 2021 attracted interest following an extended period of closure during construction. The large urban Calgary setting is largely supportive of proof of vaccine mandates currently in place. Deerfoot operates 28 gaming tables plus 9 poker tables.

Electronic Gaming Device Revenue ("EGD")

EGD revenue includes revenue from slot machines and electronic gaming tables. In Alberta, EGD 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 chits fed into EGD's. Revenue to the operator, or 'Net,' is determined by all of the above factors.

EGD statistics	**Q4 (twelve months)**			**Q4 (three months)**		
	2021	2020	+(-)	**2021**	2020	+(-)
Cash Play	**928.7**	1,281.1	(27.5%)	**385.4**	338.5	13.9%
Win %	**7.4%**	7.3%	0.1%	**7.3%**	7.4%	(0.1%)
Average active machines [1]	**894**	1,202	(308.0)	**1,624**	1,387	237.0

[1] Not restricted under AGLC COVID-19 GCREC

EGD revenue	**Q4 (twelve months)**			**Q4 (three months)**		
	2021	2020	+(-)	**2021**	2020	+(-)
Net	**10.3**	14.1	(27.0%)	**4.2**	3.8	10.5%
% of operating revenue	**30.9%**	40.8%	(9.9%)	**30.9%**	42.7%	(11.8%)

Company casinos are currently operating under the GOA REP requirements which allow for no capacity restrictions at our properties. This has resulted in a reduction to patron visits or their length of play per visit. Casinos, province wide, were fully closed for approximately six months during the Year compared with approximately three and a half months of full closure in 2020. An additional element to the REP following the Quarter restricts food and beverage consumption to F&B outlets within the casino and temporarily eliminating this service on the gaming floor.

Rivers Cash Play was up 13.0% while Hold % was 40 basis points lower during the Quarter than the comparable quarter in 2020 resulting in 10.0% higher Net revenues. Vaccine mandates are having a dampening effect on player visits. Rivers operates 423 EGD's.

Great Northern Cash Play was up 9.1% while Hold % was 50 basis points lower during the Quarter than the comparable quarter in 2020 resulting in flat Net revenues. Vaccine mandates are having an adverse effect on player visits. Great Northern operates 421 EGD's.

Deerfoot Cash Play was up 16.3% while Hold % was 10 basis points higher during the Quarter than the comparable quarter in 2020 resulting in 15.8% higher Net revenues. A ne high-limit slot room opened November 15, 2021. Calgary opposition to vaccine mandates is less noticeable than in the Company's other operating regions. Deerfoot operates 805 EGD's.

(In millions of CDN dollars, unless otherwise stated)

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)		
	2021	2020	+(-)	**2021**	2020	+(-)
Food & mix	**2.0**	2.0	0.0%	**1.0**	0.4	150.0%
Liquor	**3.3**	3.8	(13.2%)	**1.6**	0.9	77.8%
Total	**5.3**	5.8	(8.6%)	**2.6**	1.3	100.0%
% of operating revenue	**15.9%**	16.8%	(0.9%)	**19.1%**	14.6%	4.5%

During the Quarter, additional parameters were outlined for establishments operating under GOA REP directives as they related to F&B services. In January 2022, F&B can no longer be consumed on gaming floors and must be confined to F&B venue seating areas. The new parameter is having an unfavourable impact on F&B sales.

Rivers F&B revenues, net of commissions, were up 40.8% in year-over-year comparison for the Quarter, but still only about 42% of pre-pandemic levels. The completed expansion/refurbishment of the property was fully opened to the public in December 2021. F&B service restrictions contained in the GOA REP directives and closures of F&B amenities during construction in the Quarter provided muted results. The new amenities and inviting new exterior/interior look has been well received and management expects solid returns on the investment as the operating environment exits the current state of public health emergency due to COVID-19.

Great Northern F&B revenues, net of commissions, were up 53.6% in year-over-year comparison for the Quarter, but still only about 53% of pre-pandemic levels. Current GOA mandates under the state of public health emergency are having an especially adverse impact in Grande Prairie with a high percentage of the area population unsupportive of vaccines or vaccine mandates.

Deerfoot F&B revenues were up 134.1% in year-over-year comparison for the Quarter, but still only about 75% of pre-pandemic levels. Completed expansion/refurbishment of all F&B venues within the casino during the Quarter has not yet had its full day in the sun due to service restrictions contained in the GOA REP directives. The Wild Horse dining room opened Oct 18, 2021 and a new sushi bar opened November 19, 2021. Management is confident in the returns on this investment when we exit the current state of public health emergency due to COVID-19.

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, other guest room charges and miscellaneous revenues.

Ancillary revenue	Q4 (twelve months)			Q4 (three months)		
	2021	2020	+(-)	**2021**	2020	+(-)
Total	**3.1**	3.5	(11.4%)	**1.4**	0.9	55.6%
% of operating revenue	**9.3%**	10.1%	(0.8%)	**10.3%**	10.1%	0.2%

(In millions of CDN dollars, unless otherwise stated)

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)**		
	2021	2020	+(-)	**2021**	2020	+(-)
Total	**24.9**	25.5	(2.4%)	**10.0**	6.6	51.5%
% of operating revenue	**74.8%**	73.7%	1.1%	**73.5%**	74.2%	(0.7%)

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)**		
	2021	2020	+(-)	**2021**	2020	+(-)
Food & Mix	**0.6**	0.7	(14.3%)	**0.4**	0.1	300.0%
Liquor	**0.7**	0.8	(12.5%)	**0.3**	0.2	50.0%
Other	**0.1**	0.1	0.0%	**-**	-	-
Total	**1.4**	1.6	(12.5%)	**0.7**	0.3	133.3%
% of operating revenue	**4.2%**	4.6%	(0.4%)	**5.1%**	3.4%	1.7%

Cost of product %	**Q4 (twelve months)**			**Q4 (three months)**		
	2021	2020	+(-)	**2021**	2020	+(-)
Food & Mix	**30.0%**	35.0%	(5.0%)	**40.0%**	25.0%	15.0%
Liquor	**21.2%**	21.1%	0.1%	**18.8%**	22.2%	(3.4%)
Other	**33.6%**	81.3%	(47.7%)	**28.7%**	76.7%	(48.0%)

Great Northern and Rivers have a commission-based third party arrangements for food services. Rivers entered into such an agreement coinciding with the opening of their expanded and refurbished premises space during the Quarter. Neither location figures prominently into cost of sales % for food.

(In millions of CDN dollars, unless otherwise stated)

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)		
	2021	2020	+(-)	**2021**	2020	+(-)
Operating labour	**11.3**	11.5	(1.7%)	**4.6**	3.1	48.4%
% of operating revenue	**33.9%**	33.2%	0.7%	**33.8%**	34.8%	(1.0%)

The Company recorded COVID-19 relief under federal programs during the Quarter. Subsidy relief for COVID-19 is recorded in other income.

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)		
	2021	2020	+(-)	**2021**	2020	+(-)
Total	**1.5**	1.9	(21.1%)	**0.7**	0.5	40.0%
% of operating revenue	**4.5%**	5.5%	(1.0%)	**5.1%**	5.6%	(0.5%)

Cost of sales - other operating costs

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)		
	2021	2020	+(-)	**2021**	2020	+(-)
Total	**10.7**	10.5	1.9%	**4.0**	2.7	48.1%
% of operating revenue	**32.1%**	30.3%	1.8%	**29.4%**	30.3%	(0.9%)

Lease and other income

Lease and other income	Q4 (twelve months)			Q4 (three months)		
	2021	2020	+(-)	**2021**	2020	+(-)
Gross revenue from investment property	**0.1**	0.2	(50.0%)	**-**	-	-
Lease revenues	**0.1**	-	-	**0.1**	-	-
Operating costs of investment property	**(0.1)**	(0.1)	0.0%	**(0.1)**	-	-
Other income	**4.5**	4.0	12.5%	**0.8**	2.1	(61.9%)
Total	**4.6**	4.1	12.2%	**0.8**	2.1	(61.9%)

The Company accrued COVID-19 relief subsidies under various federal and provincial programs during the Quarter recorded as other income. Amounts recorded have been diminishing as business revenues recover. Expiring federal subsidy programs were replaced by more targeted programs that extend support into May 2022.

(In millions of CDN dollars, unless otherwise stated)

Lease revenues arise from leases to third party food service operators occupying space at each of Great Northern and Rivers.

The Company has an investment property located adjacent to its other Grande Prairie properties that is currently vacant. The Company is currently assessing the properties future for best purpose and highest value.

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)		
	2021	2020	+(-)	**2021**	2020	+(-)
Total	**3.3**	3.4	(2.9%)	**1.0**	0.9	11.1%
% of operating revenue	**9.9%**	9.8%	0.1%	**7.4%**	10.1%	(2.7%)

Management fees, are based on a percentage of revenue and/or EBITDA.

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)		
	2021	2020	+(-)	**2021**	2020	+(-)
Total	**1.6**	1.5	6.7%	**0.5**	0.4	25.0%

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)		
	2021	2020	+(-)	**2021**	2020	+(-)
Provision for current income tax	**1.6**	1.9	(15.8%)	**0.5**	0.6	(16.7%)
Taxes arising from changes in timing differences	**(0.1)**	(0.1)	0.0%	**-**	0.4	(100.0%)
Income tax expense (recovery)	**1.5**	1.8	(16.7%)	**0.5**	1.0	(50.0%)

The combined federal and provincial tax rate in Alberta is 23.0% for 2021 (24.0% - 2020).

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.

(In millions of CDN dollars, unless otherwise stated)

Reconciliation of EBITDA to shareholders to Profit and comprehensive profit

EBITDA to shareholders to Profit and comprehensive profit	**Q4 (twelve months)**			**Q4 (three months)**		
	2021	2020	+(-)	**2021**	2020	+(-)
EBITDA to shareholders	**13.5**	13.4	0.7%	**4.7**	4.3	9.3%
Adjustments:						
Amortization on property, plant and equipment	**(4.4)**	(4.1)	7.3%	**(1.6)**	(1.1)	45.5%
Fair value adjustment	**(0.5)**	(0.8)	(37.5%)	**(0.5)**	(0.2)	150.0%
Finance costs	**(1.7)**	(1.5)	13.3%	**(0.5)**	(0.4)	25.0%
Income tax (expense) recovery	**(1.5)**	(1.8)	(16.7%)	**(0.5)**	(1.0)	(50.0%)
EBITDA attributable to non-controlling interest	**0.7**	0.5	40.0%	**0.3**	0.3	(0.0%)
Profit and comprehensive profit (loss)	**6.1**	5.7	7.0%	**1.9**	1.9	0.0%

Facility enhancement

Capital expenditures	**Q4 (twelve months)**			**Q4 (three months)**		
	2021	2020	+(-)	**2021**	2020	+(-)
Capital maintenance	**0.1**	0.2	(50.0%)	**-**	0.1	(100.0%)
Capital expansion	**8.8**	1.9	363.2%	**3.0**	1.7	76.5%
	8.9	2.1	323.8%	**3.0**	1.8	66.7%

Two expansion projects completed in the Quarter. A 7,500 square foot expansion of gaming and non-gaming amenities at Deerfoot opened to the public as did a 6,687 square foot non-gaming expansion at Rivers. Final costs for the projects totaled $4.4 and $6.3 respectively. Rivers has submitted required documents to the landlord for $1.9 in tenant inducements which is recorded as a reduction to ROU assets.

Financial condition

Liquidity

The Company's casinos were operational during the Quarter under the GOA's Restriction Exemption Program. Net cash provided by operating activities totaled $1.5 with AGLC receivable balances up $3.5 versus the comparable period. Cash balances totalled $15.6 compared to $10.3 at the start of 2021. 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 $4.5.

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

The Company has a 91% Participating Interest ("PI") in the operating activities of Deerfoot and an 87.75% Contributing Interest Responsibility ("CIR") for any capital or debt requirements of the Deerfoot.

(In millions of CDN dollars, unless otherwise stated)

Working capital

Internal working capital requirements for the Company consists of cash floats for the operation of gaming tables, EGD's, VLT, ATM machines, TITO terminal, 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.

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 may continue to qualify for and receive amounts under federal COVID-19 relief programs. The federal government announced replacement programs for CEWS and CERS, which expired October 23, 2021. The Company received a one time grant under the GOA's recently announced REPIG. The full duration and benefit of ongoing relief programs or any new programs to be announced can not be projected with any certainty.

Commitments

The Company has an 87.75% Contributing Interest Responsibility ("CIR") to Deerfoot for any capital funding requirements, the remainder of CIR belonging to a NCI. Deerfoot completed a 7,500 square foot expansion of its gaming and non-gaming amenities. At the end of the Year, Gamehost has paid 100.0% of its CIR to the total project cost of $4.4.

The Company fulfilled its commitment for a 6,687 square foot expansion of its non-gaming amenities at Rivers. At the end of the Quarter, Gamehost has paid 100.0% of the total project cost of $6.3. The Company will receive a lease inducement payment of $1.9 after submission of project completion documentation which has been recorded to receivables [Note 15].

The Company has various other contractual commitments. Future undiscounted minimum payments of these commitments are:

Commitments

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

(In millions of CDN dollars, unless otherwise stated)

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 temporarily suspended the regular monthly dividend in 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.

Dividend pay-out ratio	**Q4 (twelve months)**			**Q4 (three months)**		
	2021	2020	+(-)	**2021**	2020	+(-)
EBITDA to Shareholders	**13.5**	13.4	0.7%	**4.7**	4.3	(9.3%)
Adjustments (excl. Non-controlling interest portions)						
Scheduled principal payments on demand debt	**(1.2)**	(0.5)	140.0%	**(0.3)**	(0.2)	50.0%
Interest expensed	**(1.3)**	(1.3)	0.0%	**(0.4)**	(0.3)	33.3%
Lease amortizations	**(1.2)**	(1.1)	9.1%	**(0.3)**	(0.2)	50.0%
Current Income tax (expense) recovery	**(1.6)**	(1.9)	(15.8%)	**(0.5)**	(0.6)	(16.7%)
Cash available for distribution (deficit)	**8.2**	8.6	(4.7%)	**3.2**	3.0	6.7%
Dividends delared	**-**	4.2	(100.0%)	**-**	-	nmf
Surplus (deficit) to dividends declared	**8.2**	4.4	86.4%	**3.2**	3.0	6.7%
Normalized dividend pay-out ratio [1]	**0.0%**	**48.8%**	(48.8%)	**0.0%**	**0.0%**	0.0%

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

(In millions of CDN dollars, unless otherwise stated)

The Company's dividend remains temporarily suspended since March of 2020 in response to the COVID-19 pandemic. The Company's board of directors regularly reviews the Company's dividend policy.

During the peiod of suspended dividends, the Company has been using surplus cash to fund two capital projects, repurchase shares for cancellation, and pay down revolving debt.

Cash dividends declared

2021 dividend summary

Month	$'s per Share	Date: Declared	Date: Record	Date: Payment	Shares o/s [1]	Dividends
January	**-**				**23,353,148**	**-**
February	**-**				**23,237,448**	**-**
March	**-**				**23,192,448**	**-**
April	**-**				**23,156,948**	**-**
May	**-**				**23,111,348**	**-**
June	**-**				**23,194,548**	**-**
July	**-**				**22,996,948**	**-**
August	**-**				**22,955,948**	**-**
September	**-**				**22,933,848**	**-**
October	**-**				**22,716,948**	**-**
November	**-**				**22,716,948**	**-**
December	**-**				**22,686,248**	**-**
Total	**-**					**-**

2020 dividend summary

Month	$'s per Share	Date: Declared	Date: Record	Date: Payment	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
April	-				23,996,144	-
May	-				23,939,641	-
June	-				23,939,441	-
July	-				23,646,648	-
August	-				23,572,248	-
September	-				23,542,748	-
October	-				23,436,048	-
November	-				23,380,748	-
December	-				23,380,748	-
Total	0.1725					4.2

[1] Shares outstanding net of any held in the Company brokerage account awaiting cancellation.

(In millions of CDN dollars, unless otherwise stated)

Productive capacity

The Company's assets include land, land improvements, buildings, leases, 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, 3 restaurants and three lounges at Deerfoot. Both Great Northern and Rivers have a showroom for live events and separate cafe and/or lounge dining areas. Also included in productive capacity are the Company's interests in three gaming licenses, one each for Rivers Casino & Entertainment Centre Casino, Great Northern Casino, and Deerfoot Casino. Together these licenses provide a revenue stream for the Company from an available 1,649 EGD's, 54 VLT's, 62 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.

Productive capacity	**Gaming sq. ft**	**Non-gaming sq. ft.**	**Guest rooms**	**F & B, Live Event seating**	**EGD's and VLT's**	**Tables including poker**	**Lease/ retail sq. ft.**
At January 1, 2020	109,356	19,107	404	578	1,742	63	12,823
Additions (deletions)							
Great Northern, into-service (out-of-service)					(90)	(4)	
Deerfoot, into-service (out-of-service)					(58)	(4)	
Rivers, into-service (out-of-service)					(147)	(1)	
At December 31, 2020	109,356	19,107	404	578	1,447	54	12,823
Additions (deletions) in gaming devices							
Great Northern - into-service (out-of-service)					87		
Deerfoot - into-service (out-of-service)					49	4	
Rivers, into-service (out-of-service)					147	1	
Deerfoot - expansion	5,000	2,500		120		3	
Rivers, expansion		4,467		188	(27)		2,220
at December 31, 2021	**114,356**	**26,074**	**404**	**886**	**1,703**	**62**	**15,043**

Temporary changes in total available capacity as a result of COVID-19 related restrictions or construction activities is noted as into-service (out-of-service).

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.

EGD's and VLTs 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 trailing 12 month EBITDA to a ratio of 2.0 to 1 or less until such time as opportunities encourage or conditions require a different strategy. A period of temporary closures of casino operations and/or reduced capacities to other operations due to COVID-19 distorts this ratio and requires that management exceed this target in the short term. The ratio is expected to normalize to management's objective as properties return to more normal operations.

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

The Company intends to repay existing non-revolving debt obligations over a period of time, which will allow it to 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.

(In millions of CDN dollars, unless otherwise stated)

Income taxes

The Company is subject to income taxes and makes installment payments based on estimated taxable income.

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. The Company restarted tax installments during the Quarter.

Current income tax

twelve months ended December 31	2021	2020
Current tax expense	1.6	1.9
Deferred tax expense		
Origination and reversal of temporary differences	(0.1)	(0.1)
Income tax expense	1.5	1.8

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	2021	2020
Shareholder profit excluding income tax	7.1	7.1
Income tax using Company's domestic tax rate	23.0%	24.0%
Expected income tax expense	1.6	1.7
Changes in income tax expense resulting from:		
Effect of changes in temporary differences	(0.1)	0.1
Income tax expense	1.5	1.8

(In millions of CDN dollars, unless otherwise stated)

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 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.

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.

	Maturity	December 31, 2021	December 31, 2020
Credit facilities available at face value			
Revolving credit line	01-Dec-23	30.0	30.0
Term loan 1	01-Dec-23	13.9	14.4
Term loan 2	01-Dec-25	4.6	5.0
Deerfoot term loan	01-Dec-23	5.0	5.2
		53.5	54.6
Carrying value of borrowed amounts			
Current liabilities			
Revolving credit line		25.5	16.2
Term loan 1		0.5	0.6
Term loan 2		0.5	0.4
Deerfoot term loan		0.2	0.2
		26.7	17.4
Non-current liabilities			
Term loan 1		13.4	13.8
Term loan 2		4.1	4.6
Deerfoot term loan		4.8	5.0
		22.3	23.4
		49.0	40.8
Interest rate			
Revolving credit line [1]		2.45% (P +0.00%)	2.45% (P +0.00%)
Term loan 1		3.50%	3.50%
Term loan 2 [1]		2.45% (P +0.00%)	2.45% (P +0.00%)
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 $30.1. The Company is paying interest at 2.45% on both revolving debt and term loan 2 at the end of the Quarter. A 1.0% increase in interest rates would have an unfavourable impact on earnings of $0.3 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's impact on the general economy is waning and strength in the fossil fuel sector has reduced credit risk. Managment continues to monitor all accounts. DSO at the end of the Quarter was well within Company targets. At the end of the Quarter, past due accounts and accounts written off are not material. The Company has not recorded an adjustment for ECL.

(In millions of CDN dollars, unless otherwise stated)

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 2030 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.

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

As at December 31, 2021	Carrying amount	Contractual cash flows	1 year or less	2 to 5 years	More than 5 years
Trade and other payables	3.9	3.9	3.9	-	-
Term loans	23.5	30.6	2.0	8.0	20.6
Revolving credit facility	25.5	25.5	25.5	-	-
	52.9	60.0	31.4	8.0	20.6
As at December 31, 2020					
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

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. Economic conditions in the energy sector have improved dramatically. Nevertheless, 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 continues to monitor all customers for any perceived change in financial strength.

Non-controlling interest

A joint venture partner in Deerfoot is entitled to a 9% non-controlling PI in the assets, non-debt liabilities, equity, income, and any distributions of Deerfoot. The joint venture partner has a 12.25% CIR for any capital expenditures and debt service costs 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 21, 2020 the Company commenced a normal course issuer bid (the "2020 Bid") to purchase for cancellation up to 1.5 million of its common shares. The 2020 Bid ended on July 20, 2021. During the Year, the Company purchased for cancellation 305,800 common shares under the 2020 Bid at prices averaging $7.32/common share before commissions for an aggregate $2.3. A total of 917,565 common shares were purchased under the 2020 Bid at prices averaging $6.11/common share not including commissions.

On July 21, 2021 the Company commenced a normal course issuer bid (the "2021 Bid"). Pursuant to the 2021 Bid, Gamehost is authorized to purchase for cancellation up to a maximum of 1.2 million common shares, being equal to 5% of Gamehost's issued and outstanding common shares on July 7, 2021. Notwithstanding the foregoing, pursuant to the rules of the TSX, Gamehost may not purchase more than 1,144 common shares in any one day, such amount being equal to 25.0% of the average daily trading volume for the six months ended June 30, 2021. Common shares purchased under the 2021 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 2021 Bid will terminate on July 20, 2022 or such earlier time as the 2021 Bid is completed or terminated at the option of the Company. During the Year, the Company purchased for cancellation 317,300 common shares under the 2021 Bid at prices averaging $7.95/common share before commissions for an aggregate $2.5.

Between January 1, 2022 and February 28, 2022 the Company purchased for cancellation 13,900 common shares under the 2021 Bid at prices averaging $7.91/common share plus commissions.

Related party transactions

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

The Company had related party transactions with David Will and Darcy Will and/or companies owned or controlled by David Will and/or Darcy Will (collectively the "Wills"). The Wills are key management personnel, directors of the Company, and significant shareholders. Together, the Wills control 33.1% (32.1% - December 31, 2020) of the outstanding common shares of the Company at end of the Quarter.

- The Company incurred $0.8 ($0.7 - 2020) 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. $nil ($0.1 - 2020) 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 – 2020) 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 $0.4 ($0.6 – 2020) in allocated expenses for the Year which is included in operating expenses. DJ Will Holdings Limited, a company wholly owned by David Will, allocates portions of expenses it incurs on behalf of a number of private companies and the Deerfoot on a item by item basis based on usage.
- The Company incurred $nil ($0.1 – 2020) of rental expenses for the Year which is included in cost of sales. The Company rented tractor trailer parking from Peace Country Hospitality Inc., a company controlled by the Wills together with the Company's Chief Operating Officer (COO) before the property was sold during the Year.
- The Company advanced $8.8 ($1.9 – 2020) for construction projects at Deerfoot and Rivers Casino & Entertainment Centre during the Year which is included in property, plant and equipment. The Company engaged DJ Will Construction Ltd, a company controlled by the Wills to act as general contractor for the projects. $0.5 ($nil - 2020) remains in accounts payable at the end of the Year.

The Company incurred $0.1 ($0.1 – 2020) in directors fees for the Year paid to other directors of the Company which is included in administrative expenses.

The Company directly incurred $0.2 ($0.2 – 2020) of charter aircraft rental expenses during the Year with Noren Air Inc., a company controlled by the Company's COO. These costs are included in administrative expenses. Additional payments to Noren Air Inc of $0.2 ($nil - 2020) were made indirectly by the Company through its general contractor, DJ Will Construction Ltd.

The Company incurred $0.6 ($0.6 – 2020) during 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

Wide spread immunization in the world's largest and most developed economies has resulted in an economic recovery far faster than anticipated. The speed of the recovery is now placing unprecedented pressure on the global supply chains which are scrambling to catch up. Growing herd immunity either through infection or immunization has diminished the impact of the latest COVID-19 variant, Omicron. Developed nation economies have proven very resilient to adverse long term impact from the virus to this date. Health experts are now beginning to discuss the virus management in terms of endemic versus pandemic

Canada has made a sharp comeback economically on the back of strong stimulus and subsidy spending. Employment levels have now surpassed those of pre-pandemic. Even so, the benefits of this recovery in Canada are not evenly distributed. There are winners and losers with travel, tourism and entertainment being among the hardest hit. The federal government continues to extend support, but in a more targeted fashion to industries suffering the worst. Pollsters predict that COVID-19 has resulted in a higher savings rate for a substantial number of Canadians and that as the population gains comfort in resuming normal activities they are likely to unleash a spending bonanza in the services sector. Continued low interest rates and increased spending with supply constraints is also producing concerning inflationary pressures. Is this inflation transitory or systemic? Thinking has leaned slightly to the later of late and the Bank of Canada is now likely to being a series of rate hikes in response. Uncertainty remains on many fronts.

Here in Alberta, the province is attempting to emerge from another period of restrictions as resistance to them gains momentum. At the half way point through winter, conditions look favourable for lifting of vaccine mandates and a return to activities that are currently operating under various forms of restriction. Company operations experienced significant and favourable upticks following the lifting of restrictions at other points during the pandemic.

Local economic outlook

Rivers reopened July 6, 2021. Demand from local patrons had been robust, but now tempered from the spread of the new Omicron variant of COVID-19. Lower rates of vaccination in the northern part of the province resulted in a decline in activity when new COVID-19 restrictions came into effect on September 20, 2021. The property's recently completed 6,687 square foot expansion has been well received by the community. As COVID-19 subsides, management expects to see significant upside to revenue.

The Company's Grande Prairie hotels continue their uninterrupted operations. Demand is returning to more normal cyclical patterns on strength in the energy sector. The new Grande Prairie Regional Hospital located adjacent to the Company's properties opened December 4, 2021. With COVID-19 continuing to interrupt normal business and consumer behaviors, measuring the positive impact of an operating hospital next door is difficult to gauge. Both Service Plus and Encore have, however, seen a marked uptick in hospital related stays. COVID-19 restrictions, currently in place in the province certainly figure largely in subdued results for our casino. A significant section of the area population have pushed back strongly against proof of vaccine requirements.

Deerfoot Casino's food and beverage outlets were reopened late in the Quarter on completion of multi-million dollar expansion project. COVID-19 restrictions continue to have a dampening effect on patron visitation and length of play. The expanded and renovated lounge areas received occupancy permits in early October. The new amenities will boost revenues despite COVID-19 holding back potential. The hotel, banquet and remaining food and beverage business was recovering with the property seeing renewed interest in event bookings. This too has suffered a COVID-19 setback with cancellations reversing expected sales.

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.

Competition

The AGLC's new online gambling site, PlayAlberta.ca, went live with virtual slot and table games in 2020. 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. Two First Nation groups have launched a court challenge alleging that the GOA is unauthorized to operate a casino under Alberta's Gaming, Liquor and Cannabis Act.

AGLC has announced its intention to bring land-based and mobile-phone based sport wagering to Alberta casinos by the end of 2022. A request for proposal to this effect is expected to close February 14, 2022. No further information has been made available. Management does not anticipate a negative impact to its land-based casino operations from any added sports wagering activities offered in the province, but will be monitoring developments for any possible benefits.

Management is not aware of any gaming expansions that could have a material effect on the Company’s operations. Management is aware of one Alberta casino operation that has not reopened following the lifting of Alberta's COVID-19 gaming restrictions on July 1, 2021 and whose longer term viability may be in doubt.

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. Wildhorse Casino & Lounge at Evergreen Park, the area's Agribition and trade grounds located 8.5 kilometres from the city centre, 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 newly opened 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. Current occupancy levels in the Grande Prairie region are exceeding provincial averages by a significant margin.

The Company's Rivers Casino & Entertainment Centre 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. The Company expects to capitalize on a dearth of opportunity in the entertainment, food & beverage sector as competition has been reduced by the COVID-19 pandemic. The Company's completed expansion which includes a new full service restaurant and live entertainment showroom will fill a current void.

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 Period. 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 and conducts ongoing training and awareness for all staff.

International Financial Reporting Standards (IFRS)

Standards, amendments and interpretations effective and applied

Effective 1 April 2021, the Company has adopted the following polices and/or applied the following amended International Accounting Standards ("IAS") and IFRS issued by the IASB.

- *The IASB published 'COVID-19-Related Rent Concessions Beyond 30 June 2021 (Amendment to IFRS 16)' that extends, by one year, the May 2020 amendment that provides 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 April 1, 2021.*

Management completed its assessment of the new standard and concluded it does not have a material impact on the Company's consolidated financial statements.

Standards, amendments and interpretations not yet effective or applied

Standards and amendments to standards and interpretations that are not yet effective for the year ended December 31, 2021 have not been applied in preparing these consolidated financial statements but are described below. For those standards where earlier application is permitted, the Company expects to apply the changes at the effective date.

- *IAS 16 - Property, Plant and Equipment - The amendments are effective for annual reporting periods beginning on or after January 1, 2022 and are to be applied retrospectively. Earlier application is permitted.*

- *IAS 37 - Provisions, Contingent Liabilities and Contingent Assets - The amendments are effective for annual reporting periods beginning on or after January 1, 2022 and are to be applied retrospectively. Earlier application is permitted.*

- *IFRS 3 - Business Combinations* - amended to provide clarity to the definition of a business in Appendix A. Specifically the amendment substantiates that to be considered a business, an acquired set of activities must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendment also narrows the current definition by removing the reference to an ability to reduce costs. The amendments are effective for annual reporting periods beginning on or after January 1, 2022. Earlier application is permitted if an entity also applies all other updated references published with the Updated Conceptual Framework.

- *IFRS 9 - Financial Instruments - The amendments are effective for annual reporting periods beginning on or after January 1, 2022. Earlier application is permitted.*

- *IAS 1 - Presentation of Financial Statements - The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and are to be applied retrospectively. Earlier application is permitted.*

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

Additional information

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