GREAT CANADIAN GAMING CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Three Month Period Ended March 31, 2013

As at May 7, 2013

(Expressed in millions of Canadian dollars, except for per share information)

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INTRODUCTION

Basis of Discussion and Analysis

This management's discussion and analysis ("MD&A") of the financial highlights, major developments, consolidated results of operations, consolidated quarterly results trend, liquidity and capital resources, and other financial information of Great Canadian Gaming Corporation (the "Company", "we", "our") is dated as of May 7, 2013.

This MD&A should be read in conjunction with our unaudited condensed interim consolidated financial statements for the three month period ended March 31, 2013 ("Condensed Interim Financial Statements"), our audited consolidated financial statements for the year ended December 31, 2012 ("Annual Financial Statements"), and our MD&A for the year ended December 31, 2012. The Condensed Interim Financial Statements are prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting,* ("IAS 34"). Certain information and note disclosures normally included in the Annual Financial Statements prepared in accordance with International Financial Reporting Standards ("IFRS") have been omitted or condensed. Unless expressly stated otherwise, all financial information is expressed in Canadian dollars.

Capitalized terms are either defined when they first appear or are defined at the end of this MD&A in the section titled "Other Financial Information – Definitions of Other Terms Used of the MD&A".

Non-IFRS Measures

The following non-IFRS definitions are used in this MD&A because management believes that they provide useful information regarding our ongoing operations. Readers are cautioned that the definitions are not recognized measures under IFRS, do not have standardized meanings prescribed by IFRS, and should not be construed to be alternatives to revenues and net earnings determined in accordance with IFRS or as indicators of performance, liquidity or cash flows. Our method of calculating these measures may differ from the method used by other entities and accordingly our measures may not be comparable to similarly titled measures used by other entities or in other jurisdictions.

EBITDA as defined by the Company means Earnings Before Interest and financing costs (net of interest income), Income Taxes, Depreciation and Amortization, share-based compensation, (reversal of) impairments of long-lived assets, impairment of goodwill, restructuring and other, and foreign exchange gain and other. EBITDA is derived from the condensed interim consolidated statements of earnings (loss), and can be computed as revenues less human resources expenses and property, marketing and administration expenses. We believe EBITDA is a useful measure because it provides information to both management and investors with respect to the operating and financial performance of the Company. A reconciliation of EBITDA to shareholders' net (loss) earnings under IFRS is shown in the "Consolidated Results of Operations" section of this MD&A.

Adjusted net earnings, as defined by the Company, means net earnings (loss) plus or minus items of note that management may reasonably quantify and that it believes will provide the reader with a better understanding of the Company's underlying business performance. Items of note may vary from time to time and in this MD&A include (reversal of) impairment of long-lived assets, impairment of goodwill, non-recurring restructuring costs, and income taxes on the above items of note. A reconciliation between net earnings (loss) and adjusted net earnings is presented in the "Financial Highlights" section of this MD&A. Adjusted net earnings per common share is defined as adjusted net earnings divided by the weighted average number of common shares outstanding.

The following non-IFRS measures have common definitions in the gaming industry:

- Table drop means the collective amount of money customers deposit to purchase casino chips to wager on table games, and is commonly computed as the aggregate amount of money counted in the table games' drop boxes. Generally, the table drop is an indicator of our gaming business; however over the short-term, the table drop is subject to shifts in customer behaviour around buying, retaining and cashing-in of casino chips.

- Table hold is calculated as the table drop plus or minus the net change in casino chip inventory.

- Table hold percentage is the ratio of table hold divided by table drop. Table hold percentage fluctuates with the statistical variations or volatility inherent in casino games, as well as with changes in customer behaviour around buying, retaining and cashing-in of casino chips.

- Poker rake is the commission we earn from poker games at our casinos, and is calculated as a fixed percentage of the amount wagered by customers on every hand of poker played.

- Slot coin-in is the aggregate amount of money customers have wagered on slots and other electronic gaming machines.

- Slot win is the slot coin-in less amounts cashed out and prizes won by customers.

- Slot win per machine per day ("Slot Win/Slot/Day") is the average daily slot win earned per slot machine, and is calculated as the slot win divided by the number of days in the period, divided by the average number of slot machines that operated during the period.

- Slot win percentage is the ratio of slot win divided by slot coin-in.

Forward-Looking Information

This MD&A contains certain "forward-looking information" or statements within the meaning of applicable securities legislation. Forward-looking information is based on the Company's current expectations, estimates, projections and assumptions that were made by the Company in light of its historical trends and other factors. All information or statements, other than statements of historical fact, are forward-looking information including statements that address expectations, estimates or projections about the future, the terms and expected benefits of the normal course issuer bid, the Company's strategy for growth and its objectives, expected future expenditures, costs, operating and financial results and expected impact of future commitments, the future ability of the Company to operate the Georgian Downs and Flamboro Downs facilities and their profitability, and implications of changes in legislation and government policies. Forward-looking information may be identified by words such as "anticipate", "believe", "expect", or similar expressions. Such forward-looking information is not a guarantee of future performance and may involve a number of risks and uncertainties.

Although forward-looking information is based on information and assumptions that the Company believes are current, reasonable and complete, they are subject to unknown risks, uncertainties, and a number of factors that could cause actual results to vary materially from those expressed or implied by such forward-looking information. Such factors may include, but are not limited to: terms of operational services agreements; pending, proposed or unanticipated regulatory or policy changes; the Company's ability to obtain and renew required business licenses, leases, and operational services agreements; unanticipated fines, sanctions and suspensions imposed on the Company by its regulators; impact of global liquidity and credit availability; adverse tourism trends and decreases in levels of travel, leisure and consumer spending; competition from established competitors and new entrants in the gaming business; dependence on key personnel; the Company's ability to manage its capital projects and its expanding operations; the risk that systems, procedures and controls may not be adequate to meet regulatory requirements or to support current and expanding operations; potential undisclosed liabilities and capital expenditures associated with acquisitions; negative connotations linked to the gaming industry; First Nations rights with respect to some land on which we conduct our operations; future or current legal proceedings; construction disruptions; financial covenants associated with credit facilities and long-term debt; credit, liquidity and market risks associated with our financial instruments; interest and exchange rate fluctuations; non-realization of cost reductions and synergies; demand for new products and services; fluctuations in operating results; and economic uncertainty and financial market volatility. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended.

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, including in the "Risk Factors" section of the Company's Annual Information Form for fiscal 2012 (dated March 5, 2013), and as identified in the Company's disclosure record on SEDAR at www.sedar.com.

The forward-looking information in documents incorporated by reference speak only as of the date of those documents. Readers are cautioned not to place undue reliance on the forward-looking information, as there can be no assurance that the plans, intentions, or expectations upon which they are based will occur. The Company undertakes no obligation to revise forward-looking information to reflect subsequent events or circumstances except as required by law. The forward-looking information contained herein is made as of the date hereof, is subject to change after such date, and is expressly qualified in its entirety by cautionary statements in this MD&A.

(Expressed in millions of Canadian dollars, except for per share information)

FINANCIAL HIGHLIGHTS

	First Quarter		
	2013	2012	% Chg
Revenues	**$ 100.5**	$ 102.8	(2%)
EBITDA [1]	**$ 38.3**	$ 39.0	(2%)
EBITDA as a % of Revenues	**38.1%**	37.9%	
Net earnings (loss)	**$ 31.3**	$ (31.9)	
Net earnings (loss) per common share			
Basic	**$ 0.44**	$ (0.39)	
Diluted	**$ 0.44**	$ (0.39)	
Adjusted net earnings [1]	**$ 11.1**	$ 12.0	(8%)
Total assets	**$ 892.8**	$ 917.1	(3%)
Long-term debt & Derivative liabilities, excluding current portion	**$ 440.2**	$ 395.0	11%

(1) EBITDA and Adjusted net earnings are non-IFRS measures and are defined in the "Introduction - Non-IFRS Measures" section of this MD&A.

For the three month period ended March 31, 2013 ("first quarter of 2013"), the Company recorded revenues of $100.5, a $2.3 decrease from the first quarter of 2012. This revenue decrease was primarily due to declines at the Boulevard Casino ("Boulevard"), the BC Racinos and the Nova Scotia Casinos. These decreases were partially offset by increased revenues at the Other BC Casinos and the continued strong performance at River Rock Casino Resort ("River Rock").

The decrease in Boulevard's revenues can be attributed to declines in table drop, slot coin-in and food and beverage revenues as a result of decreased visitation due to a weakened local economy and construction disruption primarily associated with a heightened level of proximate highway construction that has been ongoing since 2010. During the first quarter of 2013, this construction included intermittent weekday and multiple weekend evening road closures affecting access to the property. The decline at the BC Racinos was primarily due to decreased racetrack revenues as a result of ongoing industry-wide declines in horse racing wagering levels, a weakening economy as well as a reduction in FDC revenues as the majority of eligible expenditures approved by BCLC for the accelerated FDC project at Fraser Downs Racetrack and Casino have previously been reimbursed. The decrease at the Nova Scotia Casinos was due to a decline in slot coin-in primarily associated with inclement weather in the first quarter of 2013 as well as an ongoing weakened economy. The increase in the Other BC Casinos' revenues in the first quarter of 2013 was due to the commencement of slot operations at Chances Chilliwack in November 2012.

The $0.7 decline in EBITDA in the first quarter of 2013 was primarily due to the decrease in revenues. EBITDA as a percentage of revenues for the first quarter of 2013 was 38.1%, a 0.2 percentage point increase from the first quarter of 2012.

Despite the decline in EBITDA, net earnings (loss) increased by $63.2 in the first quarter of 2013, when compared to the first quarter of 2012. This increase was due to the reversal of $28.5 in non-cash impairment charges in the first quarter of 2013 associated with Georgian Downs and Flamboro Downs that were originally part of the $57.4 non-cash impairment charges recorded in the first quarter of 2012, as described in the "Major Developments" section of this MD&A.

(Expressed in millions of Canadian dollars, except for per share information)

The current and prior periods' net earnings (loss) included some items of note, which are summarized in the following adjusted net earnings table:

	First Quarter		
	2013	2012	% Chg
Net earnings (loss)	**$ 31.3**	$ (31.9)	
Items of note			
(Reversal of) impairment of long-lived assets	**(28.5)**	54.2	
Impairment of goodwill	**-**	3.2	
Non-recurring restructuring costs	**1.0**	-	
Income taxes on the above items of note	**7.3**	(13.5)	
Adjusted net earnings [1]	**$ 11.1**	$ 12.0	(8%)
Adjusted net earnings per common share [1]			
Basic	**$ 0.16**	$ 0.15	
Diluted	**$ 0.16**	$ 0.14	
Weighted average shares outstanding			
Basic	**70,432**	**82,364**	
Diluted	**71,489**	**83,726**	

[1] Adjusted net earnings and Adjusted net earnings per common share are non-IFRS measures and are defined in the "Introduction - Non-IFRS Measures" section of this MD&A.

After adjusting for the above items of note, the Company's adjusted net earnings decreased by 8% in the first quarter of 2013, when compared to the first quarter of 2012. This decrease was primarily due to the decline in EBITDA and higher interest and financing costs, net.

MAJOR DEVELOPMENTS

British Columbia

Boulevard Casino

The Company is redeveloping its Boulevard Casino. During the third quarter of 2012, the Company commenced the refresh and repositioning of Boulevard Casino to both attract new patrons and bring back guests who have been inconvenienced by proximate local highway construction. This project began affecting the gaming floor in January 2013. This first phase of the redevelopment is expected to cost $13.0 and is anticipated to conclude by the end of the fourth quarter of 2013, to coincide with the completion of the proximate highway construction. During construction, there will be some disruption to the casino gaming floor and the Company will endeavor to minimize the effect of the impact on its guests. The second phase of the redevelopment, with an anticipated cost of $50.0, is expected to feature a hotel, conference facilities, additional dining options, and better integration of the facility's existing entertainment and dining amenities. The timeline for the second phase is being planned to minimize disruption to the casino gaming floor, and will be announced at a later date. These property redevelopments and modifications remain subject to approvals from BCLC and the City of Coquitlam. As at March 31, 2013, the Company has spent approximately $3.9 of an estimated total of $63.0 on these projects.

Chances Chilliwack (formerly "Chilliwack Bingo")

On November 1, 2012, the Company relocated its Chilliwack Bingo operations to the newly opened 'Chances Chilliwack', a community gaming centre in Chilliwack, BC. This new, permanent facility has been developed on the approximately five-acre site that the Company purchased as part of the Chilliwack Bingo acquisition in May 2011. The facility features 173 slot machines, two electronic table gaming devices, bingo, dining options, a meeting facility, and approximately 300 parking stalls. The total cost to develop this facility and to acquire adjacent land was $14.2, which was $0.8 below the original estimate of $15.0.

Maple Ridge Community Gaming Centre

The Company is constructing a permanent facility for its Maple Ridge Community Gaming Centre. This new establishment will reach completion prior to November 2013, and will feature approximately 150 slot machines, dining options, a meeting facility, and improved parking capacity. In order to facilitate both the operation of slots at the Company's temporary facility in Maple Ridge and the construction of the permanent facility, the Company committed $4.3 for both property enhancements and servicing commitments to the District of Maple Ridge. As at March 31, 2013, the Company has incurred $2.8 towards fulfilling servicing commitments related to the construction of the permanent facility. The Company has also invested $4.7 for the purchase of land required for the permanent facility and incurred $7.8 of an estimated $13.8 in construction costs.

Ontario

Termination of Site Holder Agreements

In March 2012, the Government of Ontario announced the cancellation of the "Slots at Racetracks" program for all Ontario racetracks effective on March 31, 2013, and directed the Ontario Lottery and Gaming Corporation ("OLG") to end the program on March 31, 2013 and locate slot facilities more strategically in an effort to modernize that province's gaming model. As part of that plan, and as permitted under the related agreements, on March 29, 2012, OLG provided notice that the site holder agreements with the Company's Georgian Downs and Flamboro Downs racetracks would terminate on March 31, 2013. All other "Slots at Racetracks" facilities in Ontario received similar termination notices, with the exception of three facilities located proximate to the U.S. border, which closed on April 30, 2012. The termination of the "Slots at Racetracks" program will have a negative effect on the future revenues of Georgian Downs and Flamboro Downs.

As a result of the early termination of Georgian Downs' site holder agreement, which was previously scheduled to expire in November 2021, the Company recorded in the first quarter of 2012 impairments of goodwill, intangible assets, and property, plant and equipment of $3.2, $8.2, and $13.2, respectively. The Company also recorded in the first quarter of 2012 impairments of intangible assets and property, plant and equipment of $24.2 and $5.2, respectively, in connection with Flamboro Downs' site holder agreement, which was previously scheduled to expire in April 2016.

Subsequent to March 31, 2013, Georgian Downs Limited received from OLG a one-time settlement payment of $31.5 in connection with the Georgian Downs facility, and the Company and Georgian Downs Limited provided OLG with a release of claims.

Lease Agreements and Horse Racing Transition Funding Agreements

The Government of Ontario asked an expert panel of three former Ontario Cabinet ministers (the "Ontario Horse Racing Industry Transition Panel" or the "Panel") to consult with the horse racing industry to determine how the Government can support the transition to a self-sufficient business model, including the allocation of transitional funds. In October 2012, the Panel released a report that included recommendations to materially reduce the total province-wide annual horse racing days by approximately half, with these reduced days to be provided by a minimum of six racetracks. The model proposed by the Panel assumes that the participating racetrack operators will not derive profit from racing operations. With the elimination of the Slots at Racetracks program, it was recommended that operating costs incurred by the racetracks would be publicly funded. Similarly, the Panel recommended that public funding be provided to the horse racing industry over three years, subject to ongoing accountability audits. The Panel also supported the development of an alliance between the participating racetracks in Ontario to manage racing operations, subject to certain conditions. While not exhaustive, these conditions include pooling all Ontario pari-mutuel wagering revenues, allocating and directing those revenues towards racing purses and reinvesting any residual earnings in the industry.

On March 9, 2013, the Company and OLG signed non-binding letters of intent outlining terms by which OLG will lease the slot machine areas of Georgian Downs and Flamboro Downs commencing April 1, 2013 for a term of five years. The Company and OLG have been operating as though the key provisions of these leases came into effect on April 1, 2013. In the coming weeks, the Company expects to sign definitive agreements with OLG related to these letters of intent. These definitive agreements remain subject to the approval process that is required by legislation to be followed by OLG. If agreements are not signed, the Company may recognize further impairments of its long-lived assets.

On March 26, 2013, the Company and the Government of Ontario signed non-binding letters of intent outlining terms under which the Company will operate a reduced level of horse racing until March 31, 2015 on a transitional basis in exchange for transition funding from the Government of Ontario. In the coming weeks, the Company expects to sign definitive agreements with the Government of Ontario related to these letters of intent.

Based on the terms of the letters of intent with the Province of Ontario, the Company expects Georgian Downs will operate a significantly reduced number of race days in the twelve months ended March 31, 2014 (estimated 25 race days over a three-month period, subject to government approval) as compared to the twelve months ended December 31, 2012 (103 race days over a 10-month period). The Company expects Flamboro Downs will operate a reduced number of race days in the twelve-months ended March 31, 2014 (estimated 100 race days over a six-month period, subject to government approval) as compared to the twelve months ended December 31, 2012 (188 race days over an 11-month period). In addition, the Company expects that both Georgian Downs and Flamboro Downs will no longer share in the horse racing pari mutuel wagering revenues that these properties generate. It is expected that racing revenue will go to the provinces' consolidated horse racing industry fund to be shared by the provinces' horsemen associations for their purses.

In exchange for the horse racing transition funding that Georgian Downs and Flamboro Downs expect to receive under the terms of these non-binding letters of intent, the Company anticipates that the racing operations at these tracks will continue for up to two years. For racing operations to continue under the new model, they will require significant operating cost reductions from previous levels. Under the terms of the letters of intent, the transition funding will be conditional on achieving specific cost reduction targets.

Based on the terms of these letters of intent with OLG and the Province of Ontario, the anticipated racing schedules, which also remain subject to approval, and assumptions regarding operating costs, the Company expects Georgian Downs' and Flamboro Downs' EBITDA will decline as compared to levels realized prior to March 31, 2013. While the Company has a practice of refraining from providing forward-looking financial guidance due to a number of factors that could cause actual results to vary materially from those expressed or implied, the Company's preliminary estimate of these properties' combined EBITDA for the twelve month period ending March 31, 2014 is approximately $10.0 to $11.0, which compares to combined EBITDA of $17.3 recognized for the twelve month period ended March 31, 2013. This preliminary estimate is based on information currently available and will not be updated for subsequent information.

During the three months ended March 31, 2013, as a result of signing the letters of intent and the anticipated future execution of definitive agreements, the Company recorded reversals of impairments related to Georgian Downs' intangible assets and property plant and equipment of $8.0 and $11.7, respectively. The Company also recorded reversals of impairments related to Flamboro Downs' intangible assets and property, plant and equipment of $7.4 and $1.4, respectively.

The recoverable amounts for Georgian Downs' and Flamboro Downs' long-lived assets and goodwill were determined based on the value in use method, which estimates the net present value of the future cash flows expected to be generated, using a pre-tax discount rate based on the Company's weighted-average cost of capital. The estimates of future cash flows require a number of key assumptions about future business performance. These assumptions and estimates are primarily based on the relevant business' historical experience and economic trends, and consider past and ongoing communications with relevant stakeholders of the Company. These key assumptions include the future revenue levels, EBITDA, and the expected useful life of the cash generating unit ("CGU"). The assumptions are subject to a number of factors and it is possible that actual results could vary materially from management's estimates.

As the carrying value of Georgian Downs' and Flamboro Downs' long-lived assets as at March 31, 2013 were equal to their estimated recoverable amounts, a subsequent change in any key assumption utilized in the estimate of future cash flows may result in a further impairment loss or reversal of an impairment loss. As at March 31, 2013, the carrying values of the intangible assets and property, plant and equipment associated with Georgian Downs were $23.3 and $41.4, respectively. As at March 31, 2013, the carrying values of the intangible assets and property, plant and equipment associated with Flamboro Downs were $17.9 and $8.4, respectively.

Request for Gaming Service Providers

In May 2012, OLG issued a request for information ("RFI") to obtain input from potential industry participants regarding the modernization of gaming in Ontario. OLG stated that as a result of the feedback from the RFI, and to enable OLG to more effectively manage the gaming market in Ontario, OLG is grouping many of the 29 Gaming Zones into Gaming Bundles where each bundle represents a separate bidding opportunity. In November 2012, OLG initiated the request for pre-qualifications ("RFPQ") process to pre-qualify service providers for eligibility to participate in the request for proposals process for the Gaming Bundles. The Company is participating in the potential future opportunities that may arise from the continued modernization of gaming in Ontario. It is not certain at this time the full extent of the impact that the continued modernization of gaming in Ontario may have on the Company.

Casino Nova Scotia

In October 2012, the Company and the Nova Scotia Provincial Lotteries & Casinos Corporation ("NSPLCC", formerly Nova Scotia Gaming Corporation) signed the second Amended and Restated Operating Contract ("AROC"), effective October 1, 2012. Under the second AROC, the Company is entitled to receive an operator's fee equal to 52.24% of the facilities' total revenues, plus an additional 47.76% of non-gaming revenues after deduction of the capital reserve contribution ("CRC"). The CRC is the greater of 5% of total revenue and $5.0 (adjusted for inflation in each year since 2009). The Company is also entitled to receive an additional operator's fee equal to the lesser of $1.3 or 10% of leased slot machines revenues. Prior to October 1, 2012, under the first AROC, the Company received 55.5% of both gross gaming and non-gaming revenues, after deduction of the CRC, as well as $1.0 per year related to the operation of leased slot machines. Prior to October 1, 2012, the $1.0 per year received for the leased slot machines was recorded as a reduction to the related leased slot operating expenses that were part of property, marketing and administration expenses.

Debt Refinancing

On July 24, 2012, the Company completed a long-term debt refinancing and issued $450.0 of 6.625% Senior Unsecured Notes due on July 25, 2022 ("Senior Unsecured Notes"). The net proceeds were $439.5 after transaction costs of $10.5. The use of proceeds included repayment of the US$161.1 Senior Secured Term Loan B ("Term Loan B"), repurchase or redemption of the US$170.0 Senior Subordinated Notes ("Subordinated Notes"), settlement of the derivative liabilities associated with the related cross-currency interest rate and principal swaps, and the remainder was retained for general corporate purposes.

Normal Course Issuer Bid

During the three months ended March 31, 2013, the Company purchased 751,040 common shares at a volume weighted-average price per share of $9.29 under its normal course issuer bid. This bid allows the Company to purchase up to 4,511,644 of its common shares, commenced on January 30, 2013, and expires on January 29, 2014, or earlier if the number of shares approved for purchase in the issuer bid has been obtained. As at March 31, 2013, the Company had $0.2 in accrued liabilities relating to common shares purchased, which was paid in April 2013. Subsequent to March 31, 2013, the Company purchased 1,772,100 common shares at a volume weighted-average price per share of $9.34. All common shares purchased by the Company were subsequently cancelled.

CONSOLIDATED RESULTS OF OPERATIONS

The following table summarizes the consolidated operating results for the three month period ended March 31, 2013 with comparatives for the prior period.

	First Quarter		
	2013	2012	% Chg
Gaming revenues	**$ 74.9**	$ 76.8	(2%)
Facility Development Commission	**8.8**	8.9	(1%)
Hospitality and other revenues	**18.2**	18.0	1%
Racetrack revenues	**3.2**	3.8	(16%)
	105.1	107.5	(2%)
Less: Promotional allowances	**(4.6)**	(4.7)	(2%)
Revenues	**100.5**	102.8	(2%)
Human resources	**39.1**	39.1	0%
Property, marketing and administration	**23.1**	24.7	(6%)
	62.2	63.8	(3%)
EBITDA	**38.3**	39.0	(2%)
Human resources as a % of Revenues before Promotional allowances	**37.2%**	36.4%	
EBITDA as a % of Revenues	**38.1%**	37.9%	
Amortization	**13.0**	12.8	
Share-based compensation	**2.1**	2.1	
(Reversal of) impairment of long-lived assets	**(28.5)**	54.2	
Impairment of goodwill	**-**	3.2	
Interest and financing costs, net	**8.2**	7.1	
Restructuring and other	**1.1**	-	
Foreign exchange gain and other	**(0.2)**	(0.3)	
Income taxes	**11.3**	(8.2)	
Net earnings (loss)	**$ 31.3**	$ (31.9)	
Net earnings (loss) per common share			
Basic	**$ 0.44**	$ (0.39)	
Diluted	**$ 0.44**	$ (0.39)	
Weighted average number of common shares (in thousands)			
Basic	**70,432**	82,364	
Diluted	**71,489**	82,364	

(Expressed in millions of Canadian dollars, except for per share information)

Discussion of Results

The Company's operating results are discussed in two sections. Revenues, human resources expenses, property, marketing and administration expenses, and EBITDA are discussed on a property or, where appropriate, group of similar properties basis. Items excluded from EBITDA are discussed on a consolidated basis. The following table reconciles the property results to the consolidated results of operations on the previous page.

REVENUES and EBITDA

	First Quarter		
	2013	2012	% Chg
REVENUES			
Casinos			
River Rock Casino Resort	**$ 42.5**	$ 42.1	1%
Boulevard Casino	**12.9**	14.8	(13%)
Vancouver Island Casinos	**9.6**	9.5	1%
Other BC Casinos	**4.6**	3.2	44%
Nova Scotia Casinos	**9.3**	10.1	(8%)
Great American Casinos	**5.8**	5.7	2%
	84.7	85.4	(1%)
Racinos			
BC Racinos	**8.5**	9.5	(11%)
Georgian Downs	**3.2**	3.5	(9%)
Flamboro Downs	**4.1**	4.4	(7%)
	15.8	17.4	(9%)
Total Revenues	**$ 100.5**	$ 102.8	(2%)
EBITDA			
Casinos			
River Rock Casino Resort	**$ 22.7**	$ 22.7	0%
Boulevard Casino	**4.1**	5.8	(29%)
Vancouver Island Casinos	**5.3**	5.1	4%
Other BC Casinos	**2.3**	1.3	77%
Nova Scotia Casinos	**2.1**	2.5	(16%)
Great American Casinos	**0.9**	0.8	13%
	37.4	38.2	(2%)
Racinos			
BC Racinos	**1.4**	1.9	(26%)
Georgian Downs	**2.1**	2.2	(5%)
Flamboro Downs	**1.9**	1.8	6%
	5.4	5.9	(8%)
Corporate & Other	**(4.5)**	(5.1)	12%
Total EBITDA	**$ 38.3**	$ 39.0	(2%)

(Expressed in millions of Canadian dollars, except for per share information)

Casinos

River Rock Casino Resort

	First Quarter 2013	2012	% Chg
Gaming revenues	**$ 30.6**	$ 30.4	1%
Facility Development Commission	**4.4**	4.4	0%
Hospitality and other revenues	**9.6**	9.2	4%
Revenues before Promotional allowances	**44.6**	44.0	1%
Less: Promotional allowances	**(2.1)**	(1.9)	11%
Revenues	**42.5**	42.1	1%
Human resources	**12.6**	12.1	4%
Property, marketing and administration	**7.2**	7.3	(1%)
EBITDA	**$ 22.7**	$ 22.7	0%
Human resources as a % of Revenues before Promotional allowances	**28.3%**	27.5%	
EBITDA as a % of Revenues	**53.4%**	53.9%	

	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Average
Table Drop	$ 227.6	$ 233.4	$ 205.3	$ 189.0	$ 219.6	$ 169.4	$ 175.9	$ 178.4	$ 181.3	
Table Hold	$ 53.8	$ 41.7	$ 42.0	$ 40.9	$ 53.3	$ 32.5	$ 39.2	$ 39.1	$ 34.5	
Table Hold %	23.7%	17.9%	20.5%	21.6%	24.3%	19.2%	22.3%	21.9%	19.0%	21.2%
Poker Rake	$ 1.0	$ 1.2	$ 1.0	$ 1.1	$ 1.1	$ 1.2	$ 1.1	$ 1.1	$ 1.2	
Slot Coin-In	$ 545.4	$ 521.7	$ 518.1	$ 519.6	$ 493.4	$ 522.8	$ 490.9	$ 477.3	$ 448.2	
Slot Win	$ 35.2	$ 34.9	$ 35.2	$ 34.6	$ 33.9	$ 34.5	$ 34.1	$ 34.3	$ 30.3	
Slot Win/Slot/Day[1,2]	$ 355	$ 345	$ 349	$ 355	$ 372	$ 375	$ 376	$ 384	$ 339	
Slot Win %	6.5%	6.7%	6.8%	6.7%	6.9%	6.6%	6.9%	7.2%	6.8%	6.8%

(1) Slot Win/Slot/Day is an average, presented in dollars.
(2) During the second quarter of 2012, the Company added 104 slot machines at River Rock, resulting in 1,110 slot machines since June 30, 2012.

Revenues

Gaming revenues at River Rock were relatively consistent in the first quarter of 2013, when compared to the first quarter of 2012. An 11% increase in slot coin-in was partially offset by a 0.5 percentage point decrease in slot win percentage, resulting in a 4% increase in slot win. Similarly, a 4% increase in table drop, partially offset by a 0.6 percentage point decline in table hold percentage resulted in a 1% increase in table hold.

Hospitality and other revenues increased by 4% in the first quarter of 2013, when compared to the first quarter of 2012. This increase was primarily due to growth in food and beverage revenues.

River Rock's hotel capacity includes the "River Rock Casino Resort Suites", which has 202 rooms, and "The Hotel at River Rock" with 193 rooms offered at a lower price point. On a combined basis, River Rock's average daily hotel revenue per available room ("REVPAR") was $82 dollars in the first quarter of 2013, compared to $79 dollars in the first quarter of 2012. This increase was due to a three percentage point increase in the average hotel occupancy rate to 56% and is offset by a 2% decrease in the average daily room rate ("ADR") to $146 dollars.

Expenses

Human resources expenses increased by 4% in the first quarter of 2013, when compared to the first quarter of 2012. This increase was primarily due to incremental staffing costs associated with effectively servicing the increased gaming levels and food and beverage revenues.

EBITDA

EBITDA was consistent in the first quarter of 2013, when compared to the first quarter of 2012.

(Expressed in millions of Canadian dollars, except for per share information)

Boulevard Casino

	First Quarter		
	2013	2012	% Chg
Gaming revenues	**$ 9.7**	$ 11.1	(13%)
Facility Development Commission	**1.6**	1.8	(11%)
Hospitality and other revenues	**2.1**	2.4	(13%)
Revenues before Promotional allowances	**13.4**	15.3	(12%)
Less: Promotional allowances	**(0.5)**	(0.5)	0%
Revenues	**12.9**	14.8	(13%)
Human resources	**6.0**	6.0	0%
Property, marketing and administration	**2.8**	3.0	(7%)
EBITDA	**$ 4.1**	$ 5.8	(29%)
Human resources as a % of Revenues before Promotional allowances	**44.8%**	39.2%	
EBITDA as a % of Revenues	**31.8%**	39.2%	

	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Average
Table Drop	$ 37.9	$ 41.6	$ 40.9	$ 42.1	$ 42.0	$ 41.6	$ 39.7	$ 40.3	$ 39.3	
Table Hold	$ 7.8	$ 8.2	$ 8.4	$ 8.4	$ 9.0	$ 8.4	$ 8.6	$ 8.5	$ 8.7	
Table Hold %	20.6%	19.7%	20.5%	20.0%	21.4%	20.2%	21.7%	21.1%	22.1%	20.8%
Poker Rake	$ 0.7	$ 1.0	$ 0.7	$ 0.9	$ 1.2	$ 1.1	$ 1.4	$ 1.0	$ 1.1	
Slot Coin-In	$ 353.3	$ 385.5	$ 391.3	$ 414.6	$ 400.4	$ 400.6	$ 392.1	$ 394.4	$ 372.8	
Slot Win	$ 24.8	$ 26.7	$ 27.2	$ 28.5	$ 26.6	$ 26.7	$ 27.2	$ 28.0	$ 26.5	
Slot Win/Slot/Day(1,2)	$ 310	$ 292	$ 302	$ 315	$ 298	$ 289	$ 294	$ 305	$ 289	
Slot Win %	7.0%	6.9%	6.9%	6.9%	6.6%	6.7%	6.9%	7.1%	7.1%	6.9%

(1) Slot Win/Slot/Day is an average, presented in dollars.
(2) During the first quarter of 2013, the Company removed 148 slot machines at Boulvard resulting in 842 slot machines as at March 31, 2013.

<u>Revenues</u>
Revenues at Boulevard decreased by 13% in the first quarter of 2013, when compared to the first quarter of 2012. This decrease can be attributed to declines in table drop, slot coin-in and food and beverage revenues, which we believe was a result of decreased visitation due to a weakened local economy and guest disruption primarily associated with a heightened level of proximate highway construction that has been ongoing since 2010. During the first quarter of 2013, this construction included intermittent weekday and multiple weekend evening road closures affecting access to the property. To a lesser extent, guests were also affected by the property repositioning and refresh that commenced on the gaming floor in January 2013. Both the highway construction and the first phase of the property redevelopment are expected to conclude by the end of the fourth quarter of 2013. These decreases were partially offset by an improvement in the slot win percentage. Boulevard has also been impacted by nearby competition, including the Company's recently opened Chances Chilliwack, and the poker room at the Fraser Downs Racetrack and Casino.

<u>Expenses</u>
Human resources expenses and property, marketing and administration expenses were relatively consistent in the first quarter of 2013, when compared to the first quarter of 2012.

<u>EBITDA</u>
EBITDA decreased by 29% in the first quarter of 2013, when compared to the first quarter of 2012. This decrease was primarily due to the decline in revenues.

(Expressed in millions of Canadian dollars, except for per share information)

Vancouver Island Casinos (View Royal Casino and Casino Nanaimo)

	First Quarter 2013	2012	% Chg
Gaming revenues	**$ 7.5**	$ 7.6	(1%)
Facility Development Commission	**1.5**	1.4	7%
Hospitality and other revenues	**1.0**	1.0	0%
Revenues before Promotional allowances	**10.0**	10.0	0%
Less: Promotional allowances	**(0.4)**	(0.5)	(20%)
Revenues	**9.6**	9.5	1%
Human resources	**3.0**	3.0	0%
Property, marketing and administration	**1.3**	1.4	(7%)
EBITDA	**$ 5.3**	$ 5.1	4%
Human resources as a % of Revenues before Promotional allowances	**30.0%**	30.0%	
EBITDA as a % of Revenues	**55.2%**	53.7%	

	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Average
Table Drop	$ 12.4	$ 12.5	$ 13.0	$ 12.4	$ 13.0	$ 11.6	$ 11.7	$ 11.7	$ 12.9	
Table Hold	$ 2.9	$ 2.9	$ 2.8	$ 2.9	$ 2.7	$ 2.5	$ 2.6	$ 2.6	$ 2.8	
Table Hold %	23.4%	23.2%	21.5%	23.4%	20.8%	21.6%	22.2%	22.2%	21.7%	22.2%
Slot Coin-In	$ 372.6	$ 379.8	$ 390.0	$ 397.2	$ 378.1	$ 381.4	$ 386.6	$ 394.1	$ 365.4	
Slot Win	$ 26.7	$ 26.9	$ 28.3	$ 27.8	$ 27.1	$ 27.5	$ 28.9	$ 28.8	$ 27.0	
Slot Win/Slot/Day(1)	$ 294	$ 289	$ 305	$ 303	$ 295	$ 296	$ 311	$ 318	$ 293	
Slot Win %	7.2%	7.1%	7.3%	7.0%	7.2%	7.2%	7.5%	7.3%	7.4%	7.2%

(1) Slot Win/Slot/Day is an average, presented in dollars.

Revenues, Expenses, and EBITDA

Revenues, Expenses, and EBITDA at the Vancouver Island Casinos in the first quarter of 2013 were relatively consistent with the first quarter of 2012.

(Expressed in millions of Canadian dollars, except for per share information)

Other BC Casinos (Chances Dawson Creek, Maple Ridge Community Gaming Centre and Chances Chilliwack (formerly Chilliwack Bingo))

	First Quarter 2013	2012	% Chg
Gaming revenues	**$ 3.5**	$ 2.4	46%
Facility Development Commission	**0.7**	0.4	75%
Hospitality and other revenues	**0.6**	0.5	20%
Revenues before Promotional allowances	**4.8**	3.3	45%
Less: Promotional allowances	**(0.2)**	(0.1)	100%
Revenues	**4.6**	3.2	44%
Human resources	**1.4**	1.2	17%
Property, marketing and administration	**0.9**	0.7	29%
EBITDA	**$ 2.3**	$ 1.3	77%
Human resources as a % of Revenues before Promotional allowances	**29.2%**	36.4%	
EBITDA as a % of Revenues	**50.0%**	40.6%	

	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Average
Slot Coin-In	$ 191.2	$ 165.3	$ 107.3	$ 107.9	$ 114.1	$ 118.7	$ 102.4	$ 104.5	$ 98.4	
Slot Win	$ 12.6	$ 10.6	$ 7.0	$ 7.1	$ 7.6	$ 7.4	$ 6.9	$ 7.0	$ 6.6	
Slot Win/Slot/Day[(1)]	$ 321	$ 315	$ 296	$ 305	$ 327	$ 316	$ 294	$ 300	$ 283	
Slot Win %	6.6%	6.4%	6.5%	6.6%	6.7%	6.2%	6.7%	6.7%	6.7%	6.6%

[(1)] Slot Win/Slot/Day is an average, presented in dollars.

Revenues

Revenues at the Company's Other BC Casinos increased by 44% in the first quarter of 2013, when compared to the first quarter of 2012. This increase was primarily due to incremental revenues associated with the commencement of slot operations at Chances Chilliwack on November 1, 2012.

Expenses

Human resources expenses and property, marketing and administration expenses increased by 17% and 29%, respectively, in the first quarter of 2013, when compared to the first quarter of 2012. These increases were primarily due to the incremental costs associated with Chances Chilliwack, which commenced slot operations on November 1, 2012.

EBITDA

EBITDA increased by 77% in the first quarter of 2013, when compared to the first quarter of 2012. This increase was primarily due to the growth in revenues resulting primarily from the commencement of slot operations at Chances Chilliwack.

Labour Relations

As at December 31, 2012, a collective agreement between Chilliwack Gaming Limited and National Automobile, Aerospace, Transportation and General Workers Union of Canada, ("CAW-Canada"), Local 3000, governed the wages and working conditions for employees working in the Bingo division, except management and those excluded by the Labour Relations Code of BC (the "Code"). A collective agreement with a three-year term covering January 1, 2012 through December 31, 2014, had been ratified by the parties on July 10, 2012.

However, during the first quarter of 2013, the BC Labour Relations Board cancelled the Certification held by CAW-Canada for employees working in the Bingo division after considering the results of a February 2013 union member vote to decertify.

(Expressed in millions of Canadian dollars, except for per share information)

Nova Scotia Casinos (Casino Nova Scotia Halifax and Casino Nova Scotia Sydney)

	First Quarter 2013	2012	% Chg
Gaming revenues	**$ 8.3**	$ 9.6	(14%)
Hospitality and other revenues	**1.4**	1.3	8%
Revenues before Promotional allowances	**9.7**	10.9	(11%)
Less: Promotional allowances	**(0.4)**	(0.8)	(50%)
Revenues	**9.3**	10.1	(8%)
Human resources	**3.9**	4.3	(9%)
Property, marketing and administration	**3.3**	3.3	0%
EBITDA	**$ 2.1**	$ 2.5	(16%)
Human resources as a % of Revenues before Promotional allowances	**40.2%**	39.4%	
EBITDA as a % of Revenues	**22.6%**	24.8%	

	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Average
Table Drop	$ 9.6	$ 10.9	$ 10.4	$ 9.8	$ 10.5	$ 11.0	$ 11.4	$ 11.8	$ 10.0	
Table Hold	$ 2.4	$ 2.5	$ 1.9	$ 1.9	$ 2.3	$ 2.2	$ 2.4	$ 2.3	$ 2.1	
Table Hold %	25.0%	22.9%	18.3%	19.4%	21.9%	20.0%	21.1%	19.5%	21.0%	20.9%
Poker Rake	$ 0.6	$ 0.5	$ 0.5	$ 0.4	$ 0.4	$ 0.5	$ 0.6	$ 0.5	$ 0.5	
Slot Coin-In	$ 174.4	$ 193.7	$ 228.3	$ 206.2	$ 192.6	$ 193.5	$ 231.2	$ 205.2	$ 181.6	
Slot Win	$ 13.6	$ 14.8	$ 18.3	$ 16.1	$ 15.2	$ 15.0	$ 18.5	$ 16.2	$ 14.4	
Slot Win/Slot/Day[(1)]	$ 184	$ 185	$ 227	$ 205	$ 191	$ 185	$ 225	$ 198	$ 176	
Slot Win %	7.8%	7.6%	8.0%	7.8%	7.9%	7.8%	8.0%	7.9%	7.9%	7.9%

Revenues

Gaming revenues at the Nova Scotia Casinos decreased by 14% in the first quarter of 2013, when compared to the first quarter of 2012. This decline was primarily due to a decrease in slot coin-in primarily associated with inclement weather in the first quarter of 2013 as well as an ongoing weakened economy. Gaming revenues were also affected by a decrease in the Company's percentage of gaming revenues earned from NSPLCC as a result of the AROC amendment on October 1, 2012, as described in the "Major Developments" section of this MD&A. The decrease in the Company's share of gaming revenues was offset by an increase in the operator's fee associated with leased slots that was previously recorded as a contribution towards slot leases under property, marketing and administrative expenses.

Hospitality and other revenues increased by 8% in the first quarter of 2013, when compared to first quarter of 2012. This increase was primarily due to the increase in the Company's operator's fee related to non-gaming revenues as a result of the AROC amendment, and was partially offset by a reduction in food and beverage volumes associated with inclement weather in the first quarter of 2013.

Promotional allowances decreased by $0.4 in the first quarter of 2013, when compared to the first quarter of 2012. This decrease was primarily due to a change in direct marketing efforts and strategies.

Expenses

Human resources expenses decreased by 9% in the first quarter of 2013, when compared to the first quarter of 2012. This decrease is due to operational staffing adjustments implemented as a result of reduced revenues.

EBITDA

EBITDA decreased by 16% in the first quarter of 2013, when compared to the first quarter of 2012. This decrease was primarily due to the decrease in revenues.

Great American Casinos

Results in U.S. Dollars (in millions)

	First Quarter 2013	2012	% Chg
Gaming revenues	**$ 4.8**	$ 4.8	0%
Hospitality and other revenues	**1.6**	1.4	14%
Revenues before Promotional allowances	**6.4**	6.2	3%
Less: Promotional allowances	**(0.6)**	(0.5)	20%
Revenues	**5.8**	5.7	2%
Human resources	**3.3**	3.2	3%
Property, marketing and administration	**1.6**	1.6	0%
EBITDA	**$ 0.9**	$ 0.9	0%
Human resources as a % of Revenues before Promotional allowances	**51.6%**	51.6%	
EBITDA as a % of Revenues	**15.5%**	15.8%	

	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Average
Table Drop	$ 33.9	$ 34.5	$ 31.6	$ 33.2	$ 35.5	$ 35.5	$ 31.7	$ 31.6	$ 31.2	
Table Hold	$ 5.5	$ 5.1	$ 4.7	$ 5.1	$ 5.4	$ 5.4	$ 5.2	$ 5.8	$ 5.9	
Table Hold %	16.2%	14.7%	14.9%	15.4%	15.2%	15.2%	16.4%	18.4%	18.9%	16.1%

Results in Canadian Dollars

	First Quarter 2013	2012	% Chg
Revenues	**$ 5.8**	$ 5.7	2%
EBITDA	**$ 0.9**	$ 0.8	13%

Discussion in U.S. Dollars

Revenues
Revenues at Great American Casinos were relatively consistent in the first quarter of 2013, when compared to the first quarter of 2012.

Expenses
Human resources expenses and property, marketing and administration expenses were relatively consistent in the first quarter of 2013, when compared to the first quarter of 2012.

EBITDA
Great American Casinos' EBITDA in the first quarter of 2013 was consistent, when compared to the first quarter of 2012.

The value of the Great American Casinos' functional currency, the U.S. dollar, in comparison to the Company's reporting currency, the Canadian dollar, affects the reported results of the Great American Casinos. The average value of the U.S. dollar increased by 1% in the first quarter of 2013, when compared to the first quarter of 2012.

(Expressed in millions of Canadian dollars, except for per share information)

Racinos

BC Racinos (Fraser Downs Racetrack and Casino, and Hastings Racecourse and Slots Facility)

	First Quarter 2013	2012	% Chg
Gaming revenues	**$ 4.9**	$ 4.9	0%
Facility Development Commission	**0.6**	0.9	(33%)
Racetrack revenues	**2.2**	2.7	(19%)
Hospitality and other revenues	**1.2**	1.4	(14%)
Revenues before Promotional allowances	**8.9**	9.9	(10%)
Less: Promotional allowances	**(0.4)**	(0.4)	0%
Revenues	**8.5**	9.5	(11%)
Human resources	**4.1**	4.4	(7%)
Property, marketing and administration	**3.0**	3.2	(6%)
EBITDA	**$ 1.4**	$ 1.9	(26%)
Human resources as a % of Revenues before Promotional allowances	**46.1%**	44.4%	
EBITDA as a % of Revenues	**16.5%**	20.0%	

	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Average
Table Drop	$ 7.0	$ 7.1	$ 7.0	$ 7.2	$ 6.4	$ 6.0	$ 6.5	$ 6.1	$ 7.0	
Table Hold	$ 1.7	$ 1.7	$ 1.4	$ 1.4	$ 1.4	$ 1.3	$ 1.5	$ 1.3	$ 1.3	
Table Hold %	24.3%	24.2%	20.0%	19.4%	21.9%	21.7%	23.1%	21.3%	18.6%	21.6%
Poker Rake	$ 0.3	$ 0.1	$ 0.5	$ 0.3	$ 0.2	$ -	$ -	$ -	$ -	
Slot Coin-In	$ 218.5	$ 227.3	$ 239.4	$ 246.3	$ 234.7	$ 240.4	$ 241.8	$ 228.4	$ 219.0	
Slot Win	$ 16.1	$ 16.5	$ 17.9	$ 18.4	$ 17.6	$ 17.3	$ 18.4	$ 17.8	$ 17.2	
Slot Win/Slot/Day(1)	$ 170	$ 169	$ 184	$ 191	$ 183	$ 179	$ 189	$ 185	$ 179	
Slot Win %	7.4%	7.3%	7.5%	7.5%	7.5%	7.2%	7.6%	7.8%	7.9%	7.5%

(1) Slot Win/Slot/Day is an average, presented in dollars.

Revenues
Gaming revenues at the BC Racinos were consistent in the first quarter of 2013, when compared to the first quarter of 2012.

FDC revenues declined by 33% in the first quarter of 2013, when compared to the first quarter of 2012. As at March 31, 2013, the majority of the eligible expenditures approved by BCLC for the first phase of the accelerated FDC project at Fraser Downs Racetrack and Casino had been reimbursed. Additional eligible expenditures of $0.6 submitted to BCLC had not been approved as at March 31, 2013.

Racetrack revenues decreased by 19% in the first quarter of 2013, when compared to the first quarter of 2012. This decrease is primarily due to the ongoing industry-wide decline in horse race wagering.

Expenses
Human resources expenses decreased by 7% in the first quarter of 2013, when compared to the first quarter of 2012. This decrease was primarily due to operational efficiencies implemented as a result of reduced revenues.

EBITDA
EBITDA decreased by 26% in the first quarter of 2013, when compared to the first quarter of 2012. This decrease was primarily due to the decrease in revenues.

(Expressed in millions of Canadian dollars, except for per share information)

Georgian Downs

	First Quarter		
	2013	2012	% Chg
Gaming revenues	**$ 2.8**	$ 3.0	(7%)
Racetrack revenues	**0.3**	0.3	0%
Hospitality and other revenues	**0.1**	0.2	(50%)
Revenues	**3.2**	3.5	(9%)
Human resources	**0.4**	0.5	(20%)
Property, marketing and administration	**0.7**	0.8	(13%)
EBITDA	**$ 2.1**	$ 2.2	(5%)
Human resources as a % of Revenues before Promotional allowances	**12.5%**	14.3%	
EBITDA as a % of Revenues	**65.6%**	62.9%	

Revenues

Revenues decreased by 9% in the first quarter of 2013, when compared to the first quarter of 2012. This decrease is primarily due to a decline in gaming revenues.

Expenses

Human resources expenses and property, marketing and administration expenses decreased by 20% and 13%, respectively, in the first quarter of 2013, when compared to the first quarter of 2012. These decreases were primarily due to operational adjustments implemented as a result of reduced revenues.

EBITDA

EBITDA in the first quarter of 2013 was relatively consistent with the first quarter of 2012.

Recent Development

As described in the "Major Developments" section of this MD&A, the Company received notice from OLG regarding the early termination of Georgian Downs' site holder agreement effective March 31, 2013. On March 9, 2013, the Company and OLG signed a letter of intent outlining the key terms under which, subject to the approval process that is required by legislation to be followed by OLG, OLG and Georgian Downs Limited would enter into a lease whereby OLG would lease the previously-existing slot machine areas of the property for a period of five years commencing on April 1, 2013. On March 26, 2013, the Company and the Government of Ontario signed letters of intent outlining terms under which the Company will operate a reduced level of horse racing at the property until March 31, 2015 on a transitional basis in exchange for transition funding from the Government of Ontario.

(Expressed in millions of Canadian dollars, except for per share information)

Flamboro Downs

	First Quarter		
	2013	2012	% Chg
Gaming revenues	**$ 2.8**	$ 3.0	(7%)
Racetrack revenues	**0.7**	0.8	(13%)
Hospitality and other revenues	**0.6**	0.6	0%
Revenues	**4.1**	4.4	(7%)
Human resources	**1.2**	1.3	(8%)
Property, marketing and administration	**1.0**	1.3	(23%)
EBITDA	**$ 1.9**	$ 1.8	6%
Human resources as a % of Revenues before Promotional allowances	**29.3%**	29.5%	
EBITDA as a % of Revenues	**46.3%**	40.9%	

Revenues
Revenues decreased by 7% in the first quarter of 2013, when compared to the first quarter of 2012. This decrease is primarily due to a decline in gaming revenues and 52 race days held in the first quarter of 2013, compared to 65 held in the first quarter of 2012.

Expenses
Human resources expenses were relatively consistent in the first quarter of 2013, when compared to the first quarter of 2012.

Property, marketing and administration expenses decreased by 23% in the first quarter of 2013, when compared to the first quarter of 2012. This decrease was partly due to lower expenses associated with fewer race days held in the first quarter of 2013, when compared to the first quarter of 2012.

EBITDA
EBITDA in the first quarter of 2013 was relatively consistent with the first quarter of 2012.

Recent Development
As described in the "Major Developments" section of this MD&A, the Company received notice from OLG regarding the early termination of Flamboro Downs' site holder agreement effective March 31, 2013. On March 9, 2013, the Company and OLG signed a letter of intent outlining the key terms under which, subject to the approval process that is required by legislation to be followed by OLG, OLG and Flamboro Downs Limited would enter into a lease whereby OLG would lease the previously-existing slot machine areas of the property for a period of five years commencing on April 1, 2013. On March 26, 2013, the Company and the Government of Ontario signed letters of intent outlining terms under which the Company will operate a reduced level of horse racing at the property until March 31, 2015 on a transitional basis in exchange for transition funding from the Government of Ontario.

(Expressed in millions of Canadian dollars, except for per share information)

Corporate & Other

	First Quarter		
	2013	2012	% Chg
Human resources	**$ 3.2**	$ 3.1	3%
Property, marketing and administration	**1.3**	2.0	(35%)
EBITDA	**$ (4.5)**	$ (5.1)	12%

EBITDA

EBITDA improved by 12% in the first quarter of 2013, when compared to the first quarter of 2012. This improvement was primarily due to decreased legal expenses as a result of the settlement of a litigation during the second quarter of 2012.

Discussion of Items Excluded from EBITDA

Amortization
Amortization increased by $0.2 in the first quarter of 2013, when compared to the first quarter of 2012. This increase was primarily due to the net increase in amortization expense associated with the previous estimate of shorter useful lives of the long-lived assets of Georgian Downs and Flamboro Downs as a result of the changes in the business as described in the "Major Developments" section of this MD&A.

Share-Based Compensation
Share-based compensation of $2.1 (2012 - $2.1) in the first quarter of 2013 comprises equity-settled share-based compensation of $1.2 (2012 - $1.0) and cash-settled share-based compensation of $0.9 (2012 - $1.1). Share-based compensation was relatively consistent in the first quarter of 2013, when compared to the first quarter of 2012.

Interest and Financing Costs, net
Interest and financing costs, net of interest income, increased by $1.1 in the first quarter of 2013, when compared to the first quarter of 2012. This increase was primarily due to the increase in long-term debt related to the debt refinancing as described in the "Capital Resources" section of this MD&A.

(Reversal of) Impairment of Long-Lived Assets and Impairment of Goodwill
In the first quarter of 2013, the Company recorded a non-cash impairment reversal of long-lived assets of $28.5 in connection with signing letters of intent for leases and horse racing transition funding for Georgian Downs and Flamboro Downs, as described in the "Major Developments" section of this MD&A.

In first quarter of 2012, the Company recorded a non-cash impairment of long-lived assets of $50.8 and a non-cash impairment of goodwill of $3.2 associated with the early termination notice of the site holder agreements for Georgian Downs and Flamboro Downs, as described in the "Major Developments" section of this MD&A, as well as a non-cash impairment charge of $3.4 related to land in Ontario that was written down to its estimated recoverable amount.

Other Expenses (includes "restructuring and other" and "foreign exchange gain and other")
Other expenses in the first quarter of 2013 increased by $1.2, when compared to the first quarter of 2012. Other expenses included $1.0 related to non-recurring staff severance costs incurred during the first quarter of 2013 primarily as a result of an expected reduction in the number live horse racing days to be held at Georgian Downs and Flamboro Downs, as described in the "Major Developments" section of this MD&A.

Income Taxes
Income taxes increased by $19.5 in the first quarter of 2013, when compared to the first quarter of 2012. This increase was primarily due to higher earnings before income taxes in 2013, which included the non-cash long-lived asset impairment reversals, as compared to the related original impairments recorded in the prior year period, as described above.

(Expressed in millions of Canadian dollars, except for per share information)

CONSOLIDATED QUARTERLY RESULTS TREND

	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011
Revenues	$ 100.5	$ 102.8	$ 101.8	$ 101.3	$ 102.8	$ 95.7	$ 101.0	$ 99.5	$ 92.0
EBITDA	$ 38.3	$ 37.5	$ 35.8	$ 35.3	$ 39.0	$ 31.0	$ 38.6	$ 37.8	$ 31.5
EBITDA as a % of Revenues	38.1%	36.5%	35.2%	34.8%	37.9%	32.4%	38.2%	38.0%	34.2%
Net earnings (loss)	$ 31.3	$ 2.5	$ (0.9)	$ 2.7	$ (31.9)	$ 2.3	$ 7.9	$ 10.3	$ 5.7
Net earnings (loss) per common share									
Basic	$ 0.44	$ 0.04	$ (0.01)	$ 0.03	$ (0.39)	$ 0.03	$ 0.10	$ 0.12	$ 0.07
Diluted	$ 0.44	$ 0.03	$ (0.01)	$ 0.03	$ (0.39)	$ 0.03	$ 0.09	$ 0.12	$ 0.07

In the first quarter of 2013, the Company's consolidated revenues and EBITDA both decreased 2% from those in the prior year comparable period. As described earlier in this MD&A, these decreases were primarily due to declines in revenues at Boulevard, the BC Racinos and the Nova Scotia Casinos that were partially offset by increased revenues at the Other BC Casinos and River Rock. Prior to the first quarter of 2013, the Company's quarterly revenues trend reflected year-over-year growth in gaming revenues as well as hospitality and other revenues. Gaming revenues have increased primarily due to improvements at River Rock, incremental revenues from the acquisition of Chilliwack Bingo in May 2011, and the commencement of slot machine operations at Chances Chilliwack in November 2012. Hospitality and other revenues have experienced increases primarily attributable to the new hotel tower at River Rock, which opened in October 2011, as well as improvements in food and beverage offerings. However, there has been an overall declining trend in horse racing industry revenues. The Company's allocated share of the consolidated horse racing industry revenues in BC was reduced from 50% to 42%, effective January 1, 2012. Also, Boulevard has experienced declining revenues due to a weakened local economy and guest disruption from proximate highway construction that has been ongoing since 2010. During the first quarter of 2013, this construction included intermittent weekday and multiple weekend evening road closures affecting access to the property.

The Company's recent quarterly EBITDA trend reflects the above-mentioned revenue changes as well as non-recurring severance costs of $1.1 in the third quarter of 2012, increased legal costs in the second quarter of 2012 that were primarily associated with a litigation settlement, and the one-time start-up costs for the new hotel at River Rock, which opened in October 2011.

The net earnings (loss) trend reflects the items noted above, as well as certain impairment charges, reversals of impairment charges, equity investment losses, business development expenses, litigation settlement costs, expenses associated with the debt refinancing and settlement of the related derivative liabilities, and the related income tax effects.

LIQUIDITY AND CAPITAL RESOURCES

The Company manages liquidity risks by closely monitoring its capital structure and operating costs, regularly monitoring forecast and actual cash flows, taking a conservative approach to capital investment, managing the maturity profiles of financial assets and financial liabilities and maintaining credit capacity within its Revolving Credit Facility.

As at March 31, 2013, the Company had:

- Relatively low levels of receivables of which the majority are due from: sales tax rebates from the federal government, racetrack operators, other provincial gaming corporations, and financial institutions;
- Low exposure to foreign currency exchange rate movements and low exposure to floating interest rate changes since it has relatively low levels of foreign denominated assets and liabilities and has fixed interest rates with its Canadian dollar denominated Senior Unsecured Notes;
- $320.1 of available credit on its Revolving Credit Facility, subject to compliance with the related financial covenants; and
- Counterparties to its existing debt and credit facilities that are primarily major financial institutions that have minimum grade "A" credit ratings.

(Expressed in millions of Canadian dollars, except for per share information)

Financial Position

		March 31, 2013		December 31, 2012	% Chg
Cash and cash equivalents	**$**	**120.9**	$	116.2	4%
Other current assets		**22.1**		18.7	18%
Property, plant and equipment		**632.3**		621.3	2%
Other long-term assets		**117.5**		106.5	10%
Total Assets	**$**	**892.8**	$	862.7	3%
Current liabilities	**$**	**57.9**	$	63.8	(9%)
Long-term debt		**440.2**		439.9	0%
Other long-term liabilities		**87.5**		78.7	11%
Total Liabilities		**585.6**		582.4	1%
Shareholders' equity		**307.2**		280.3	10%
Total Liabilities and Shareholders' equity	**$**	**892.8**	$	862.7	3%

Total Assets
Total assets increased by $30.1 in the first quarter of 2013, when compared to the total assets as at December 31, 2012. This increase was primarily due to a non-cash reversal of impairment charges associated with Georgian Downs and Flamboro Downs, cash generated by operating activities and additions to property, plant and equipment. These increases were partially offset by amortization of property, plant and equipment and intangible assets, and cash outflows to repurchase common shares and service financial obligations.

Total Liabilities
Total liabilities increased by $3.2 in the first quarter of 2013, when compared to the total liabilities as at December 31, 2012. This increase was primarily due to the increase in deferred tax liabilities associated with the reversals of impairments of Georgian Downs' and Flamboro Downs' long-lived assets, and was partially offset by the decrease in current liabilities primarily associated with the timing of the payment of accrued interest on long-term debt during the first quarter of 2013.

Shareholders' equity
Shareholders' equity increased by $26.9 in the first quarter of 2013, when compared to shareholders' equity as at December 31, 2012. This increase was primarily due to the net earnings of $31.3, equity-settled share-based compensation of $1.2, and stock options exercised of $0.9. The increase was partially offset by common shares repurchased of $6.9.

(Expressed in millions of Canadian dollars, except for per share information)

Cash Flows

	First Quarter		
	2013	2012	% Chg
Net cash generated by operating activities	**$ 33.1**	$ 32.4	2%
Cash used in investing activities	**(7.1)**	(6.6)	(8%)
Cash used in financing activities	**(21.6)**	(21.6)	0%
Effect of foreign exchange on cash and cash equivalents	**0.3**	(0.1)	
Cash inflow	**$ 4.7**	$ 4.1	15%

Net cash generated by operating activities was higher in the first quarter of 2013, when compared to the first quarter of 2012. This increase was primarily due to changes in the timing of the settlement of accounts receivable and accounts payable and accrued liabilities.

Cash used in investing activities in the first quarter of 2013 was primarily due to the development of the permanent Maple Ridge community gaming centre and the redevelopment of Boulevard. Cash used in investing activities in the first quarter of 2012 was primarily due to the development of Chances Chilliwack, upgrades at River Rock's first two hotel towers, and the redevelopment of Boulevard.

Cash used in financing activities was relatively consistent in the first quarter of 2013, when compared to the first quarter of 2012. A higher amount of interest was paid due to the timing of interest payments on the long-term debt in place during the first quarter of 2013, when compared to the long-term debt facilities in place during the first quarter of 2012. This increase was partially offset by a lower amount of cash used to repurchase and cancel the Company's common shares in the first quarter of 2013, when compared to the first quarter of 2012.

(Expressed in millions of Canadian dollars, except for per share information)

Capital Resources

Long-Term Debt and Equity

	March 31, 2013	December 31, 2012
Senior Unsecured Notes, net of unamortized transaction costs of $9.8 (2012 - $10.1)	**$ 440.2**	$ 439.9
	440.2	439.9
Less: current portion	**-**	-
	$ 440.2	$ 439.9

As at March 31, 2013, the Company was in compliance with its financial covenants as shown below:

Covenant test	**Required ratio**	**Actual ratio**
Total Debt to Adjusted EBITDA ratio [(1)]	< 5.00	3.02
Senior Secured Debt to Adjusted EBITDA ratio [(1)]	< 3.50	0.00
Interest Coverage ratio [(1)]	> 2.25	4.88
Fixed Charge Coverage ratio [(2)]	> 2.00	4.89

(1) Calculated on a trailing twelve month basis and defined in the Credit and Guarantee Agreement, as amended on July 24, 2012.
(2) Calculated on a trailing twelve month basis and tested on specified events as defined in the long-term debt agreement covering the Trust Indenture dated July 24, 2012.

The Company and its debt facilities had independent credit ratings as at March 31, 2013 as follows:

	Moody's	**Standard & Poor's**
Corporate	Ba3 Stable	BB+ Stable
Revolving Credit Facility	Ba1	BBB
Senior Unsecured Notes	B1	BB+

Outstanding Share Data

As at March 31, 2013 there were 69,817,119 common shares issued and outstanding compared to 70,436,319 as at December 31, 2012. This decrease was primarily due to the purchase and cancellation of common shares under the Company's normal course issuer bid during the three months ended March 31, 2013.

As at March 31, 2013, there were 5,526,509 stock options outstanding at a weighted-average exercise price of $7.29.

As at May 7, 2013, there were 68,082,519 common shares outstanding and 5,486,343 stock options outstanding.

(Expressed in millions of Canadian dollars, except for per share information)

Capital Spending and Development

Under its operating agreements in BC, the Company earns a commission on capital investments as a percentage of Gross Gaming Revenues. Under its operating agreement in Nova Scotia, the Company is reimbursed for the majority of its capital projects. The majority of the Company's capital expenditures on gaming operations in British Columbia and Nova Scotia are eligible for reimbursement by the provincial gaming authorities. In British Columbia, through the FDC program, BCLC provides commissions for approved capital and operating expenditures related to the development or improvement of gaming properties as defined in the operating services agreements. Currently, the FDC percentage is 3% of the Gross Gaming Revenues from gaming activities. BCLC provides for an accelerated FDC equal to 2% of the Gross Gaming Revenues towards site-specific reimbursements of new gaming redevelopments. The accelerated FDC is limited to the initial redevelopment of a property and continues to be received until the approved eligible costs of the redevelopment are recovered.

The following table summarizes the changes in the Company's Approved Amounts (a term defined in the Company's operating services agreements with BCLC) to be recovered by future FDC receipts from BCLC:

	Three months ended March 31,	
	2013	2012
Opening Approved Amounts	**$ 412.0**	$ 424.4
Additional Approved Amounts	**1.1**	1.1
FDC receipts	**(8.8)**	(8.9)
Closing Approved Amounts	**$ 404.3**	$ 416.6

The differences between the FDC Additional Approved Amounts and the additions to property, plant and equipment are primarily due to the difference in timing between when the expenditures are incurred, when the invoices are received, and when they are submitted to BCLC for approval.

Approved expenditures incurred to improve or maintain the two Nova Scotia casinos facilities are reimbursed by NSPLCC from a Capital Reserve Account ("CRA"). The Company is required to make contributions to the CRA equal to 5% of the annual gross operational revenues from the two Nova Scotia casinos with a minimum contribution of approximately $5.0 per year adjusted for inflation since April 2010. If the CRA is in a deficit balance, the amount owed to the Company accrues interest at a rate of bank prime plus 2% per annum.

During the first quarter of 2013, the Company's capital expenditures net of related accounts payable totalled $6.1. Maintenance capital expenditures were primarily related to various property upgrades and information technology. Development capital expenditures during the first quarter of 2013 were primarily related to the planned Maple Ridge Community Gaming Centre and the redevelopment of Boulevard. For the remaining nine months of 2013, the Company estimates that development capital expenditures and maintenance capital expenditures net of related accounts payable will total approximately $20.0 and $6.0, respectively.

Contingencies

The Company has issued letters of credit to guarantee performance primarily under gaming cash floats, construction contracts, and provincial gaming corporation payables in the aggregate amount of $29.9 as at March 31, 2013 (December 31, 2012 - $29.9).

Litigation

There are no litigation status updates to report on prior claims and no new material litigation claims in the first three months of 2013.

Guarantees and Indemnifications

The Company may provide guarantees and indemnifications in conjunction with transactions in the normal course of operations. These are recorded as liabilities when reasonable estimates of the obligations can be made. Guarantees and indemnifications that the Company has provided include obligations to indemnify:

- directors and officers of the Company and its subsidiaries for potential liability while acting as a director or officer of the Company, together with various expenses associated with defending and settling such suits or actions due to association with the Company, the risk of which is mitigated by the Company's directors' and officers' liability insurance;
- certain vendors of acquired companies or properties for obligations that may or may not have been known at the date of the transaction;
- certain financial institutions for costs that they may incur as a result of representations made in our debt and equity offering documents; and
- lessors of leased properties for personal injury claims that may arise at the facilities we operate.

Commitments

There were no material changes outside of the Company's ordinary course of business that affected the Company's contractual obligations for the first three months of 2013.

Future Cash Requirements

Management believes that the Company's current operational requirements and major development plans can be funded from existing cash and cash equivalents, cash generated from operations, and existing capacity on our Revolving Credit Facility. If future circumstances dictate an increased cash requirement and we elect not to delay, limit, or eliminate some of our plans, we may raise additional funds through the refinancing of existing debt, the issuance of additional debt that fits within the limitations established by the covenants on our existing credit and debt facilities, the issuance of hybrid debt-equity securities, or additional equity securities. If the Company needs to access the capital markets for additional financial resources, we believe we will be able to do so at prevailing market rates.

OTHER FINANCIAL INFORMATION

Changes in Accounting Policies

Effective January 1, 2013, the Company adopted the following revised IFRSs issued by the International Accounting Standards Board ("IASB"). These revised IFRSs did not have a material impact on the Company's condensed interim consolidated financial statements.

- *IAS 1, Presentation of Financial Statements* – amended to clarify the requirements for comparative information in the financial statements.
- *IAS 19, Employee Benefits (2011)* – amended to change the accounting for defined benefit plans and terminations benefits, and improve the understandability and usefulness of disclosures.
- *IAS 16, Property, Plant and Equipment* – amended to clarify the classification of servicing equipment.
- *IAS 32, Financial Instruments: Presentation* – amended to clarify that the tax effect of a distribution to holders of equity instruments should be accounted for in accordance with IAS 12.
- *IAS 34, Interim Financial Reporting* – amended to clarify the requirements for segment information related to total assets and total liabilities.
- *IFRS 13, Fair Value Measurement* – provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs.

Effective January 1, 2013, the Company also concurrently adopted the following five new and revised standards addressing the accounting for consolidation, involvements in joint arrangements and disclosure of involvements with other entities. These standards did not have a material impact on the Company's condensed interim consolidated financial statements.

- *IFRS 10, Consolidated Financial Statements ("IFRS 10")* – replaces the consolidation guidance in IAS 27 (2008), *Consolidated and Separate Financial Statements* ("IAS 27 (2008)"), and SIC-12, *Consolidated Special Purpose Entities*, by introducing a single consolidation model for all entities based on control, irrespective of the nature of the investee.
- *IFRS 11, Joint Arrangements ("IFRS 11")* – replaces IAS 31, *Interests in Joint Ventures*. The option to apply the proportional consolidation method when accounting for jointly controlled entities is removed.
- *IFRS 12, Disclosure of Interests in Other Entities ("IFRS 12")* – requires enhanced disclosures about the entity's interests in subsidiaries, joint arrangements and associates, and unconsolidated structured entities.
- *IAS 27 (2011), Separate Financial Statements* – the consolidation requirements previously forming part of IAS 27 (2008) have been revised and are now contained in IFRS 10.
- *IAS 28 (2011), Investments in Associates and Joint Ventures* – amended to conform to changes based on the issuance of IFRS 10, IFRS 11, and IFRS 12.

Recent Accounting Pronouncements

The IASB issued the following new and revised accounting pronouncement, which is not expected to have a material impact on the Company's consolidated financial statements:

- *IFRS 9, Financial Instruments* ("IFRS 9") – replaces IAS 39, *Financial Instruments: Recognition and measurement* ("IAS 39"). IFRS 9 simplifies the classification and measurement requirements for financial instruments, which replaces the multiple classification and measurement models in IAS 39. It is effective for annual periods beginning on or after January 1, 2015.

Critical Accounting Estimates and Judgments

The Company's reported financial position and results of operations are dependent on the selection of accounting policies that are based on IFRS and accounting estimates that underlie the preparation of the Company's Condensed Interim Financial Statements. The audited consolidated financial statements for the year ended December 31, 2012 ("Annual Financial Statements") contain a summary of the Company's significant accounting policies and accounting estimates. Estimates by their nature are subject to risks, uncertainties and assumptions, which could cause the Company's financial position and operating results to differ materially from those presented in the Company's Annual Financial Statements. Future changes in accounting estimates will be applied on a prospective basis.

The critical accounting estimates and judgments that are the most judgmental or material to the Company's Audited Financial Statements are those relating to the impairment of long-lived assets and goodwill, estimated useful lives of long-lived assets, the fair value of net assets acquired in business combinations, the fair value of assets acquired in business transactions with non-monetary consideration, equity-settled share-based compensation, income taxes, contingencies, hedge accounting, and determination of CGUs. The Company's critical accounting estimates and judgments are further detailed in Note 3 of the Company's Annual Financial Statements.

Financial Instruments and Other Instruments

The Company's risk management strategy is to minimize exposure to currencies other than the Canadian dollar and, with the exception of revolving lines of credit, to fix substantially all of its floating interest rate debt. The financial instrument that gives rise or may give rise to the most significant exposure to floating interest rate risk is the Revolving Credit Facility.

Definitions of Other Terms Used in the MD&A

Gross Gaming Revenues – the amounts wagered on gaming activities, less the payout or prizes to winning customers.

Racebook – an off-racetrack betting facility for pari-mutuel wagering on live horse races displayed by television broadcasts operated by the Company or TBC.

Revenues – the sum of the following:

- Casino gaming in BC – gaming revenues are net of amounts paid to BCLC (provincial government portion is 60% of the win on most table games and 75% of the slot machine win) and are net of accruals for anticipated payouts of progressive slot machine jackpots and progressive table game payouts.

- Bingo and slots at a community gaming centre in BC – gaming revenues are net of amounts paid to BCLC (provincial government portion is 75% of the win on slots, and 40% to 75% of the weekly bingo win) and are net of prizes.

- Horse racing in BC and Ontario – Racetrack revenues represent the Company's share of total wagering less amounts returned as winning wagers, provincial and federal taxes, and includes the host track share of wagering on the Company's races simulcast to other associations.

- Casino gaming in Washington – gaming revenues are net of county gaming taxes at various rates ranging from 10% to 11% for card and progressive jackpot games, 5% on pull-tabs and 2% on amusement games.

- Casino gaming in Nova Scotia – effective October 1, 2012, gaming revenues are approximately equal to 52.24% of the gross gaming revenues, after deduction of the capital reserve contribution ("CRC"). The CRC is the greater of 5% of total revenue or $5.0 (adjusted for inflation in each year since 2009). The Company is also entitled to receive additional Operator Fees equal to the lesser of $1.3, or 10% of leased slot machine revenues. Prior to October 1, 2012, gaming revenues were approximately equal to 55.5%, after deduction of the CRC, as described in the "Business Description" section of this MD&A.

- Slot commissions in Ontario – slot machine commissions represent 10% of the gross gaming revenues from slot machines up until March 31, 2013, all of which are operated by OLG.

- Facility Development Commission ("FDC") – revenues earned from BCLC as a fixed percentage of gross gaming revenues, subject to the Company incurring sufficient Approved Amounts (a defined term in the casino operating service agreements and generally consists of approved capital and operating expenditures related to the development or improvement of gaming properties). BCLC also provides for an accelerated FDC amount towards site-specific reimbursements of new gaming redevelopments. Generally, the FDC percentage is 3% or 5% of gross gaming win from casinos, racetracks and community gaming centres.

- Hospitality and other revenues – food and beverage revenues, hotel revenues, and other revenues such as: ATM commissions, theatre revenues, advertising revenues, and other income from ancillary services.

- Promotional allowances – the retail value of promotional allowances furnished to guests without charge, which have been included in gaming revenues or hospitality and other revenues, are deducted.

Additional Information

Additional information relating to the Company, including the Company's latest Condensed Interim Financial Statements, Annual Financial Statements, and Annual Information Form, can be located on the SEDAR website at www.sedar.com or on the Company's website at www.gcgaming.com.

Shareholders of the Company may obtain a copy of the Company's TSX Form 12 Notice of Intention to Make a Normal Course Issuer Bid as filed with and as accepted by the TSX, at no charge, by contacting the Company.

(Expressed in millions of Canadian dollars, except for per share information)

SUPPLEMENTAL FINANCIAL INFORMATION

Consolidated Quarterly Results Trend

	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012
Gaming Revenues					
River Rock Casino Resort	$ 30.6	$ 26.2	$ 26.1	$ 25.8	$ 30.4
Boulevard Casino	9.7	10.6	10.6	11.1	11.1
Vancouver Island Casinos	7.5	7.6	7.9	7.8	7.6
Other BC Casinos	3.5	3.0	2.3	2.5	2.4
Nova Scotia Casinos	8.3	9.0	11.0	9.8	9.6
Great American Casinos	4.8	4.4	4.3	4.5	4.8
BC Racinos	4.9	4.8	5.1	5.2	4.9
Georgian Downs	2.8	3.0	3.4	3.2	3.0
Flamboro Downs	2.8	2.8	3.1	3.0	3.0
	74.9	**71.4**	**73.8**	**72.9**	**76.8**
Facility Development Commission					
River Rock Casino Resort	4.4	3.9	3.8	3.8	4.4
Boulevard Casino	1.6	1.7	1.7	1.7	1.8
Vancouver Island Casinos	1.5	1.9	1.3	1.3	1.4
Other BC Casinos	0.7	2.6	0.1	0.4	0.4
BC Racinos	0.6	0.6	0.7	0.7	0.9
	8.8	**10.7**	**7.6**	**7.9**	**8.9**
Hospitality and Other Revenues					
River Rock Casino Resort	9.6	11.4	11.5	11.3	9.2
Boulevard Casino	2.1	2.6	2.2	2.5	2.4
Vancouver Island Casinos	1.0	1.0	1.1	1.1	1.0
Other BC Casinos	0.6	0.7	0.4	0.4	0.5
Nova Scotia Casinos	1.4	2.0	1.3	1.2	1.3
Great American Casinos	1.6	1.6	1.4	1.4	1.4
BC Racinos	1.2	1.5	2.5	2.2	1.4
Georgian Downs	0.1	0.5	0.4	0.5	0.2
Flamboro Downs	0.6	0.6	0.7	0.6	0.6
	18.2	**21.9**	**21.5**	**21.2**	**18.0**
Racetrack Revenues					
BC Racinos	2.2	2.4	3.1	3.2	2.7
Georgian Downs	0.3	0.4	0.4	0.4	0.3
Flamboro Downs	0.7	0.7	0.8	0.7	0.8
	3.2	**3.5**	**4.3**	**4.3**	**3.8**
Promotional Allowances	(4.6)	(4.7)	(5.4)	(5.0)	(4.7)
Revenues	**$ 100.5**	**$ 102.8**	**$ 101.8**	**$ 101.3**	**$ 102.8**
EBITDA					
River Rock Casino Resort	$ 22.7	$ 18.8	$ 19.0	$ 19.2	$ 22.7
Boulevard Casino	4.1	5.1	4.8	5.5	5.8
Vancouver Island Casinos	5.3	5.7	5.3	5.5	5.1
Other BC Casinos	2.3	3.4	0.8	1.3	1.3
Nova Scotia Casinos	2.1	3.1	3.5	2.6	2.5
Great American Casinos	0.9	0.6	0.5	0.5	0.8
BC Racinos	1.4	1.6	1.8	2.0	1.9
Georgian Downs	2.1	2.4	2.5	2.4	2.2
Flamboro Downs	1.9	1.9	2.2	1.9	1.8
Corporate & Other	(4.5)	(5.1)	(4.6)	(5.6)	(5.1)
	$ 38.3	**$ 37.5**	**$ 35.8**	**$ 35.3**	**$ 39.0**