GREAT CANADIAN GAMING CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Three Month and Nine Month Periods Ended September 30, 2015

(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 ("Great Canadian", the "Company", "we", "our") is dated as of November 2, 2015.

This MD&A should be read in conjunction with the unaudited condensed interim consolidated financial statements for the period ended September 30, 2015 ("Condensed Interim Financial Statements"), our audited consolidated financial statements for the year ended December 31, 2014 ("Annual Financial Statements") and our MD&A for the year ended December 31, 2014. 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.

This MD&A is presented on a property or, where appropriate, group of similar properties or consolidated basis as described (and defined) in the "Consolidated Results of Operations" section of this document. 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 in 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, impairment reversal of long-lived assets, restructuring and other, and foreign exchange loss (gain) and other. EBITDA is derived from the condensed interim consolidated statements of earnings, 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 management about the operating and financial performance of the Company and its ability to generate operating cash flow to fund future working capital needs, service outstanding debt and fund future capital expenditures. EBITDA is also used by the investors and analysts for the purpose of valuing the Company. A reconciliation of EBITDA to net 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 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 impairment reversal of long-lived assets, Facility Development Commission ("FDC") revenues previously deferred at Fraser Downs, restructuring severance costs, uneconomic lease provision due to Kent casino closure, jackpot and marketing fund liabilities reversed due to Kent casino closure and income taxes on the above items of note. A reconciliation between net earnings 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 and provide both investors and management with indications of its business' operating volumes and the volatility inherent in the Company's casino games:

- 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 Company's strategy for growth and its objectives, expected future expenditures, costs, operating and financial results and expected impact of future commitments, the completion of the acquisition of the gaming facilities, assets and undertakings contained within the Ontario Lottery and Gaming Corporation's Bundle 2 (East), the future ability of the Company to operate the Georgian Downs and Flamboro Downs facilities beyond the terms of the signed Ontario Lease Agreements and Ontario Racing Agreements, the Company's beliefs about the outcome of its notices of objection challenging the Canada Revenue Agency's reassessments and its tax position on its facility development commission prevailing, the terms and expected benefits of the normal course issuer bid, and expectations 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 with lottery corporations; changes to gaming laws that may impact the operational services agreements; pending, proposed or unanticipated regulatory or policy changes; the outcome of restructuring of gaming in Ontario; the Company's ability to obtain and renew required business licenses, leases, and operational services agreements; the future of horse racing in Ontario; unanticipated fines, sanctions and suspensions imposed on the Company by its regulators; impact of global liquidity and credit availability; actual and possible reassessments of the Company's tax filings by tax authorities; the results of the Company's notices of objection challenging reassessments received by the Canada Revenue Agency; the Company's tax position on its facility development commission prevailing; adverse tourism trends and further 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 timing and results of collective bargaining negotiations; adverse changes in the Company's labour relations; 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; economic uncertainty and financial market volatility; technology dependence; privacy breaches and data theft. The Company cautions that this list of factors is not exhaustive. 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 2014, 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

	Third Quarter			First Nine Months		
	2015	2014	% Chg	**2015**	2014	% Chg
Revenues	**$ 113.8**	$ 112.3	1%	**$ 332.7**	$ 330.8	1%
EBITDA [(1)]	**$ 47.5**	$ 45.5	4%	**$ 135.5**	$ 133.1	2%
EBITDA as a % of Revenues	**41.7%**	40.5%		**40.7%**	40.2%	
Net earnings	**$ 21.8**	$ 19.9	10%	**$ 57.0**	$ 56.8	0%
Net earnings per common share						
Basic	**$ 0.33**	$ 0.29	14%	**$ 0.83**	$ 0.84	(1%)
Diluted	**$ 0.32**	$ 0.28	14%	**$ 0.81**	$ 0.82	(1%)
Adjusted net earnings [(1)]	**$ 22.6**	$ 20.1	12%	**$ 59.9**	$ 53.2	13%
				September 30, 2015	December 31, 2014	% Chg
Total assets				**$ 993.8**	$ 1,014.1	(2%)
Long-term debt				**$ 442.8**	$ 442.0	0%

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

Revenues
For the three month period ended September 30, 2015 ("third quarter of 2015"), the Company recorded revenues of $113.8, a $1.5 or 1% increase from the third quarter of 2014. This was primarily due to the increased revenues at most of the Company's properties, most notably Hard Rock Casino Vancouver and Great American Casinos, the latter of which benefited from the higher average value of the U.S. dollar when translating its revenues into Canadian dollars, as well as improvements at other properties. These increases were partially offset by a decline in gaming revenues from River Rock Casino Resort ("River Rock").

For the nine month period ended September 30, 2015 ("first nine months of 2015"), the Company recorded revenues of $332.7, a $1.9 or 1% increase from the first nine months of 2014. This was primarily due to an increase in revenues across most of the Company's properties, in particular Great American Casinos which benefited from the higher average value of the U.S. dollar when translating its revenues into Canadian dollars and improvements at BC Racinos and Hard Rock Casino Vancouver. This increase was partially offset by a decline in revenues at River Rock.

EBITDA
The 4% increase in EBITDA in the third quarter of 2015 compared to the third quarter of 2014 was primarily due to the previously mentioned growth in revenues. Targeted cost reductions at the Nova Scotia Casinos resulted in EBITDA increases in excess of revenue growth, and reduced corporate costs also contributed. EBITDA as a percentage of revenues for the third quarter of 2015 was 41.7%, a 1.2 percentage point increase from the third quarter of 2014.

On a year-to-date basis, EBITDA was $2.4 higher than the first nine months of 2014, a 2% increase despite that prior year's record second quarter results. Gains in EBITDA were made at all properties with the exception of River Rock, most significantly at Hard Rock Casino Vancouver and Great American Casinos as well as a reduction in Corporate costs. EBITDA as a percentage of revenues for the first nine months of 2015 was 40.7%, a 0.5 percentage point increase from the first nine months of 2014.

Net earnings
Great Canadian's net earnings for the third quarter of 2015 were $21.8. After adjusting for the following

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items of note in the current and prior periods' net earnings, the Company's adjusted net earnings of $22.6 increased by $2.5 or 12% in the third quarter of 2015, when compared to the same period in 2014. This increase was primarily due to the increase in EBITDA and foreign exchange gains, along with a decrease in amortization expense and share-based compensation, partially offset by an increase in income tax expense.

Great Canadian's net earnings for the first nine months of 2015 were $57.0. After adjusting for the following items of note in the current and prior periods' net earnings, the Company's adjusted net earnings of $59.9 increased by $6.7 or 13% in the first nine months of 2015, when compared to the same period in 2014. This increase was primarily due to the increase in EBITDA and foreign exchange gains, along with a decrease in amortization expense.

	Third Quarter			First Nine Months		
	2015	2014	% Chg	**2015**	2014	% Chg
Net earnings	**$ 21.8**	$ 19.9	10%	**$ 57.0**	$ 56.8	0%
Items of note						
Impairment reversal of long-lived assets	**-**	-		**-**	(5.2)	
FDC revenues previously deferred at Fraser Downs	**-**	-		**-**	(0.2)	
Restructuring severance costs	**1.4**	0.2		**3.1**	0.4	
Uneconomic lease provision due to Kent casino closure (1)	**-**	-		**1.1**	-	
Jackpot and marketing fund liabilities reversed due to Kent casino closure (1)	**-**	-		**(0.3)**	-	
Non-recurring payment received for right of way access	**(0.5)**	-		**(0.5)**	-	
Other	**0.3**	-		**0.4**	-	
Income taxes on the above items of note	**(0.4)**	-		**(0.9)**	1.4	
Adjusted net earnings (2)	**$ 22.6**	$ 20.1	12%	**$ 59.9**	$ 53.2	13%
Adjusted net earnings per common share (2)						
Basic	**$ 0.34**	$ 0.30		**$ 0.88**	$ 0.79	
Diluted	**$ 0.33**	$ 0.29		**$ 0.86**	$ 0.77	
Weighted average shares outstanding						
Basic	**66,396**	67,886		**68,375**	67,676	
Diluted	**67,772**	70,022		**70,017**	69,516	

(1) Refer to the description in the "Major Developments - Great American Casinos Kent" section of this MD&A.

(2) 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.

Total assets
Total assets decreased by 2% as at September 30, 2015 when compared with the balance as at December 31, 2014. This decrease was primarily due to the effect of amortization on long-lived assets and the $81.6 cash used for the purchase of 3.6 million common shares in the first nine months of 2015, partially offset by cash generated from operations in the first nine months of 2015.

Long-term debt
Long-term debt was relatively consistent as at September 30, 2015 when compared with the balance as at December 31, 2014.

MAJOR DEVELOPMENTS

British Columbia

Hard Rock Casino Vancouver

Throughout 2013, the Company renovated and rebranded its wholly owned and operated Boulevard Casino, located in Coquitlam, British Columbia, as "Hard Rock Casino Vancouver" under a trademark license from Hard Rock Hotel & Casino HRHH IP, LLC ("HRHH"). The first phase of the project was substantially completed on December 20, 2013. The Company continues to assess its plans for the second phase of the property's redevelopment. It is contemplated that this second phase will feature a hotel, conference facilities, additional dining options, and further integration of Hard Rock Casino Vancouver's existing entertainment and dining amenities. Prior to the rebranding to Hard Rock Casino Vancouver, the property's performance experienced substantial erosion and the local marketplace has not recovered the way the Company had expected when plans were initially made for this second phase of development. After more than one year following the redevelopment, despite continued confidence in the brand, the Company still needs to gain greater certainty of the business's recovery before proceeding with the second phase investments. The timeline for the second phase will be announced at a later date. The related property redevelopments and modifications remain subject to approvals from the British Columbia Lottery Corporation ("BCLC") and the City of Coquitlam. As at September 30, 2015, the Company has spent $3.0 of an estimated total of $50.0 on this second phase of the project.

On February 17, 2015, the Company opened the newly renovated VIP gaming area at the Hard Rock Casino Vancouver to capitalize on the high-end baccarat play that is continuing to grow in the marketplace. The layout of the facility was changed to better position the VIP gaming area. An enhanced high-limit table area was added, with two new private VIP gaming rooms. As at September 30, 2015, the Company has spent $0.6 on the renovation.

As a part of the Company's efforts to increase traffic and improve results at the Hard Rock Casino Vancouver, the Company initiated plans to improve the food and beverage offerings by building a value-priced buffet option for guests. This project was completed ahead of schedule during the third quarter of 2015 and the Buffet at Unlisted opened on September 16, 2015. As at September 30, 2015, the Company has spent $0.3 on the improvement.

The Company exercised its renewal option with BCLC to extend the term of the Casino Operational Service Agreement ("COSA") under which the Company operates Hard Rock Casino Vancouver. Under the terms of the contract extension, the Company will have an additional 10 years of term certainty until November 16, 2025.

River Rock Casino Resort

In the fourth quarter of 2014, the Company began renovating the Salon Privé VIP gaming area at River Rock. An expansion of the VIP gaming area provided over 3,500 square feet of additional VIP gaming space, including one new private gaming room and two semi private rooms. Ten additional baccarat tables have been added to this new gaming area and five additional tables have been added to the Phoenix Room, for a total of fifteen additional VIP baccarat tables. On the main gaming floor, twelve stand-up baccarat tables have been replaced with sit-down tables to better service the mid-level premium mass market. The newly renovated area opened to the public on February 12, 2015. As at September 30, 2015, the Company has spent $2.4 on the renovation.

In the third quarter of 2015, the Company began a $0.4 project to expand the premium slot gaming area to provide players with a more private gaming space.

Chances Dawson Creek

The Company exercised its renewal option with BCLC to extend the term of the Community Gaming Centre Operational Service Agreement under which the Company operates Chances Dawson Creek. Under the terms of the contract extension, the Company will have an additional 10 years of term certainty until June 30, 2026.

BC Horse Racing

On February 14, 2014, the BC Horse Racing Industry Management Committee ("BCHRIMC") finalized a multi-year industry funding arrangement amongst both the province's Thoroughbred sector and the Standardbred sector and their respective track operators, Hastings Racecourse and Slots Facility ("Hastings") and Fraser Downs Racetrack and Casino ("Fraser Downs"). The BCHRIMC has indicated that this funding arrangement will be in place for the next three years for the Thoroughbred sector and for the next five years for Standardbreds.

The funding model is an extension of the arrangements in place since 2012 whereby pooled income from all the industry's revenue sources is allocated to the industry stakeholders. For 2015, the total of both Hastings' and Fraser Downs' racing industry revenue share percentage is expected to be consistent with the prior year. The BCHRIMC also approved race days and season lengths for 2015, which have been ratified by the provincial Gaming Policy and Enforcement Branch. These days include 54 confirmed Thoroughbred race days at Hastings over a seven-month season (2014 - six) and 62 confirmed Standardbred race days at Fraser Downs over a seven-month season (2014 - eight). The season length at Fraser Downs will move to six months in 2016.

The Company continues to collaborate with industry stakeholders to achieve greater sustainability and certainty for the industry.

Hastings Racecourse and Slots Facility

In October 2014, the Company and the City of Vancouver reached an agreement to extend the operating lease agreement for Hastings Racecourse until November 9, 2016. Both the Company and the City of Vancouver are committed to working together towards a longer-term arrangement at Hastings Racecourse that achieves greater sustainability for all parties.

Fraser Downs Racetrack and Casino

The Company exercised its renewal option with BCLC to extend the term of the COSA under which the Company operates the casino at Fraser Downs. Under the terms of the contract extension, the Company will have an additional 10 years of term certainty until March 31, 2024. As part of the requirements of the renewal, the Company has completed market research that was used to determine the scope of a property redevelopment of approximately $11.0. The rebranding of the property to "Elements Casino" is scheduled to be completed by the end of 2015. The redevelopment will include gaming, facility layout, food and beverage and entertainment enhancements throughout the property. Exterior changes to the facility will provide more street presence to passing traffic. As at September 30, 2015, the Company has spent approximately $2.7 on the redevelopment.

Union Drives at River Rock and Fraser Downs

Subsequent to the third quarter end, the Company received notice from the BC Labour Relations Board ("BCLRB") that the BC Government and Service Employees' Union (BCGEU) applied to be certified for two units of employees at River Rock comprising a) Table Games Dealers and Slot Attendants and b) Table Games Dealer Supervisors, Boxmen and Slot Supervisors. The number of hourly employees at River Rock that could potentially be represented by these units is approximately 48% of the total 1247 hourly employees at the property. The proposed units also represent approximately 35% of the property's 2014 annual human resources costs of $53.3. The BCLRB conducted a hearing on October 9, 2015 to consider the applications, at which time the Company objected to the appropriateness of the bargaining units and, in the alternative, proposed that they should be one consolidated unit. The BCLRB ordered the vote to certify the bargaining units to proceed. Ballots were cast by employees on October 13 and October 14, 2015, the results of which are not expected to be released until late November or December 2015, pending the BCLRB's review of the Company's objections. A union will be certified to represent these employee unit(s) if more than 50% of the valid votes from employees are cast in favour of union certification.

Subsequent to the third quarter end, the Company received notice from the BCLRB that the Casino Employees Association, which the Company understands is comprised solely of representatives of Fraser Downs' staff, applied to be certified as one bargaining unit comprising of Table Games Dealers and Table Games Dealer Supervisors at Fraser Downs. The number of hourly employees at Fraser Downs that could potentially be represented by these units is approximately 35% of the total 247 hourly employees at the property. The proposed units also represent approximately 25% of the property's 2014 annual human resources costs of $10.6. The BCLRB conducted a hearing on October 9, 2015 to consider the applications, at which time the Company objected to the appropriateness of the bargaining unit. The BCLRB ordered the vote to certify the bargaining units to proceed. Ballots were cast by employees on October 13, 2015, the results of which are not expected to be released until late November or December 2015, pending the BCLRB's review of the Company's objection to the appropriateness of the bargaining unit. A union will be certified to represent these employee unit(s) if more than 50% of the valid votes from employees are cast in favour of union certification.

As at September 30, 2015, Great Canadian had approximately 600 unionized employees across its entire property portfolio out of a total of 4,300 employees. If the BCLRB approves the certification of the above-mentioned hourly employee units at River Rock and Fraser Downs, the Company will commence collective bargaining with the respective units within the subsequent four months, the financial outcome of which is not determinable at this time.

BCLC Introduced Additional Conditions for Certain VIP Players in British Columbia

Late in the third quarter, BCLC introduced additional conditions for certain VIP players in British Columbia that include a requirement to demonstrate source of funds used to purchase chips. The effect of these conditions is not currently known but will likely lead to a certain amount of reduced play, and therefore revenues, at all BC casinos, especially those that have significant VIP play.

Ontario

Request for Gaming Service Providers

In May 2012, the Ontario Lottery and Gaming Corporation ("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 has grouped all of the 28 Gaming Zones into a maximum of nine Gaming Bundles in the Province of Ontario, of which 25 Gaming Zones have been grouped into the seven Gaming Bundles which are currently undergoing a procurement process for the modernization of land-based gaming, with each of such seven bundles representing a separate bidding opportunity. Potential relocation of the existing Gaming Sites in Gaming Zones to other locations within such Gaming Zones are subject to municipal, OLG and Ontario Government approvals. 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 seeking to participate in future opportunities that have arisen from the intention to modernize gaming in Ontario. To that end, the Company (alone and with proposed partners) has submitted several RFPQs to OLG.

On September 9, 2015, the Company announced that Ontario Gaming East Limited Partnership ("Ontario Gaming East LP" or "the Partnership"), a partnership in which the Company owns a 50.1% share, was selected as the successful proponent by OLG to operate gaming facilities in OLG's Gaming Bundle 2 (East) (the "East Gaming Bundle"). Ontario Gaming East LP signed a business transition and asset purchase agreement with OLG on September 8, 2015 and, subject to customary closing conditions, is committed to signing a 20-year casino operating and services agreement when this acquisition closes, which is expected to occur early next year. Under this agreement, Ontario Gaming East LP will acquire certain of OLG's gaming assets in the East Gaming Bundle, including OLG Casino Thousand Islands, the slot operations within leased space at Kawartha Downs and a new build opportunity to service the City of Belleville and the municipality of Quinte West. The purchase price for such assets is $37.4 plus an estimated $13.0 on account of working capital, to be paid in cash on closing, subject to customary post-closing adjustments. As at September 30, 2015, the Partnership has arranged for a letter of credit in the amount of $5.0 in favour of OLG to assure the Partnership's performance of transition activities related to the business and the eventual closing of the transaction.

The closing date for the acquisition of the assets and operations contained within the East Gaming Bundle and assumption of certain liabilities from OLG, including the signing by the Partnership of a casino operating and services agreement with OLG, is expected to be completed on January 11, 2016 and is subject to both regulatory approvals and the satisfaction of certain other customary closing conditions. The Company also intends to enter into an operations management contract and a facility development contract with Ontario Gaming East LP under which the Company will earn associated fees for the provision of such services.

It is not certain at this time whether the Company or any proponent team of which it is a member will be selected to participate in further gaming bundle proposals or whether it will be a successful bidder on any other gaming bundles. While a partnership in which the Company holds a majority interest has been selected as the successful proponent for the East Gaming Bundle, the full extent of the impact that the continued modernization of gaming in Ontario will have on the Company is not yet known.

Long-lived assets impairment and impairment reversal

In April 2014, as a result of signing the Standardbred Alliance agreements with five other Ontario racetrack operators and the Ontario Racing Commission, the Company secured racing funding for its Georgian Downs and Flamboro Downs racetracks for up to five years and will work with the Standardbred Alliance to realize racing operating cost efficiencies. As a result, at March 31, 2014, Flamboro Downs reversed $5.2 of impairment of long-lived assets previously recorded at March 31, 2012.

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

The following table summarizes the impairment reversal during 2014 by property and by asset class:

	Georgian Downs			Flamboro Downs		
	Property, plant and equipment	Intangible assets	Total	Property, plant and equipment	Intangible assets	Total
Carrying amount at January 1, 2014	$ 19.4	$ 22.5	$ 41.9	$ 8.1	$ 15.1	$ 23.2
Net additions and amortization	(0.1)	(0.3)	(0.4)	(0.1)	(0.9)	(1.0)
Impairment reversal	-	-	-	1.0	4.2	5.2
Carrying amount at March 31, 2014	$ 19.3	$ 22.2	$ 41.5	$ 9.0	$ 18.4	$ 27.4
Net additions and amortization	**(0.2)**	**(0.8)**	**(1.0)**	**(0.7)**	**(3.4)**	**(4.1)**
Carrying amount at December 31, 2014	**$ 19.1**	**$ 21.4**	**$ 40.5**	**$ 8.3**	**$ 15.0**	**$ 23.3**

There were no indicators of impairment or reversal of impairment at September 30, 2015.

Casino Nova Scotia

In June 2014, the Company exercised its renewal option with the Nova Scotia Provincial Lotteries & Casinos Corporation ("NSPLCC") to extend the term of the second amended and restated operating contract ("AROC"), effective July 1, 2015. Under the terms of the contract option extension, the Company will have a minimum of 10 years of term certainty as the casino operator of the Nova Scotia casinos and has committed to make capital investments totalling $10.0 to the casino business, subject to a revitalization plan and schedule approved by NSPLCC. The Company has plans to incur $1.0 of the capital cost commitments on renovation projects that are expected to be completed by the end of the second quarter of 2016.

Casino New Brunswick

On October 1, 2015, the Company, through a wholly owned subsidiary, completed the acquisition of 100% of the assets and operations of Casino New Brunswick ("CNB"), which was previously announced by the Company on May 12, 2015. CNB is located in Moncton, New Brunswick, and operates a casino with a hotel and a multi-use theatre and convention space under a Casino Service Provider Agreement with the New Brunswick Lotteries and Gaming Corporation which expires on December 31, 2030. During the nine month period ended September 30, 2015, the Company paid $2.5 for the CNB acquisition deposit. On October 1, 2015, the Company paid a further $93.8 on the closing of the acquisition and is expected to pay an additional customary working capital adjustment of approximately $0.5 during the fourth quarter of 2015. Excluding the $1.3 of cash acquired that was in excess of that which is estimated to be needed for the casino floats and current liabilities, the net purchase price for CNB is expected to be approximately $95.5.

Great American Casinos

On March 14, 2015, the Company closed its Great American Casino located in Kent, Washington due to prolonged declining operating results. In connection with the closure, the Company incurred during the first quarter of 2015 restructuring costs of $1.0, which were primarily attributed to an uneconomic lease agreement and employee severance costs.

Normal Course Issuer Bid

In January 2014, the Company commenced a normal course issuer bid that authorized the Company to purchase up to 4,231,075 of its common shares. During the twelve months ended December 31, 2014, the Company purchased and cancelled 800 common shares under this normal course issuer bid at a volume weighted-average price per share of $14.02.

All shares purchased by the Company were cancelled. The Company's share capital was reduced by an amount equal to the carrying value of the shares repurchased and the remainder was recorded as a reduction to retained earnings on the condensed interim consolidated statements of changes in equity.

In February 2015, the Company received approval from the TSX to commence another normal course issuer bid for up to 5,033,078 of its common shares, representing approximately 10% of the Company's common shares in the public float. The bid commenced on February 26, 2015 and will end on February 25, 2016, or earlier if the number of shares sought in the issuer bid has been obtained. Pursuant to TSX policies, daily purchases made by the Company will not exceed 34,220 common shares or 25% of the prior six-month average daily trading volume of 136,878 common shares on the TSX. Purchases will be by way of open market purchases through the facilities of the TSX, and other Canadian market places, and payment for the shares will be in accordance with the TSX's by-laws and rules. All shares purchased by the Company will be subsequently cancelled.

During the first nine months of 2015, the Company purchased for cancellation 208,160 common shares at a weighted-average price per share of $18.58 under its normal course issuer bid.

Share Repurchase

On June 29, 2015, after receiving the required gaming and securities regulatory approvals, Great Canadian purchased 3,400,000 of the Company's common shares (the "Estate Shares") from a company controlled by the Estate of Ross J. McLeod, a former director and officer of the Company who passed away in 2011. The purchase price for the Estate Shares was, in compliance with applicable rules, based on the 20 day average price. The purchase price was $77.7, or $22.8545 dollars per share. The purchased Estate Shares represented approximately 4.87% of the number of outstanding common shares on that date and were subsequently cancelled.

Amended and Extended Credit Agreement

On May 25, 2015, the Company amended and extended its Credit and Guarantee Agreement ("Credit Agreement") which covers the terms of its $350.0 Revolving Credit Facility. The Credit Agreement will mature on May 25, 2020.

Income Tax Treatment of Facility Development Commission

In British Columbia, through the Facility Development Commission ("FDC") program, the British Columbia Lottery Corporation ("BCLC") pre-approves and subsequently approves and reimburses "Approved Amounts" (a defined term in the Company's and its subsidiaries' Casino Operation Services Agreements and Community Gaming Centre Operational Services Agreements) of qualified, gaming-related expenditures, primarily capital in nature, that have been incurred by the Company and its subsidiaries. The Canada Revenue Agency ("CRA") has conducted audits of the Company's and its subsidiaries' FDC filing positions of its B.C. operations for the 2009 and 2010 years, and is conducting audits of subsequent years.

For accounting purposes, FDC is recorded as part of revenues on the condensed interim consolidated statements of earnings when received, subject to having sufficient BCLC Approved Amounts remaining to be reimbursed. For income tax purposes, based on the underlying operating agreements with BCLC and the BCLC FDC policy, management believes that FDC received from BCLC is appropriately characterized under the relevant income tax laws as a reimbursement and a reduction of the cost of either the related long-lived asset (primarily buildings) or the operating expenses being reimbursed. The BCLC FDC Policy requires the Company and its subsidiaries to a) submit to BCLC a business plan for a proposed gaming-related investment; b) receive from BCLC approval of such plan; c) incur the related expenditures from the BCLC-approved business plan; d) submit to BCLC a request for reimbursement of such expenditures including evidence, such as invoices and quantity surveyor reports, verifying the investments were completed; and e) receive approval for reimbursement from BCLC.

As part of their audit, CRA has taken the view that FDC was received as service fee income and should be included in taxable income when received, instead of being a reimbursement of the BCLC-approved gaming related property, plant and equipment costs as filed by the Company and its subsidiaries. That position is inconsistent with the results of CRA's findings in their previous audits of the Company's Great Canadian Casinos Inc. subsidiary for the 2000 and 2001 taxation years.

If CRA's more recent view prevails, it would accelerate the timing of when the Company and its subsidiaries recognize taxable income, but would also increase the tax depreciation deduction (capital cost allowance) that they could recognize in prior and future years. On a net basis, an increase in current income taxes that may arise from CRA notices of reassessment would be mostly offset by decreases in deferred income tax liabilities associated with the increased undepreciated capital cost of the related property, plant and equipment for income tax purposes. As a result, the current effect on the Company's consolidated net earnings would be largely mitigated, with the exception of any non-deductible interest and penalties that CRA may levy as part of their reassessments.

From January 1, 2009 to the end of the Company's most recent quarter ended September 30, 2015, the Company and its B.C. subsidiaries have received from BCLC reimbursements of FDC Approved Amounts totaling $226.5, of which approximately $212.7 related to long-lived assets and the remaining amount related to operating expenses. During this period, the combined B.C. and federal income tax rates applicable to the Company's operations ranged from a high of 30% in 2009 to a low of 25% in 2012, as compared to the current 26% rate that has been applicable since 2014. Based on the FDC received from BCLC between January 1, 2009 to September 30, 2015, if CRA's most recent view of FDC prevailed, preliminary estimates indicate the Company's consolidated current tax expense would increase $49.8, deferred tax expense would decrease $47.2, and interest and financing costs would increase $7.8, resulting in a one-time $10.4 decrease in net earnings and a corresponding decrease to basic net earnings per share of approximately $0.16/share. If CRA's most recent view of FDC prevails, the Company expects that the effect of the estimated $8.0 annual increase in current income taxes that would arise from applying the combined federal and provincial income tax rate on future FDC reimbursements assuming they were consistent with those received in the last 12 months ended September 30, 2015, would be substantially offset by a decrease in deferred income taxes and would consequently have no material effect on net earnings or net earnings per common share going forward.

Prior to and during to the third quarter of 2015, the Company received notices of reassessment for itself and three of its subsidiaries from CRA related to the income tax treatment of FDC received from BCLC in 2009 and 2010.

The Company strongly disagrees with the CRA's current view of FDC and CRA's adjustments to the taxable income of it and its subsidiaries in respect of FDC. Management believes that the Company's and its subsidiaries' tax filing positions with respect to FDC will prevail and consequently the Company and its subsidiaries have not accrued for additional income tax liabilities, income tax expenses, and interest as a result of the reassessments received from CRA. The Company and its subsidiaries intend to vigorously defend their tax filing positions and the three subsidiaries that have received notices of reassessment from CRA have filed notices of objection with CRA's Appeals Division. Should the Company or its subsidiaries receive additional notices of reassessment from CRA, the Company and its subsidiaries plan to file notices of objection to CRA's Appeals Division to each notice of reassessment received, as appropriate. In order to file a notice of objection, the Company and its subsidiaries are required to pay at least 50% of the amounts reassessed and will record a corresponding income tax receivable from CRA until the dispute is resolved. These payments, plus interest, will be refunded if the Company and its subsidiaries are successful in challenging the reassessments. If the Company and its subsidiaries are unsuccessful, any remaining taxes payable plus interest will have to be remitted to CRA. The Company and its subsidiaries have paid a net amount of $20.2 to CRA, which represents 100% of the amounts reassessed from all notices of reassessment received to date. This amount is reflected in "other assets" on the condensed interim consolidated statements of financial position as at September 30, 2015 (December 31, 2014 - $nil). The Company and/or its subsidiaries also have the right to appeal directly to the Tax Court of Canada 91 days after the date of filing of the notice of objection. The Company is unable to determine how long the appeal process and court process (if necessary) would take at this time.

CONSOLIDATED RESULTS OF OPERATIONS

The following table summarizes the consolidated operating results for the three month and nine month periods ended September 30, 2015 with comparatives for the prior periods.

	Third Quarter			First Nine Months		
	2015	2014	% Chg	**2015**	2014	% Chg
Gaming revenues	**$ 78.4**	$ 77.5	1%	**$ 228.2**	$ 228.4	0%
Facility Development Commission	**9.4**	9.5	(1%)	**28.0**	28.1	0%
Hospitality, lease and other revenues	**29.4**	27.1	8%	**84.7**	79.8	6%
Racetrack revenues	**3.8**	3.9	(3%)	**11.0**	11.1	(1%)
	121.0	118.0	3%	**351.9**	347.4	1%
Less: Promotional allowances	**(7.2)**	(5.7)	26%	**(19.2)**	(16.6)	16%
Revenues	**113.8**	112.3	1%	**332.7**	330.8	1%
Human resources	**40.4**	41.3	(2%)	**121.7**	122.5	(1%)
Property, marketing and administration	**25.9**	25.5	2%	**75.5**	75.2	0%
	66.3	66.8	(1%)	**197.2**	197.7	0%
EBITDA	**47.5**	45.5	4%	**135.5**	133.1	2%
Human resources as a % of Revenues before Promotional allowances	**33.4%**	35.0%		**34.6%**	35.3%	
EBITDA as a % of Revenues	**41.7%**	40.5%		**40.7%**	40.2%	
Amortization	**9.8**	10.7		**28.9**	35.0	
Share-based compensation	**(0.1)**	1.2		**3.7**	3.4	
Impairment reversal of long-lived assets	**-**	-		**-**	(5.2)	
Interest and financing costs, net	**8.1**	7.9		**23.8**	23.9	
Restructuring and other	**2.0**	0.4		**4.8**	0.6	
Foreign exchange loss (gain) and other	**(2.1)**	(0.7)		**(3.9)**	(0.9)	
Income taxes	**8.0**	6.1		**21.2**	19.5	
Net earnings	**$ 21.8**	$ 19.9	10%	**$ 57.0**	$ 56.8	0%
Net earnings per common share						
Basic	**$ 0.33**	$ 0.29		**$ 0.83**	$ 0.84	
Diluted	**$ 0.32**	$ 0.28		**$ 0.81**	$ 0.82	
Weighted average number of common shares (in thousands)						
Basic	**66,396**	67,886		**68,375**	67,676	
Diluted	**67,772**	70,022		**70,017**	69,516	

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

Discussion of Results

The Company's operating results are discussed in two sections: (1) EBITDA, consisting of revenues, human resources expenses, property, marketing and administration expenses, which is discussed on a property or, where appropriate, group of similar properties basis, and (2) items excluded from EBITDA, which 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

	Third Quarter			First Nine Months		
	2015	2014	% Chg	**2015**	2014	% Chg
REVENUES						
River Rock Casino Resort	**$ 49.2**	$ 50.9	(3%)	**$ 145.3**	$ 150.8	(4%)
Hard Rock Casino Vancouver	**13.4**	12.8	5%	**40.5**	39.1	4%
Vancouver Island Casinos	**9.5**	9.2	3%	**28.1**	27.7	1%
Other BC Casinos	**5.6**	5.2	8%	**16.2**	15.6	4%
Nova Scotia Casinos	**11.3**	10.9	4%	**29.6**	29.7	0%
Great American Casinos	**8.2**	6.7	22%	**24.4**	20.7	18%
BC Racinos	**10.2**	10.3	(1%)	**29.4**	28.5	3%
Ontario Racetracks	**6.4**	6.3	2%	**19.2**	18.7	3%
Total Revenues	**$ 113.8**	$ 112.3	1%	**$ 332.7**	$ 330.8	1%
EBITDA [1]						
River Rock Casino Resort	**$ 27.4**	$ 29.4	(7%)	**$ 80.7**	$ 87.6	(8%)
Hard Rock Casino Vancouver	**4.1**	3.8	8%	**13.2**	11.3	17%
Vancouver Island Casinos	**5.4**	5.0	8%	**15.6**	14.9	5%
Other BC Casinos	**2.7**	2.6	4%	**7.9**	7.6	4%
Nova Scotia Casinos	**4.1**	3.5	17%	**8.2**	8.1	1%
Great American Casinos	**1.9**	0.9	111%	**6.2**	3.5	77%
BC Racinos	**2.5**	2.0	25%	**6.6**	5.7	16%
Ontario Racetracks	**3.4**	3.4	0%	**10.3**	9.6	7%
Corporate & Other	**(4.0)**	(5.1)	22%	**(13.2)**	(15.2)	13%
Total EBITDA	**$ 47.5**	$ 45.5	4%	**$ 135.5**	$ 133.1	2%

[1] EBITDA is a non-GAAP measure defined in the "Introduction - Non-GAAP Measures" section of this MD&A.

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

Casinos

River Rock Casino Resort

	Third Quarter			First Nine Months		
	2015	2014	% Chg	**2015**	2014	% Chg
Gaming revenues	**$ 33.7**	$ 36.4	(7%)	**$ 100.3**	$ 108.0	(7%)
Facility Development Commission	**4.8**	5.2	(8%)	**14.4**	15.4	(6%)
Hospitality and other revenues	**13.6**	11.9	14%	**38.1**	34.8	9%
Revenues before Promotional allowances	**52.1**	53.5	(3%)	**152.8**	158.2	(3%)
Less: Promotional allowances	**(2.9)**	(2.6)	12%	**(7.5)**	(7.4)	1%
Revenues	**49.2**	50.9	(3%)	**145.3**	150.8	(4%)
Human resources	**13.6**	13.4	1%	**40.5**	39.3	3%
Property, marketing and administration	**8.2**	8.1	1%	**24.1**	23.9	1%
EBITDA	**$ 27.4**	$ 29.4	(7%)	**$ 80.7**	$ 87.6	(8%)
Human resources as a % of Revenues before Promotional allowances	**26.1%**	25.0%		**26.5%**	24.8%	
EBITDA as a % of Revenues	**55.7%**	57.8%		**55.5%**	58.1%	

	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Average
Table Drop	$ 309.9	$ 282.0	$ 293.6	$ 286.7	$ 326.9	$ 338.5	$ 266.9	$ 241.4	$ 283.0	
Table Hold	$ 57.3	$ 57.0	$ 59.6	$ 71.8	$ 64.9	$ 72.0	$ 59.1	$ 48.7	$ 49.7	
Table Hold %	18.5%	20.2%	20.3%	25.0%	19.9%	21.3%	22.2%	20.2%	17.6%	20.5%
Poker Rake	$ 1.1	$ 0.9	$ 1.1	$ 0.9	$ 1.0	$ 1.1	$ 1.0	$ 1.1	$ 1.0	
Slot Coin-In	$ 629.6	$ 607.2	$ 580.0	$ 588.2	$ 583.8	$ 578.6	$ 498.1	$ 525.2	$ 536.0	
Slot Win	$ 41.0	$ 38.9	$ 37.3	$ 37.7	$ 39.3	$ 38.3	$ 34.5	$ 35.5	$ 37.0	
Slot Win/Slot/Day(1)	$ 405	$ 389	$ 378	$ 372	$ 389	$ 383	$ 350	$ 351	$ 364	
Slot Win %	6.5%	6.4%	6.4%	6.4%	6.7%	6.6%	6.9%	6.8%	6.9%	6.6%

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

Recent Developments

As discussed in the "Major Developments – British Columbia" section of this MD&A, late in the third quarter, BCLC introduced additional conditions for certain VIP players in British Columbia that include a requirement to demonstrate source of funds used to purchase chips. The effect of these conditions is not currently known but will likely lead to a certain amount of reduced play, and therefore revenues, at River Rock. The estimated portion of River Rock's revenues generated from the VIP players affected by these additional conditions over the past 12 months is approximately $20 million.

Revenues

Gaming revenues at River Rock decreased by 7% in the third quarter of 2015 when compared to the third quarter of 2014. This decline was primarily due to the 5% decrease in table drop and the 1.4 percentage point decrease in table hold percentage, resulting in a 12% decrease in table hold. The decrease in table drop was mainly attributed to a decrease in high limit table play volume. These decreases were partially offset by the 4% increase in slot win, due to an 8% increase in slot coin-in.

Gaming revenues at River Rock decreased by 7% in the first nine months of 2015 when compared to the first nine months of 2014. This decline was primarily due to both the 5% decrease in table drop and decline in table hold percentage that was partly offset by the 9% increase in slot coin-in.

Hospitality and other revenues increased by 14% and 9% in the third quarter and first nine months of 2015, respectively, when compared to the same periods in 2014. These increases were primarily due to growth in both food and beverage and hotel 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, including the effect of interdepartmental sales to the casino that are deducted as promotional allowances to arrive at facility revenues, River Rock's average daily hotel revenue per available room ("REVPAR") was $167 dollars in the third quarter of 2015, compared to $141 dollars in the third quarter of 2014. This increase was due to an eight percentage point increase in the average hotel occupancy rate to 92% and a 9% increase in the average daily room rate ("ADR") to $183 dollars for the third quarter of 2015.

Expenses
Human resources expenses increased by 1% and 3% in the third quarter and first nine months of 2015, respectively, when compared to the same periods in 2014. These increases were primarily due to increased costs associated with the expansion of the VIP gaming area, additional tables added to the Phoenix room in February 2015 and higher first quarter gaming volumes and food and beverage volumes.

Property, marketing and administration expenses increased by 1% in both the third quarter and first nine months of 2015 when compared to the same periods in 2014. These increases were due to increased promotional activities and higher food and beverage volumes during the first quarter of 2015.

EBITDA
EBITDA decreased by 7% and 8% in the third quarter and first nine months of 2015, respectively, when compared to the same periods in 2014. These declines were primarily attributed to the previously noted decreases in gaming revenues, partially offset by increases in hospitality and other revenues.

Labour Relations
Refer to the Major Developments section of this MD&A for the status of a recent union drive at River Rock.

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

Hard Rock Casino Vancouver

	Third Quarter			First Nine Months		
	2015	2014	% Chg	**2015**	2014	% Chg
Gaming revenues	**$ 10.4**	$ 9.5	9%	**$ 30.6**	$ 28.7	7%
Facility Development Commission	**1.7**	1.5	13%	**4.9**	4.6	7%
Hospitality and other revenues	**2.2**	2.4	(8%)	**7.5**	7.7	(3%)
Revenues before Promotional allowances	**14.3**	13.4	7%	**43.0**	41.0	5%
Less: Promotional allowances	**(0.9)**	(0.6)	50%	**(2.5)**	(1.9)	32%
Revenues	**13.4**	12.8	5%	**40.5**	39.1	4%
Human resources	**5.7**	5.6	2%	**17.1**	17.6	(3%)
Property, marketing and administration	**3.6**	3.4	6%	**10.2**	10.2	0%
EBITDA	**$ 4.1**	$ 3.8	8%	**$ 13.2**	$ 11.3	17%
Human resources as a % of Revenues before Promotional allowances	**39.9%**	41.8%		**39.8%**	42.9%	
EBITDA as a % of Revenues	**30.6%**	29.7%		**32.6%**	28.9%	

	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Average
Table Drop	$ 51.1	$ 44.3	$ 44.0	$ 38.9	$ 38.5	$ 40.6	$ 51.3	$ 38.9	$ 32.7	
Table Hold	$ 8.7	$ 8.9	$ 8.8	$ 7.3	$ 7.3	$ 7.5	$ 7.1	$ 7.6	$ 6.6	
Table Hold %	17.0%	20.0%	20.0%	18.8%	19.0%	18.6%	13.8%	19.4%	20.2%	18.4%
Poker Rake	$ 1.1	$ 0.9	$ 1.0	$ 1.0	$ 1.0	$ 1.4	$ 1.2	$ 1.1	$ 0.8	
Slot Coin-In	$ 331.1	$ 315.5	$ 311.8	$ 324.3	$ 319.3	$ 321.1	$ 318.9	$ 306.0	$ 304.0	
Slot Win	$ 24.2	$ 23.9	$ 22.9	$ 23.4	$ 23.1	$ 23.4	$ 23.2	$ 23.0	$ 22.6	
Slot Win/Slot/Day[1,2]	$ 287	$ 288	$ 291	$ 275	$ 265	$ 275	$ 270	$ 271	$ 300	
Slot Win %	7.3%	7.6%	7.3%	7.2%	7.2%	7.3%	7.3%	7.5%	7.4%	7.4%

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

(2) During the twelve months of 2013, the Company removed 41 slot machines at Hard Rock Casino Vancouver resulting in 949 slot machines as at December 31, 2013. During December 2014, the Company removed 99 slot machines resulting in 850 slot machines at December 31, 2014. 75 slot machines were reinstalled in February 2015, resulting in 925 slot machines.

<u>Revenues</u>

Gaming revenues increased by 9% in the third quarter of 2015 when compared to the same period in 2014. The growth was primarily due to the 33% increase in table drop, partially offset by 2.0 percentage point decrease in table hold percentage, resulting in a 19% increase in table hold. Slot win increased by 5% due primarily to a 4% increase in slot coin-in. Gaming revenues increased by 7% in the first nine months of 2015 when compared to the same period in 2014. This growth was mainly due to the 21% increase in table hold.

<u>Expenses</u>

Human resources expenses in the third quarter of 2015 were relatively consistent with the third quarter of 2014. Human resources expenses decreased by 3% in the first nine months of 2015 when compared to the same period in 2014, primarily due to the reduction of staffing levels that were made since the first quarter of 2015 in order to run the business more effectively.

Property, marketing and administration expenses increased 6% in the third quarter of 2015 when compared to the prior year period primarily due to increased promotional costs, additional costs associated with food and beverage service and expenses related to the opening of the new "Buffet at Unlisted" in September 2015. Property, marketing and administration expenses in the first nine months of 2015 were consistent with the prior year period despite the 4% increase in revenues due in part to operational efficiencies.

EBITDA

EBITDA increased by 8% and 17% in the third quarter and first nine months of 2015, when compared to the same periods of 2014. These increases were primarily due to the improvement in gaming revenues.

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

Vancouver Island Casinos (View Royal Casino and Casino Nanaimo)

	Third Quarter			First Nine Months		
	2015	2014	% Chg	**2015**	2014	% Chg
Gaming revenues	**$ 7.6**	$ 7.4	3%	**$ 22.4**	$ 22.1	1%
Facility Development Commission	**1.2**	1.2	0%	**3.6**	3.5	3%
Hospitality and other revenues	**1.2**	1.0	20%	**3.5**	3.4	3%
Revenues before Promotional allowances	**10.0**	9.6	4%	**29.5**	29.0	2%
Less: Promotional allowances	**(0.5)**	(0.4)	25%	**(1.4)**	(1.3)	8%
Revenues	**9.5**	9.2	3%	**28.1**	27.7	1%
Human resources	**2.7**	2.9	(7%)	**8.5**	8.8	(3%)
Property, marketing and administration	**1.4**	1.3	8%	**4.0**	4.0	0%
EBITDA	**$ 5.4**	$ 5.0	8%	**$ 15.6**	$ 14.9	5%
Human resources as a % of Revenues before Promotional allowances	**27.0%**	30.2%		**28.8%**	30.3%	
EBITDA as a % of Revenues	**56.8%**	54.3%		**55.5%**	53.8%	

	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Average
Table Drop	$ 12.5	$ 12.3	$ 12.9	$ 12.6	$ 11.3	$ 11.9	$ 11.4	$ 10.8	$ 12.2	
Table Hold	$ 2.6	$ 2.8	$ 3.1	$ 2.9	$ 2.7	$ 2.7	$ 2.8	$ 2.7	$ 2.6	
Table Hold %	21.4%	22.8%	24.5%	23.0%	23.9%	22.7%	24.8%	25.0%	21.1%	23.1%
Slot Coin-In	$ 383.5	$ 354.8	$ 364.9	$ 353.5	$ 367.2	$ 364.1	$ 365.9	$ 359.8	$ 382.0	
Slot Win	$ 26.8	$ 25.7	$ 25.4	$ 25.7	$ 25.9	$ 26.6	$ 25.2	$ 25.9	$ 27.6	
Slot Win/Slot/Day[1]	$ 311	$ 302	$ 302	$ 298	$ 302	$ 313	$ 306	$ 287	$ 305	
Slot Win %	6.9%	7.2%	7.0%	7.3%	7.0%	7.3%	6.9%	7.2%	7.2%	7.1%

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

Recent Developments
On October 1, 2015, BCLC announced that has asked the local governments of six Vancouver Island communities, namely: Victoria, Esquimalt, Saanich, Oak Bay, and the Esquimalt and Songhess First Nations whether they would express interest in hosting a new casino or community gaming facility in the region. BCLC has indicated that they will review responses and select which local governments to contact, however such actions would not constitute a commitment by BCLC to develop a gaming facility in any given community. The approval of a new casino or community gaming facility in any community is a complex process with many stakeholder to consider and many approvals to obtain. BCLC has indicated that it respects the authority of local governments to choose whether they want a gaming facility and will only consider pursuing development in communities where host local governments have indicated an interest. Should it be determined that a new facility will move forward in any of these communities, we look forward to discussing with BCLC our involvement in such process.

Revenues
Revenues at the Vancouver Island Casinos increased by 3% in the third quarter of 2015, when compared to the same period in 2014. This increase was mainly attributable to the increase in table drop and food and beverage revenues, partially offset by an increase in promotional allowances. Revenues at the Vancouver Island Casinos increased by 1% in the first nine months of 2015, when compared to the same period in 2014. This growth was primarily due to an increase in table drop.

Expenses
Human resource expenses decreased by 7% and 3% in the third quarter of 2015 and first nine months of 2015, respectively, when compared to the same periods of 2014, mainly due to the realization of operating efficiencies.

Property, marketing and administration expenses in the third quarter and first nine months of 2015 were relatively consistent with the same periods in 2014.

EBITDA
EBITDA at the Vancouver Island Casinos increased by 8% and 5% in the third quarter and first nine months of 2015, when compared to the same periods of 2014. These increases were primarily due to the improvement in gaming revenues and reduction of human resource expenses.

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

Other BC Casinos (Chances Dawson Creek, Chances Maple Ridge and Chances Chilliwack)

	Third Quarter			First Nine Months		
	2015	2014	% Chg	**2015**	2014	% Chg
Gaming revenues	**$ 4.0**	$ 3.8	5%	**$ 11.7**	$ 11.2	4%
Facility Development Commission	**0.8**	0.7	14%	**2.2**	2.2	0%
Hospitality and other revenues	**1.1**	0.9	22%	**3.2**	2.9	10%
Revenues before Promotional allowances	**5.9**	5.4	9%	**17.1**	16.3	5%
Less: Promotional allowances	**(0.3)**	(0.2)	50%	**(0.9)**	(0.7)	29%
Revenues	**5.6**	5.2	8%	**16.2**	15.6	4%
Human resources	**1.6**	1.6	0%	**5.0**	4.9	2%
Property, marketing and administration	**1.3**	1.0	30%	**3.3**	3.1	6%
EBITDA	**$ 2.7**	$ 2.6	4%	**$ 7.9**	$ 7.6	4%
Human resources as a % of Revenues before Promotional allowances	**27.1%**	29.6%		**29.2%**	30.1%	
EBITDA as a % of Revenues	**48.2%**	50.0%		**48.8%**	48.7%	

	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Average
Slot Coin-In	$ 199.3	$ 198.4	$ 207.1	$ 208.2	$ 201.1	$ 200.1	$ 196.3	$ 196.5	$ 180.6	
Slot Win	$ 14.7	$ 14.2	$ 14.6	$ 14.3	$ 14.1	$ 13.9	$ 13.3	$ 13.2	$ 12.4	
Slot Win/Slot/Day[1,2]	$ 298	$ 292	$ 307	$ 295	$ 291	$ 291	$ 281	$ 286	$ 308	
Slot Win %	7.5%	7.2%	7.0%	6.9%	7.0%	7.0%	6.8%	6.7%	6.9%	7.0%

(1) Slot Win/Slot/Day is an average, presented in dollars.
(2) During the third quarter of 2013, the Company added 73 slot machines at Chances Maple Ridge, resulting in 493 slot machines at the Other BC Casinos since October 23, 2013. During the twelve months of 2014, 18 slot machines were added, resulting in 511 slot machines at December 31, 2014.

Revenues
Revenues at the Other BC Casinos increased by 8% and 4% in the third quarter and first nine months of 2015, respectively, when compared to the same periods in 2014. The increase in the third quarter of 2015 was mainly attributable to growth in food and beverages revenues. The increase in the first nine months was mainly due to the growth in gaming revenues, which was reflected in the Other BC Casinos group's increase in slot coin-in and slot win percentage.

Expenses
Human resources expenses were relatively consistent in the third quarter and first nine months of 2015, when compared to the same periods in 2014. Property, marketing and administration expenses increased by 30% and 6% in the third quarter and first nine months of 2015, respectively, compared to the same periods in 2014. These increases were primarily due to increase in marketing and promotional expenditures.

EBITDA
EBITDA increased by 4% in both the third quarter and first nine months of 2015 when compared to the same periods in 2014 mainly due to increased revenues, partially offset by increased property, marketing and administration costs.

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

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

	Third Quarter			First Nine Months		
	2015	2014	% Chg	**2015**	2014	% Chg
Gaming revenues	**$ 10.6**	$ 9.8	8%	**$ 27.3**	$ 26.6	3%
Hospitality and other revenues	**1.8**	1.8	0%	**4.9**	4.8	2%
Revenues before Promotional allowances	**12.4**	11.6	7%	**32.2**	31.4	3%
Less: Promotional allowances	**(1.1)**	(0.7)	57%	**(2.6)**	(1.7)	53%
Revenues	**11.3**	10.9	4%	**29.6**	29.7	0%
Human resources	**3.9**	4.1	(5%)	**11.7**	11.9	(2%)
Property, marketing and administration	**3.3**	3.3	0%	**9.7**	9.7	0%
EBITDA	**$ 4.1**	$ 3.5	17%	**$ 8.2**	$ 8.1	1%
Human resources as a % of Revenues before Promotional allowances	**31.5%**	35.3%		**36.3%**	37.9%	
EBITDA as a % of Revenues	**36.3%**	32.1%		**27.7%**	27.3%	

	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Average
Table Drop	$ 13.0	$ 11.9	$ 10.8	$ 11.5	$ 11.7	$ 10.0	$ 9.8	$ 10.0	$ 11.9	
Table Hold	$ 3.1	$ 2.4	$ 1.9	$ 2.0	$ 2.3	$ 2.0	$ 2.2	$ 2.4	$ 2.2	
Table Hold %	23.4%	20.2%	17.6%	17.4%	19.7%	19.7%	21.9%	24.0%	18.8%	20.3%
Poker Rake	$ 0.4	$ 0.4	$ 0.4	$ 0.5	$ 0.4	$ 0.4	$ 0.5	$ 0.4	$ 0.5	
Slot Coin-In	$ 213.9	$ 197.3	$ 158.5	$ 194.0	$ 226.7	$ 197.3	$ 179.2	$ 182.0	$ 222.5	
Slot Win	$ 16.6	$ 14.5	$ 12.1	$ 14.7	$ 16.6	$ 14.9	$ 13.5	$ 14.0	$ 17.6	
Slot Win/Slot/Day(1)	$ 218	$ 191	$ 164	$ 199	$ 219	$ 204	$ 184	$ 186	$ 228	
Slot Win %	7.8%	7.3%	7.6%	7.6%	7.3%	7.6%	7.6%	7.7%	7.9%	7.6%

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

Recent Developments

In June 2014, the Company exercised its renewal option with NSPLCC to extend the term of the AROC, effective July 1, 2015. Under the terms of the contract option extension, the Company will have a minimum of 10 years certainty as the casino operator of the Nova Scotia casinos and has committed to make capital investments totalling $10.0 to the casino business, subject to a revitalization plan and schedule approved by NSPLCC.

Revenues

Revenues at the Nova Scotia Casinos increased by 4% in the third quarter of 2015, when compared to the same period in 2014, primarily due to the 11% increase in table drop and the 3.7 percentage point increase in table hold percentage, resulting in a 35% increase in table hold.

Revenues at the Nova Scotia Casinos were relatively consistent in the first nine months of 2015 when compared to the same period in 2014.

The $0.4 and $0.9 increase in promotional allowances in the third quarter and first nine months of 2015, respectively, when compared to the same periods in 2014, was primarily due to increased efforts on targeted marketing with the use of slot free play vouchers.

Expenses

Human resources expenses decreased by 5% and 2% in the third quarter and first nine months of 2015, respectively, when compared to the same periods in 2014. These decreases were mainly due to the realization of operating efficiencies.

Property, marketing and administration expenses were relatively consistent in the third quarter and first nine months of 2015, when compared to the same periods in 2014.

EBITDA

EBITDA increased by 17% in the third quarter of 2015, when compared to the same period in 2014, primarily due to the increase in gaming revenues and a reduction in human resources expenses. EBITDA was relatively consistent in the first nine months of 2015, when compared to the same period in 2014.

Labour Relations

A collective agreement with Service Employees International Union (SEIU), Local 902, with a term covering February 1, 2012 through January 31, 2015, was applicable to employees (excluding security) at Casino Nova Scotia Halifax. A new collective agreement, with a term covering February 1, 2015 through January 31, 2018, was ratified on June 26, 2015.

A collective agreement with Service Employees International Union (SEIU), Local 902, with a term covering February 1, 2012 through January 31, 2015, was applicable to only security employees at Casino Nova Scotia Halifax. A new collective agreement, with a term covering February 1, 2015 through January 31, 2018, was ratified on July 10, 2015.

Great American Casinos

Results in U.S. Dollars (in millions)

	Third Quarter			First Nine Months		
	2015	2014	% Chg	**2015**	2014	% Chg
Gaming revenues	**$ 5.3**	$ 5.1	4%	**$ 16.2**	$ 15.7	3%
Hospitality and other revenues	**1.7**	1.8	(6%)	**5.2**	5.3	(2%)
Revenues before Promotional allowances	**7.0**	6.9	1%	**21.4**	21.0	2%
Less: Promotional allowances	**(0.7)**	(0.7)	0%	**(2.1)**	(2.1)	0%
Revenues	**6.3**	6.2	2%	**19.3**	18.9	2%
Human resources	**3.1**	3.5	(11%)	**9.5**	10.3	(8%)
Property, marketing and administration	**1.7**	1.9	(11%)	**4.9**	5.5	(11%)
EBITDA	**$ 1.5**	$ 0.8	88%	**$ 4.9**	$ 3.1	58%
Human resources as a % of Revenues before Promotional allowances	**44.3%**	50.7%		**44.4%**	49.0%	
EBITDA as a % of Revenues	**23.8%**	12.9%		**25.4%**	16.4%	

	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Average
Table Drop	$ 35.6	$ 36.0	$ 36.0	$ 36.5	$ 35.3	$ 36.5	$ 36.6	$ 35.4	$ 34.7	
Table Hold	$ 5.9	$ 6.1	$ 6.3	$ 6.7	$ 5.7	$ 6.2	$ 5.9	$ 5.7	$ 5.6	
Table Hold %	16.4%	16.9%	17.5%	18.4%	16.1%	16.9%	16.1%	16.0%	16.1%	16.7%

Results in Canadian Dollars

	Third Quarter			First Nine Months		
	2015	2014	% Chg	**2015**	2014	% Chg
Revenues	**$ 8.2**	$ 6.7	22%	**$ 24.4**	$ 20.7	18%
EBITDA	**$ 1.9**	$ 0.9	111%	**$ 6.2**	$ 3.5	77%

Discussion in U.S. Dollars

<u>Recent Developments</u>
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 20% and 15% in the third quarter and first nine months, respectively, of 2015, when compared to the same periods in 2014. An increase in the average value of the U.S. dollar results in an increase in the Canadian dollar translation of the operating results.

On March 14, 2015, the Company closed its Great American Casino located in Kent, as described in the "Major Developments" section of this MD&A. Revenues and EBITDA associated with the Kent casino in 2015 and 2014 were as follows:

	First Quarter		Third Quarter	First Nine Months
	2015	2014	2014	2014
Revenues	$ 0.7	$ 0.7	$ 0.7	$ 2.1
EBITDA	$ 0.2	$ (0.1)	$ (0.1)	$ (0.2)

Revenues
Revenues at Great American Casinos increased by 2% in both the third quarter and first nine months of 2015, when compared to the same periods in 2014. The decline in revenues resulting from the closure of the Kent casino was more than offset by improvements at the remaining three casino locations. Excluding the results of the Kent casino closed in March 2015 from the current and prior year's results, revenues at the Great American Casinos increased by 15% over the prior year third quarter and by 11% over the first nine months of 2014.

Expenses
Human resources expenses decreased by 11% and 8% in the third quarter and first nine months of 2015, respectively when compared to the same periods in 2014, primarily due to the closure of the Kent casino in the first quarter of 2015.

Property, marketing and administration expenses decreased by 11% in the third quarter of 2015, when compared to the same period in 2015. This decrease was mainly due to the closure of the Kent casino in the first quarter of 2015. Although property, marketing and administration expenses in the first nine months of 2015 included a $0.2 marketing fund liability reversal related to the closure of the Kent casino in the first quarter of 2015, these expenses were relatively consistent when compared to the same period in 2014 due to increased costs associated with the higher gaming revenues from the remaining casinos in 2015.

EBITDA
Great American Casinos' EBITDA increased by 88% and 58% in the third quarter and first nine months of 2015, when compared to the same periods in 2014. These improvements were attributable to the decreases in operating expenses related to the closure of the Kent casino and included non-recurring reversals of jackpot and marketing fund liabilities of $0.3 resulting from the closure of the Kent casino in the first quarter of 2015. Excluding the results of the Kent casino from the current and prior year's results, EBITDA at the Great American Casinos increased by 67% over the prior year third quarter and by 42% over the first nine months of 2014.

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

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

	Third Quarter			First Nine Months		
	2015	2014	% Chg	**2015**	2014	% Chg
Gaming revenues	**$ 5.2**	$ 5.0	4%	**$ 15.4**	$ 14.6	5%
Facility Development Commission	**0.9**	0.9	0%	**2.9**	2.4	21%
Racetrack revenues	**2.6**	2.7	(4%)	**7.4**	7.5	(1%)
Hospitality and other revenues	**2.1**	2.1	0%	**5.3**	5.3	0%
Revenues before Promotional allowances	**10.8**	10.7	1%	**31.0**	29.8	4%
Less: Promotional allowances	**(0.6)**	(0.4)	50%	**(1.6)**	(1.3)	23%
Revenues	**10.2**	10.3	(1%)	**29.4**	28.5	3%
Human resources	**4.7**	4.9	(4%)	**13.6**	13.6	0%
Property, marketing and administration	**3.0**	3.4	(12%)	**9.2**	9.2	0%
EBITDA	**$ 2.5**	$ 2.0	25%	**$ 6.6**	$ 5.7	16%
Human resources as a % of Revenues before Promotional allowances	**43.5%**	45.8%		**43.9%**	45.6%	
EBITDA as a % of Revenues	**24.5%**	19.4%		**22.4%**	20.0%	

	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Average
Table Drop	$ 7.4	$ 6.7	$ 6.6	$ 5.9	$ 5.9	$ 6.0	$ 5.7	$ 5.5	$ 5.6	
Table Hold	$ 1.6	$ 1.4	$ 1.6	$ 1.5	$ 1.4	$ 1.5	$ 1.4	$ 1.5	$ 1.4	
Table Hold %	21.7%	20.9%	24.2%	25.4%	23.7%	24.7%	25.3%	26.8%	24.6%	24.0%
Poker Rake	$ 0.4	$ 0.3	$ 0.5	$ 0.4	$ 0.4	$ 0.4	$ 0.3	$ 0.2	$ 0.1	
Slot Coin-In	$ 232.2	$ 231.4	$ 227.9	$ 223.7	$ 228.1	$ 225.2	$ 209.5	$ 196.9	$ 207.3	
Slot Win	$ 17.6	$ 17.0	$ 16.9	$ 16.2	$ 17.2	$ 17.3	$ 15.3	$ 15.4	$ 16.1	
Slot Win/Slot/Day[(1)]	$ 191	$ 187	$ 183	$ 167	$ 177	$ 180	$ 160	$ 161	$ 167	
Slot Win %	7.5%	7.3%	7.4%	7.2%	7.5%	7.7%	7.3%	7.8%	7.8%	7.5%

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

Live race days	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013
Fraser Downs	2	7	27	27	8	8	25	26	13
Hastings	26	20	-	8	27	19	-	6	30

Revenues
Gaming revenues at the BC Racinos increased 4% in the third quarter of 2015, when compared to the same period in 2014 due to increases in both table drop and slot coin-in. Gaming revenues at the BC Racinos increased by 5% in the first nine months of 2015, when compared to the first nine months of 2014. This increase was primarily due to a 4% increase in slot coin-in and a 18% increase in table drop, the latter of which was partially offset by a decline in table hold percentage.

Racetrack and hospitality and other revenues were relatively consistent in the third quarter and first nine months of 2015, when compared to the same periods in 2014.

Expenses
Human resources expenses were relatively consistent in the third quarter and first nine months of 2015, when compared to the same periods in 2014.

Property, marketing and administration expenses decreased 12% in the third quarter of 2015, when compared to the same period in 2014 due to a difference in timing of expenditures. Property, marketing and administration expenses were relatively consistent in the first nine months of 2015, when compared to the first nine months of 2014.

EBITDA

EBITDA at the BC Racinos increased by 25% in the third quarter of 2015, when compared with the same period of 2014. This increase was primarily due to a decrease in operating costs. EBITDA at the BC Racinos increased by 16% in the first nine months of 2015, when compared with the same period of 2014. This increase was primarily due to an increase in revenues.

Labour Relations

A collective agreement with Canadian Office and Professional Employees Union (COPE), Local 378, with a term covering August 1, 2012 through December 31, 2014, is applicable to employees of Hastings Racecourse, excluding food and beverage workers. Notice to commence collective bargaining has not been initiated.

Refer to the "Major Developments" section of this MD&A for the status of a recent union drive at Fraser Downs.

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

Ontario Racetracks (Georgian Downs and Flamboro Downs)

	Third Quarter			First Nine Months		
	2015	2014	% Chg	**2015**	2014	% Chg
Racetrack revenues	**$ 1.2**	$ 1.2	0%	**$ 3.6**	$ 3.6	0%
Hospitality, lease and other revenues	**5.2**	5.1	2%	**15.6**	15.1	3%
Revenues	**6.4**	6.3	2%	**19.2**	18.7	3%
Human resources	**1.4**	1.3	8%	**4.0**	3.9	3%
Property, marketing and administration	**1.6**	1.6	0%	**4.9**	5.2	(6%)
EBITDA	**$ 3.4**	$ 3.4	0%	**$ 10.3**	$ 9.6	7%
Human resources as a % of Revenues before Promotional allowances	**21.9%**	20.6%		**20.8%**	20.9%	
EBITDA as a % of Revenues	**53.1%**	54.0%		**53.6%**	51.3%	

Live race days	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013
Georgian	26	13	-	-	27	13	-	-	18
Flamboro	17	27	37	52	17	26	48	29	-

<u>*Revenues*</u>
Revenues at the Ontario Racetracks were relatively consistent in the third quarter and first nine months of 2015, when compared to the same periods of 2014.

<u>*Expenses*</u>
Human resources expenses were relatively consistent in the third quarter and first nine months of 2015, when compared to the same periods of 2014.

Property, marketing and administration expenses were relatively consistent in the third, when compared to the same period in 2014. Property, marketing and administration expenses decreased by 6% in the first nine months of 2015, when compared to the same period in 2014, primarily due to operating efficiencies realized from forming the Standardbred Alliance in April 2014, as described in the "Major Developments - Ontario" section of this MD&A.

<u>*EBITDA*</u>
EBITDA was consistent in the third quarter, when compared to the same period in 2014. EBITDA increased by 7% in the first nine months of 2015, when compared to the same period in 2014, mainly as a result of the decrease in expenses.

<u>*Labour Relations*</u>
A collective agreement with Public Service Alliance of Canada, Local 00500, with a term covering September 18, 2013 through September 17, 2015, is applicable to employees at Georgian Downs. Notice to commence collective bargaining was served and received on August 28, 2015 and negotiations are scheduled to commence on October 27, 2015.

A collective agreement with Service Employees International Union ("SEIU"), Local 2, with a term covering January 1, 2011 through December 31, 2014, is applicable to employees of Flamboro Downs. Notice to commence collective bargaining was served and received on November 26, 2014, and negotiations commenced on January 28, 2015. Collective bargaining was concluded on March 10, 2015, and the collective agreement was ratified on March 11, 2015. The term of the new collective agreement is January 1, 2015 through December 31, 2016.

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

Corporate & Other

	Third Quarter			First Nine Months		
	2015	2014	% Chg	**2015**	2014	% Chg
Human resources	**$ 2.7**	$ 3.7	(27%)	**$ 9.3**	$ 11.2	(17%)
Property, marketing and administration	**1.3**	1.4	(7%)	**3.9**	4.0	(2%)
EBITDA	**$ (4.0)**	$ (5.1)	22%	**$ (13.2)**	$ (15.2)	13%

<u>*Recent Developments*</u>
In June 2015, the Company moved its corporate office resources to its property locations in order to improve operational efficiency and achieve greater effectiveness in supporting operations.

<u>*EBITDA*</u>
Corporate and other costs decreased by 22% in the third quarter of 2015, when compared to the same period in 2014. The decrease in human resources expenses was primarily due to the release of $0.3 bonus accruals, a $0.5 reduction in salaries cost due to the placement of some of our key team members into property focused roles and the elimination of certain redundant corporate positions, and a $0.2 reduction in external consulting activities which, in the prior year period, included costs associated with the implementation of the Company's information technology business recovery plans.

Corporate and other costs decreased by 13% in the first nine months of 2015, when compared to the same period in 2014. The decrease in human resources expenses was primarily due to the release of $0.6 bonus accruals, a $0.8 reduction in salaries cost due to the placement of some of our key team members into property focused roles and the elimination of certain redundant positions and a $0.5 reduction in external consulting activities which, in the prior year period, included costs associated with the implementation of the Company's information technology business recovery plans.

Discussion of Items Excluded from EBITDA

Amortization
Amortization decreased by $0.9 and $6.1 in the third quarter and first nine months of 2015, respectively, when compared to the same periods in 2014.

Share-Based Compensation
A recovery of share-based compensation of $0.1 (2014 – expense of $1.2) in the third quarter of 2015 comprises equity-settled share-based compensation expense of $1.1 (2014 - $0.6) and a decrease in cash-settled share-based compensation of $1.2 (2014 – expense of $0.6). The increase in equity-settled share-based compensation was due to a higher average number of unvested stock options outstanding and a higher fair value for options granted in 2015 than for options granted in prior years. The decrease in cash-settled share-based compensation in the third quarter of 2015, when compared to the same period in 2014, was due to the effect of a decrease in the market price of the Company's underlying common shares and its impact on the fair value of the Company's outstanding Deferred Share Units and Restricted Share Units.

Share-based compensation in the first nine months of 2015 comprises equity-settled share-based compensation of $3.7 (2014 - $1.7) and cash-settled share-based compensation of nil (2014 - $1.7). The increase in equity-settled share-based compensation in the first nine months of 2015 was due to a higher average number of unvested stock options outstanding and a higher fair value for options granted in 2015 compared to outstanding options granted in prior years. The decrease in cash-settled share-based compensation in the first nine months of 2015, when compared to the same period in the prior year, was due to the effect of a decrease in the Company's underlying common share price on the fair values of the Company's outstanding Deferred Share Units and Restricted Share Units during the respective periods.

Impairment Reversal of Long-Lived Assets
During the first quarter of 2014, the Company recorded non-cash impairment reversal of long-lived assets of $5.2 in connection with signing the Standardbred Alliance agreements in April 2014 with respect to the Company's Ontario Racetracks as described in the "Major Developments" section of this MD&A. There was no impairment reversal recorded in the first nine months of 2015.

Interest and Financing Costs, net
Interest and financing costs, net of interest income was relatively consistent in the third quarter and first nine months of 2015, when compared to the same periods in 2014 as the amount of long-term debt was also consistent during these periods.

Restructuring and other
Restructuring and other expenses in the third quarter of 2015 included $1.4 of non-recurring staff severance costs and $0.6 of business development and other costs, which includes $0.3 for costs associated with the relocation of the Company's corporate office resources to its property locations.

Restructuring and other expenses in the first nine months of 2015 included $0.8 attributed to an uneconomic lease agreement and $0.2 employee severance costs both associated with the closure of Great American Casino in Kent, $2.9 of other non-recurring staff severance costs and $0.9 of business development and other costs, which includes $0.3 for costs associated with the relocation of the Company's corporate office resources to its property locations.

Foreign Exchange Loss (Gain) and Other

Foreign exchange gain and other increased by $1.4 and $3.0 in the third quarter and first nine months of 2015, respectively when compared to the same period in 2014. The increase was primarily due to the revaluation of net assets denominated in U.S. dollars, the value of which increased during 2015, as well as a one-time payment of $0.5 received in the third quarter of 2015 for the right of way access granted to a third party on a portion of vacant land that is expected to have no significant impact on the Company's future operations.

Income Taxes

Income taxes increased by $1.9 and $1.7 in the third quarter and first nine months of 2015, respectively when compared to the same periods in 2014. These increases were due to higher earnings before income taxes in 2015.

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

CONSOLIDATED QUARTERLY RESULTS TREND

	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013
Revenues	$ 113.8	$ 110.9	$ 108.0	$ 115.7	$ 112.3	$ 114.7	$ 103.8	$ 101.6
EBITDA	$ 47.5	$ 46.9	$ 41.1	$ 47.0	$ 45.5	$ 49.5	$ 38.1	$ 35.2
EBITDA as a % of Revenues	41.7%	42.3%	38.1%	40.6%	40.5%	43.2%	36.7%	34.6%
Net earnings	$ 21.8	$ 19.1	$ 16.1	$ 21.6	$ 19.9	$ 19.9	$ 17.0	$ 7.2
Net earnings per common share								
Basic	$ 0.33	$ 0.27	$ 0.23	$ 0.32	$ 0.29	$ 0.29	$ 0.25	$ 0.11
Diluted	$ 0.32	$ 0.27	$ 0.23	$ 0.31	$ 0.28	$ 0.29	$ 0.25	$ 0.10

Revenues over the past eight quarters have trended positively during 2015. The increase in the third quarter of 2015 compared to the second quarter of 2015 was primarily due to the growth in gaming revenues across all of the Company's properties. The revenue decline in the second quarter of 2015 compared to the first quarter of 2015 was mainly a result of decreased gaming revenues at River Rock, which was partially offset by the revenue increase from Great American Casinos which benefited from an increase in the value of the U.S. dollar when translating its revenues into Canadian dollars. The revenue decline in the first quarter of 2015 compared to the fourth quarter of 2014 was mainly a result of both the exceptional 25.0% table hold percentage at River Rock in the fourth quarter of 2014 and revenue declines at the Nova Scotia Casinos in the first quarter of 2015 due in part to inclement weather in that period. The significant revenue growth in the second quarter of 2014 was mainly attributable to gaming revenues at River Rock which remained elevated relative to prior year levels during the remainder of 2014. The opening of the new Chances Maple Ridge and Hard Rock Casino Vancouver in October 2013 and December 2013, respectively, contributed to the increases in hospitality, lease and other revenues since the first quarter of 2014.

Changes in EBITDA over the past eight quarters were mainly attributable to changes in revenues, as discussed above, as well as decreased expenses as a result of the Company's continued focus on operating efficiencies. EBITDA in the fourth quarter of 2013 was affected by the pre-opening costs totaling $1.1 for both Hard Rock Casino Vancouver and Chances Maple Ridge.

The net earnings trend reflects the items noted above, as well as reversals of impairment charges, share-based compensation expense, business development expenses, restructuring expenses and the related income tax effects of these items.

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 September 30, 2015, 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;
- $322.0 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

		September 30, 2015		December 31, 2014	% Chg
Cash and cash equivalents	**$**	**291.3**	$	324.4	(10%)
Other current assets		**20.7**		13.7	51%
Property, plant and equipment		**564.2**		574.0	(2%)
Other long-term assets		**117.6**		102.0	15%
Total Assets	**$**	**993.8**	$	1,014.1	(2%)
Current liabilities	**$**	**54.9**	$	70.1	(22%)
Long-term debt		**442.8**		442.0	0%
Other long-term liabilities		**103.7**		101.7	2%
Total Liabilities		**601.4**		613.8	(2%)
Equity attributable to shareholders of the company		**389.9**		400.3	(3%)
Non-controlling interests		**2.5**		-	
Total Equity		**392.4**		400.3	(2%)
Total Liabilities and Equity	**$**	**993.8**	$	1,014.1	(2%)

Total Assets
Total assets decreased by $20.3 in the first nine months of 2015, when compared to the total assets as at December 31, 2014. This decrease was primarily due to $81.6 cash used for the purchase of 3.6 million common shares in the first nine months of 2015 and the effect of amortization on long-lived assets which were partially offset by cash generated by operations in the first nine months of 2015.

Subsequent to the end of the quarter, $93.8 was paid to acquire the assets and operations of Casino New Brunswick. Please refer to the "Major Developments" section of this MD&A for additional details.

Total Liabilities
Total liabilities decreased by $12.4 in the first nine months of 2015, when compared to the total liabilities as at December 31, 2014. This decrease was primarily due to the decreases in accounts payable and accrued liabilities and income taxes payable.

Equity
Total equity decreased by $7.9 in the first nine months of 2015, when compared to the total equity as at December 31, 2014. This decrease was primarily due to the $81.6 decrease from the purchase and subsequent cancellation of 3.6 million common shares in the first nine months of 2015, which was partially offset by net earnings of $57, share options exercised of $8.9, equity-settled share-based compensation of $3.7 and $2.5 of non-controlling interests associated with the Company's Ontario Gaming East LP subsidiary as described in the "Major Developments - Ontario" section of this MD&A.

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

Cash Flows

	Third Quarter			First Nine Months		
	2015	2014	% Chg	**2015**	2014	% Chg
Cash generated by operating activities	**$ 20.3**	$ 43.2	(53%)	**$ 81.0**	$ 114.2	(29%)
Cash used in investing activities	**(3.2)**	(2.3)	(39%)	**(11.4)**	(9.7)	(18%)
Cash used in financing activities	**(18.5)**	(14.0)	(32%)	**(105.3)**	(26.6)	(296%)
Effect of foreign exchange on cash and cash equivalents	**1.3**	0.9	44%	**2.6**	1.1	136%
Cash (outflow) inflow	**$ (0.1)**	$ 27.8		**$ (33.1)**	$ 79.0	

Cash generated by operating activities was lower in the third quarter and first nine months of 2015, when compared to the same periods in 2014. This was primarily due to tax payments made during the third quarter and first nine months of 2015. Income taxes paid were higher than in the prior year periods due in part to higher earnings before income taxes in the 2014 periods (relative to 2013) which resulted in higher income tax instalments required in 2015. In addition, the Company paid a net amount of $20.2 for income taxes reassessed by CRA as described in the "Major Developments" section of this MD&A.

Cash used in investing activities was higher in the third quarter of 2015, when compared to the same period in 2014, mainly due to an increase in the purchase of property, plant and equipment. Cash used in investing activities was higher in the first nine months of 2015, when compared to the same period in 2014. This was mainly attributable to the $2.5 deposit paid during the second quarter of 2015 in relation to the acquisition of Casino New Brunswick, which was completed on October 1, 2015.

The cash used in financing activities in the third quarter of 2015 was mainly attributable to the repurchase of common shares under the Company's Normal Course Issuer Bid. The cash used in financing activities in first nine months of 2015 was mainly attributable to the repurchase and cancellation of 3.6 million common shares for $81.6.

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

Capital Resources

Long-Term Debt and Equity

	September 30, 2015	December 31, 2014
Senior Unsecured Notes, net of unamortized transaction costs of $7.2 (2014 - $8.0)	**$ 442.8**	$ 442.0

As at September 30, 2015, 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	2.16
Senior Secured Debt to Adjusted EBITDA ratio [1]	≤ 3.50	0.00
Interest Coverage ratio [1]	≥ 2.25	5.87
Fixed Charge Coverage ratio [2]	≥ 2.00	5.89

(1) Calculated on a trailing twelve month basis and defined in the Credit Agreement, as amended on May 25, 2015.

(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 September 30, 2015 as follows:

	Moody's	**Standard & Poor's**
Corporate	Ba3 Stable	BB+ Stable
Revolving Credit Facility	Baa3	BBB
Senior Unsecured Notes	B1	BB+

Outstanding Share Data

As at September 30, 2015 there were 66,262,067 common shares issued and outstanding compared to 68,813,683 as at December 31, 2014. This decrease was primarily due to the repurchase and cancellation of 3.6 million common shares in 2015 as described in the "Major Developments" section of this MD&A and was partially offset by the exercise of employee stock options during the nine months of 2015.

As at September 30, 2015, there were 4,314,945 share options outstanding at a weighted-average exercise price of $13.68.

As at November 2, 2015, there were 66,277,499 common shares outstanding and 4,291,513 share options outstanding.

Capital Spending and Development

The majority of the Company's capital expenditures on gaming operations in Nova Scotia and in British Columbia are eligible for reimbursement by the provincial gaming authorities.

In Nova Scotia, under the terms of the casino operating agreement with the Nova Scotia Provincial Lotteries and Casino Corporation ("NSPLCC"), the Company deposits to a Capital Reserve Account ("CR Account") $4.5 annually (adjusted for inflation annually). Prior to April 1, 2015, the Company deposited to the CR Account the greater of 5% of total revenues generated by the Nova Scotia Casinos and $5.0 annually (adjusted for inflation since 2010). When the Company undertakes qualifying capital expenditures, refurbishments, maintenance, upgrades and enhancements to the Casino Nova Scotia Halifax and Casino Nova Scotia Sydney, the provincial gaming authority approves the Company's reimbursement of such expenditures from the CR Account. For accounting purposes, the purchases made using funds from the CR Account are considered to be on behalf of the NSPLCC since on the eventual termination of the casino operating agreement, the NSPLCC has the right to repurchase for nominal consideration all of the equipment, land and buildings that were purchased using funds from the CR Account. Similarly NSPLCC records such CR Account purchases as long-lived fixed assets on its statement of financial position. If there are insufficient funds in the CR Account to reimburse the Company for a qualifying expenditure, the Company records a receivable from NSPLCC and earns interest income on that balance at the Canadian bank prime lending rate less 0.5% per annum until it is reimbursed.

In British Columbia, through the Facility Development Commission ("FDC") program, BCLC pre-approves and subsequently approves and reimburses "Approved Amounts" (a term defined in the Company's and its subsidiaries' operating services agreements with BCLC) of qualified, gaming-related expenditures, primarily capital in nature, that have been incurred by the Company and its subsidiaries. Reimbursement of the Approved Amounts under the terms of BCLC's FDC policy requires that the Company and its subsidiaries' operating agreements with BCLC remain in good standing and that sufficient Gross Gaming Revenues are generated. The FDC amounts that BCLC reimburses for Approved Amounts are calculated as a fixed percentage of Gross Gaming Revenues generated by the Company's and its subsidiaries' B.C. properties. The FDC reimbursement percentage that BCLC provides is currently 3% of the Gross Gaming Revenues from gaming activities. BCLC provides for an additional accelerated FDC reimbursement equal to 2% of the Gross Gaming Revenues that is intended to be a one-time reimbursement of the timely development or redevelopment of gaming facilities and additional entertainment amenities of significant value which may be completed through phases. BCLC considers accelerated FDC submissions for approval on a project-by-project basis.

BCLC has permitted the Company and certain of its BC subsidiaries to be considered a group for FDC purposes. That FDC group includes the Company and its subsidiaries that operate the River Rock Casino Resort, Hard Rock Casino Vancouver, Vancouver Island Casinos and Other BC Casinos. As a result, when one facility has been fully reimbursed for its BCLC approved, FDC eligible expenditures ("Approved Amounts"), the FDC received from BCLC that would have previously been applied to reimburse Approved Amounts of that gaming facility is instead applied as a reimbursement of Approved Amounts incurred by another gaming facility in the FDC group. BCLC accomplishes this in its records by transferring Approved Amounts from one facility to another within the BCLC approved FDC group. The Company, however, does not transfer these Approve Amounts between its facilities. For the financial reporting presentation of the property's or, where appropriate, groups of similar properties' results in the "Discussion of Results" section of this MD&A, the FDC received from BCLC is reflected as a component of revenues at the gaming facility that generated the Gross Gaming Revenues on which the FDC reimbursement percentage was applied.

The following table summarizes the changes in the Company's Approved Amounts (a term defined in the

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

Company's operating services agreements with BCLC) to be recovered by future FDC receipts from BCLC:

	Nine months ended September 30,	
	2015	2014
Opening Approved Amounts	**$ 346.5**	$ 380.9
Additional Approved Amounts	**18.2**	2.6
FDC receipts	**(28.0)**	(28.1)
Closing Approved Amounts	**$ 336.7**	$ 355.4

The difference between the FDC Additional Approved Amounts indicated above and the additions to property, plant and equipment during the same periods is partly due to the Company's non-gaming related (and therefore non-FDC qualified) expenditures as well as the timing differences between when an FDC eligible expenditure is incurred, when the related invoices are received, and when they are submitted to BCLC for approval.

The following table summarizes the Company's consolidated maintenance and development capital expenditures net of accounts payable for the third quarter and first nine months of 2015:

	Third Quarter		First Nine Months	
	2015	2014	**2015**	2014
Maintenance capital expenditures net of related accounts payable	**$ 1.2**	$ 0.3	**$ 3.4**	$ 1.8
Development capital expenditures net of related accounts payable	**2.5**	2.7	**7.6**	9.9
Total capital expenditures net of related accounts payable	**$ 3.7**	$ 3.0	**$ 11.0**	$ 11.7

Maintenance capital expenditures were primarily related to various property and infrastructure upgrades. Development capital expenditures during the third quarter and first nine months of 2015 were primarily related to the renovation of the high limit baccarat areas at River Rock and Hard Rock Casino Vancouver as well as the redevelopment of the casino at Fraser Downs. For the upcoming three months of 2015, the Company estimates that maintenance capital expenditures and development capital expenditures net of related accounts payable will total approximately $2.3 and $6.5, 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 $28.0 as at September 30, 2015 (December 31, 2014 - $28.0).

Litigation

The Company is subject to legal proceedings, claims and investigations in the ordinary course of business. Liabilities related to such matters are recorded when it is both probable that a liability has been incurred and the amount of the liability can be reasonably estimated. All legal costs associated with litigation are expensed as incurred.

On March 26, 2015, the Company commenced a legal action against BCLC in relation to a dispute over the collection of marketing contributions by BCLC from the Company since 2010. The Company takes the position that BCLC was not entitled to collect the marketing contributions and alleges the total of such amounts collected from it to December 31, 2014, is $18.0. The Company is seeking damages from BCLC in an amount equal to the total of such marketing contributions collected by BCLC to the date of judgement.

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

With the exception of the business transition and asset purchase agreement signed with OLG on September 8, 2015 as described in the "Major Developments - Ontario - Request for Gaming Service Providers" section of this MD&A, there were no material changes outside of the Company's ordinary course of business that affected the Company's contractual obligations for the first nine months of 2015.

Future Cash Requirements

Management believes that the Company's current operational requirements, major development and business acquisition 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

Accounting standards, amendments and interpretations effective and applied

Effective January 1, 2015, the Company adopted the following revised IASs and IFRSs issued by the International Accounting Standards Board ("IASB"). These revised standards and interpretation did not have a material impact on the Company's condensed interim consolidated financial statements.

- *IFRS 8, Operating Segments* – amended to require the disclosure of the judgments made by management in applying the aggregation criteria to operating segments and to clarify that the reconciliation of the segment assets is required if they are regularly provided to the chief operating decision-maker. It is effective for annual periods beginning on or after July 1, 2014.

- *IFRS 13, Fair Value Measurement ("IFRS 13")* – the Basis of Conclusions was amended to clarify that issuing IFRS 13 and amending IFRS 9, *Financial Instruments* ("IFRS 9") and IAS 39, *Financial Instruments: Recognition and measurement* ("IAS 39") did not remove the ability to measure certain short-term receivables and payables on an undiscounted basis. IFRS 13 was also amended to clarify the scope of the portfolio exception. It is effective for annual periods beginning on or after July 1, 2014.

- *IAS 16, Property, Plant and Equipment ("IAS 16") and IAS 38, Intangible assets ("IAS 38")* – amended to clarify that, under the revaluation method, the gross amount of property, plant and equipment and intangible asset is adjusted in a manner consistent with the revaluation of the carrying amount of the asset. Accumulated amortization is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses as a result of the revaluation. It is effective for annual periods beginning on or after July 1, 2014.

- *IAS 24, Related Party Disclosures* – amended to clarify how payments to entities providing management services to the Company are to be disclosed. It is effective for annual periods beginning on or after July 1, 2014.

Accounting standards, amendments and interpretations not yet effective and not applied

The IASB issued the following new and revised accounting pronouncements. The Company does not anticipate early adoption of these standards at this time and they are not expected to have a material impact on the Company's condensed interim consolidated financial statements.

- *IFRS 10, Consolidated Financial Statements ("IFRS 10") and IAS 28, Investment in Associates and Joint Ventures ("IAS 28")* – amended to require full recognition in the investor's financial statements of gains and losses arising on the sale or contribution of assets that constitute a business and to require partial recognition of gains and losses where the assets do not constitute a business. It is effective for annual periods beginning on or after January 1, 2016.

- *IFRS 10, IFRS 12, Disclosure of Interests in Other Entities, and IAS 28* – amended to address issues that have arisen in the context of applying the consolidation exception for investment entities. It is effective for annual periods beginning on or after January 1, 2016.

- *IAS 1, Presentation of Financial Statements ("IAS 1")* – amended to clarify IAS 1 to address perceived impediments to preparers exercising their judgment in presenting their financial reports. It is effective for annual periods beginning on or after January 1, 2016.

- *IFRS 5, Non-current Assets Held for Sale and Discontinued Operations* – amended to add specific guidance for cases in which an entity reclassifies an asset from held for sale to held for distribution to its owners, or vice versa, and cases in which held-for-distribution accounting is discontinued. It is effective for annual periods beginning on or after July 1, 2016.

- *IFRS 7, Financial Instruments - Disclosure* – amended to clarify whether a servicing contract is continuing involvement in a transferred asset and to clarify offsetting disclosure requirements in condensed interim financial statements. It is effective for annual periods beginning on or after July 1, 2016.

- *IAS 19, Employee Benefits* – amended to clarify that the high quality corporate bonds used to estimate the discount rate for post-employment benefits should be issued in the same currency as the benefits to be paid. It is effective for annual periods beginning on or after July 1, 2016.

- *IAS 34, Interim Financial Reporting* – amended to clarify the meaning of "elsewhere in the interim report" and require a cross-reference. It is effective for annual periods beginning on or after July 1, 2016.

- *IFRS 15, Revenue from Contracts with Customers* – provides a single, principles based five-step model to be applied to all contracts with customers. Guidance is provided on the point in which revenue is recognized, accounting for variable consideration, costs of fulfilling and obtaining a contract and various other matters. New disclosures about revenue are also introduced. It is effective for annual periods beginning on or after January 1, 2018.

- *IFRS 9* – replaces IAS 39. IFRS 9 introduces limited amendments to classification and measurement for financial assets, a new expected loss impairment model and a new hedge accounting model. It is effective for annual periods beginning on or after January 1, 2018.

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 Company's Annual Financial Statements contain a summary of the Company's significant accounting policies and accounting estimates. The Company's Condensed Interim Financial Statements highlight additional new significant accounting policies and estimates, if any, that are not already described in the Annual Financial Statements. 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 Annual Financial Statements are those relating to the impairment of long-lived assets and goodwill, estimated useful lives of long-lived assets, equity-settled and cash-settled share-based compensation, income taxes, contingencies, determination of CGUs and segment reporting. 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 – 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.

- Horse racing in Ontario – effective April 1, 2014, racetrack revenues includes the Company's share of pari-mutuel wagering revenue as a result of signing the Standardbred Alliance agreements. From April 1, 2013 to March 31, 2014, racetrack revenues included transition funding for horse racing received from the Government of Ontario.

- 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 – gaming revenues are approximately equal to 52.24% of total revenues, plus an additional 47.76% of non-gaming revenues after deduction of the capital reserve contribution ("CRC"). The CRC is $4.5 per year and was $5.0 per year prior to April 1, 2015 (adjusted for inflation in each year since 2010). In addition, the Company is entitled to receive additional Operator Fees equal to the lesser of $1.3, or 10% of leased slot machine revenues. Effective April 1, 2015, the Company is also entitled to receive additional Operator's Fee equal to an annual Marketing Fund Contribution provided the Company satisfies certain criteria related to its marketing spend or revenues growth.

- Facility Development Commission ("FDC") – BCLC reimburses Approved Amounts (a term defined in the Company's operating services agreements with BCLC) of qualified gaming-related expenditures, primarily capital in nature, that have been incurred by the Company. The FDC amounts that BCLC reimburses for Approved Amounts are calculated as a fixed percentage of Gross Gaming Revenues generated by the BC properties. The FDC reimbursement percentage is currently 3% of the Gross Gaming Revenues from gaming activities. Subject to approval, BCLC may also provide for an additional accelerated FDC reimbursement equal to 2% of the Gross Gaming Revenues that is intended to be a one-time reimbursement of the timely development or redevelopment of gaming facilities and additional entertainment amenities of significant value which may be completed through phases.

- Hospitality, lease and other revenues – food and beverage revenues, hotel revenues, and other revenues such as: ATM commissions, lease 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, lease 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

	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014
Gaming Revenues					
River Rock Casino Resort	$ 33.7	$ 32.9	$ 33.8	$ 38.7	$ 36.4
Hard Rock Casino Vancouver	10.4	10.2	10.0	9.6	9.5
Vancouver Island Casinos	7.6	7.4	7.4	7.4	7.4
Other BC Casinos	4.0	3.8	3.9	3.9	3.8
Nova Scotia Casinos	10.6	9.3	7.4	8.6	9.8
Great American Casinos	6.9	6.6	7.0	6.8	5.6
BC Racinos	5.2	5.0	5.2	4.9	5.0
	78.4	**75.2**	**74.7**	**79.9**	**77.5**
Facility Development Commission					
River Rock Casino Resort	4.8	4.8	4.9	5.4	5.2
Hard Rock Casino Vancouver	1.7	1.6	1.6	1.6	1.5
Vancouver Island Casinos	1.2	1.2	1.2	1.2	1.2
Other BC Casinos	0.8	0.7	0.8	0.8	0.7
BC Racinos	0.9	0.9	1.0	0.7	0.9
	9.4	**9.2**	**9.5**	**9.7**	**9.5**
Hospitality, Lease and Other Revenues					
River Rock Casino Resort	13.6	13.2	11.3	12.7	11.9
Hard Rock Casino Vancouver	2.2	2.6	2.6	3.0	2.4
Vancouver Island Casinos	1.2	1.1	1.1	1.1	1.0
Other BC Casinos	1.1	1.1	1.1	1.1	0.9
Nova Scotia Casinos	1.8	1.6	1.6	1.8	1.8
Great American Casinos	2.2	2.1	2.3	2.2	1.9
BC Racinos	2.1	1.8	1.4	1.5	2.1
Ontario Racetracks	5.2	5.1	5.2	5.2	5.1
	29.4	**28.6**	**26.6**	**28.6**	**27.1**
Racetrack Revenues					
BC Racinos	2.6	2.6	2.1	2.4	2.7
Ontario Racetracks	1.2	1.2	1.2	1.2	1.2
	3.8	**3.8**	**3.3**	**3.6**	**3.9**
Promotional Allowances	(7.2)	(5.9)	(6.1)	(6.1)	(5.7)
Revenues	**$ 113.8**	**$ 110.9**	**$ 108.0**	**$ 115.7**	**$ 112.3**
EBITDA					
River Rock Casino Resort	$ 27.4	$ 28.2	$ 25.1	$ 31.3	$ 29.4
Hard Rock Casino Vancouver	4.1	4.8	4.1	3.9	3.8
Vancouver Island Casinos	5.4	5.2	5.0	4.8	5.0
Other BC Casinos	2.7	2.5	2.7	2.7	2.6
Nova Scotia Casinos	4.1	2.9	1.2	2.5	3.5
Great American Casinos	1.9	2.1	2.2	2.1	0.9
BC Racinos	2.5	2.2	1.8	1.6	2.0
Ontario Racetracks	3.4	3.5	3.5	3.3	3.4
Corporate & Other	(4.0)	(4.5)	(4.5)	(5.2)	(5.1)
	$ 47.5	**$ 46.9**	**$ 41.1**	**$ 47.0**	**$ 45.5**