GREAT CANADIAN GAMING CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended
December 31, 2017

(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, market update, 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 March 4, 2018.

This MD&A should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2017 ("Annual Financial Statements"). The Annual Financial Statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). 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 ("Property Group") 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.

Except as otherwise noted in this MD&A, Adjusted 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, business acquisition, restructuring and other, and foreign exchange gain and other. Adjusted EBITDA is derived from the consolidated statements of earnings and other comprehensive income, and can be computed as revenues less human resources expenses and property, marketing and administration expenses plus the share of profit of equity investments relating to principal operating entities. We believe Adjusted EBITDA is a useful measure because it provides information to management about the ongoing 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. Adjusted EBITDA is also used by the investors and analysts for the purpose of valuing the Company. A reconciliation of Adjusted EBITDA to shareholders' net earnings under IFRS is shown in the "Consolidated Results of Operations" section of this MD&A.

Adjusted shareholders' net earnings, as defined by the Company, means shareholders' 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 pre-opening costs, restructuring severance costs, impairment reversal of long-lived assets, Facility Development Commission ("FDC") revenues previously deferred at Casino Nanaimo, other and income taxes on the above items of note. A reconciliation between shareholders' net earnings and adjusted shareholders' net earnings is presented in the "Other Financial Information" section of this MD&A. Adjusted shareholders' net earnings per common share is defined as adjusted shareholders' 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 pay 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.
- 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 historical trends and other factors. Forward-looking statements are frequently but not always identified by words such as "expects", "anticipates", "believes", "intends", "estimates", "potential", "targeted", "planned", "possible" or similar expressions or statements that events, conditions or results "will", "may", "could" or "should" occur or be achieved. 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 objectives, expected future expenditures, costs, operating and financial results, expected impact of future commitments, 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 impact of conditions imposed on certain VIP players in British Columbia, the impact of unionization activities, the Company's position on its claim against the British Columbia Lottery Corporation ("BCLC") with respect to the collection of marketing contributions, the Company's beliefs about the outcome of its notices of objection and subsequent appeals 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, the Company's expected share of BC horse racing industry revenue in future years, and expectations and implications of changes in legislation and government policies, volatile gaming holds, the effects of competition in the market and potential difficulties in employee retention and recruitment. 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 (including those related to anti-money laundering legislation or policy that may impact

VIP play), volatile gaming holds, the effects of competition in the market; the development of properties in Ontario and transitioning of operations to the Company and affiliates; the Company's ability to obtain and renew required business licenses, leases, and operational services agreements; unanticipated fines, sanctions and suspensions imposed on the Company by its regulators; impact of global liquidity and credit availability; actual and possible reassessments of the Company's prior tax filings by tax authorities; the results of the Company's notices of objection and subsequent appeals challenging reassessments received by the Canada Revenue Agency; the Company's tax position on its facility development commission prevailing; the results of the Company's litigation with BCLC; 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 in jurisdictions where it operates; 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; the risk associated with partnership relationship; First Nations rights with respect to some land on which the Company conducts 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; demand for new products and services; fluctuations in operating results; economic uncertainty and financial market volatility; technology dependence; and privacy breaches or 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 2017, and as identified in the Company's disclosure record on SEDAR at www.sedar.com.

The forward-looking information in documents incorporated by reference speaks only as of the date of those documents. The Company believes that the expectations reflected in forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct. Readers are cautioned not to place undue reliance on the forward-looking information. 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.

FINANCIAL HIGHLIGHTS

	Three months ended December 31, 2017	2016	% Chg	Twelve months ended December 31, 2017	2016	% Chg	2015	% Chg
Gaming revenues [1]	**$ 108.0**	$ 100.3	8%	**$ 446.9**	$ 403.2	11%	$ 313.9	28%
Facility Development Commission	**9.6**	9.0	7%	**39.1**	37.4	5%	36.9	1%
Hospitality, lease and other revenues	**41.6**	40.5	3%	**162.8**	153.3	6%	127.8	20%
Racetrack revenues [2]	**2.9**	3.1	(6%)	**12.1**	13.0	(7%)	12.0	8%
	162.1	152.9	6%	**660.9**	606.9	9%	490.6	24%
Less: Promotional allowances	**(11.1)**	(9.9)	(12%)	**(46.6)**	(40.5)	15%	(27.7)	(46%)
Revenues	**151.0**	143.0	6%	**614.3**	566.4	8%	462.9	22%
Human resources	**56.7**	51.1	11%	**218.3**	202.4	8%	165.0	23%
Property, marketing and administration[1]	**45.8**	45.3	1%	**175.8**	157.7	11%	119.8	32%
Share of profit of equity investment [2][3]	**(0.7)**	(0.6)	(17%)	**(2.8)**	(2.6)	(8%)	(2.5)	(4%)
	101.8	95.8	6%	**391.3**	357.5	9%	282.3	27%
Adjusted EBITDA [4]	**$ 49.2**	$ 47.2	4%	**$ 223.0**	$ 208.9	7%	$ 180.6	16%
Human resources as a % of Revenues before Promotional allowances	**35.0%**	33.4%		**33.0%**	33.3%		33.6%	
Adjusted EBITDA as a % of Revenues	**32.6%**	33.0%		**36.3%**	36.9%		39.0%	
Less:								
Amortization	**15.3**	13.6		**58.3**	54.7		40.1	
Share-based compensation	**2.2**	1.6		**8.1**	6.7		4.3	
Impairment reversal of long-lived assets	**-**	-		**(0.9)**	-		-	
Interest and financing costs, net	**8.2**	8.6		**33.9**	34.9		31.6	
Business acquisition, restructuring and other[3]	**2.3**	2.2		**3.3**	7.3		6.9	
Foreign exchange gain and other	**(0.1)**	(0.5)		**-**	(0.3)		(4.6)	
Income taxes	**8.4**	6.2		**34.6**	29.0		27.8	
Net earnings	**$ 12.9**	$ 15.5	(17%)	**$ 85.7**	$ 76.6	12%	$ 74.5	3%
Net earnings attributable to:								
Shareholders of the company	**$ 12.9**	$ 15.6	(17%)	**$ 84.3**	$ 75.7	11%	$ 74.6	1%
Non-controlling interests	**-**	(0.1)	100%	**1.4**	0.9	56%	(0.1)	
	$ 12.9	$ 15.5	(17%)	**$ 85.7**	$ 76.6	12%	$ 74.5	3%
Shareholders' net earnings per common share								
Basic	**$ 0.21**	$ 0.26		**$ 1.38**	$ 1.22		$ 1.10	
Diluted	**$ 0.21**	$ 0.25		**$ 1.35**	$ 1.20		$ 1.08	
Weighted average number of common shares (in thousands)								
Basic	**60,870**	60,747		**61,157**	61,895		67,664	
Diluted	**62,433**	62,049		**62,356**	62,963		69,151	
Adjusted shareholders' net earnings [4]	**$ 14.8**	$ 16.2	(9%)	**$ 86.4**	$ 78.9	9%	$ 77.8	1%

	December 31, 2017	December 31, 2016	% Chg	December 31, 2015	% Chg
Cash and cash equivalents	**$ 322.3**	$ 228.7	41%	$ 207.5	10%
Total assets	**$ 1,171.4**	$ 1,083.7	8%	$ 998.1	9%
Long-term debt	**$ 482.6**	$ 478.3	1%	$ 443.0	8%

(1) Consistent with the presentation for the years ended December 31, 2017 and 2016, municipal gaming taxes paid in Washington State of $3.7 previously presented as a reduction of "gaming revenues" on the consolidated statements of earnings and other comprehensive income for the twelve months ended December 31, 2015 have been retrospectively reclassified to "property, marketing and administration expenses".

(2) Consistent with the presentation for the years ended December 31, 2017 and 2016, the Company's share of profit of TBC Teletheatre B.C. ("TBC") of $2.5 previously included in "racetrack revenues" for the twelve months ended December 31, 2015 have been retrospectively reclassified to "share of profit of equity investment" on the consolidated statements of earnings and other comprehensive income. This amount represents the Company's portion of TBC's net earnings that flow through the shared B.C. Horseracing Industry Fund.

(3) In calculating Adjusted EBITDA, as defined under the "Non-IFRS Measures" section of this MD&A, "share of profit of equity investment" does not include the loss of $1.8 relating to the Company's share of OGGTA's transition costs incurred for the GTA Gaming Bundle, which has been classified under "Business acquisition, restructuring and other" instead.

(4) Adjusted EBITDA and Adjusted shareholders' net earnings are non-IFRS measures and are defined in the "Non-IFRS Measures" section of this MD&A. Adjusted shareholders' net earnings is reconciled to shareholders' net earnings in the "Other Financial Information" section of this MD&A.

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

Revenues

For the twelve months of 2017, the Company recorded revenues of $614.3, a $47.9 or 8% increase from the twelve months ended December 31, 2016. The increase was primarily due to additional revenues attributable to Shorelines Casino Belleville, which began operations on January 11, 2017, and a full twelve months of revenues from Shorelines Slots at Kawartha Downs and Shorelines Casino Thousand Islands, which were acquired by the Company and rebranded as Shorelines on January 11, 2016. Revenues also increased at each of the Company's Property Groups, except for River Rock Casino Resort ("River Rock").

For the twelve months of 2016, the Company recorded revenues of $566.4, a $103.5 or 22% increase from the twelve months ended December 31, 2015. The increase was primarily due to the additional revenues attributable to the acquisitions of Casino New Brunswick on October 1, 2015 and Shorelines Casino Thousand Islands and Shorelines Slots at Kawartha Downs (the "Shorelines Casinos") on January 11, 2016. Revenues also increased at each of the Company's Property Groups, excluding River Rock. River Rock has seen a reduction in table drop since the end of the third quarter of 2015 when certain new conditions on using cash came into effect.

For the fourth quarter of 2017, the Company recorded revenues of $151.0, an $8.0 or 6% increase from the three months ended December 31, 2016. The increase was primarily due to the addition of revenues from the Shorelines Casino Belleville, and increased revenues from the Atlantic Casinos as a result of new marketing initiatives. Revenues increased at most of the Company's Property Groups during this period, with the exception of Other Vancouver Area Casinos and Great American Casinos.

The following table summarizes the Company's consolidated revenues for the years ended December 31, 2017, 2016, and 2015:

	Twelve Months of		
	2017	2016	2015
Gross Gaming Revenues	**$ 1,181.6**	$ 1,085.2	$ 894.9
Facility Development Commission	**39.1**	37.4	36.9
Hospitality, lease and other revenues	**162.8**	153.3	127.8
Racetrack revenues [(1)]	**12.1**	13.0	12.0
	1,395.6	1,288.9	1,071.6
Less:			
Provincial government portion of Gross Gaming Revenues [(2)]	**(734.7)**	(682.0)	(581.0)
Promotional allowances	**(46.6)**	(40.5)	(27.7)
Revenues	**$ 614.3**	$ 566.4	$ 462.9

(1) The Company's share of profit of TBC of $2.5 previously included in "racetrack revenues" for the twelve months ended December 31, 2015, has been retrospectively reclassified to "share of profit of equity investment" on the consolidated statements of earnings and other comprehensive income. This revised presentation provides more useful comparative information regarding the Company's operating financial performance.

(2) Municipal gaming taxes of $3.7 previously presented as a "provincial/state government portion of Gross Gaming Revenues" for the twelve months ended December 31, 2015 has been retrospectively reclassified to "property, marketing and administration expenses". This revised presentation provides more useful comparative information regarding the Company's operating financial performance.

Adjusted EBITDA

The 7% increase in Adjusted EBITDA in the twelve months of 2017 when compared to the same period of 2016 was primarily due to the additional revenues from Shorelines Casino Belleville, as well as Adjusted EBITDA improvements at the majority of the Company's Property Groups except River Rock and Great American Casinos.

The 16% increase in Adjusted EBITDA in the twelve months of 2016 when compared to the same period of 2015 was primarily due to the additional revenues from Casino New Brunswick and the Shorelines Casinos, as well as Adjusted EBITDA improvements at all property groups except River Rock.

Adjusted EBITDA for the fourth quarter of 2017 increased by $2.0, or 4%, when compared to the same period in 2016, primarily due to contributions from the Shorelines Casinos and improvements at the majority of the Company's Property Groups, with the exception of River Rock, Vancouver Island Casinos, and Great American Casinos.

Shareholders' net earnings
Shareholders' net earnings of $84.3 in the twelve months of 2017 increased by 11% when compared to the same period in 2016, primarily due to the increase in Adjusted EBITDA and a decrease in business acquisition, restructuring and other costs, partially offset by increases in income taxes and amortization.

Shareholders' net earnings of $75.7 in the twelve months of 2016 increased by 1% when compared to the same period of 2015. The increase in Adjusted EBITDA was partially offset by increases in amortization, interest and financing costs, net, and share-based compensation.

Shareholders' net earnings of $12.9 for the fourth quarter of 2017 was 17% lower, when compared to the same period in 2016. Higher income taxes and amortization more than offset the increase in Adjusted EBITDA.

Adjusted shareholders' net earnings
The Company's adjusted shareholders' net earnings decreased by $1.4 or 9% in the three months ended December 31, 2017, and increased by $7.5 or 9% in the twelve months ended December 31, 2017, when compared to the same periods in 2016. A reconciliation of shareholders' net earnings to adjusted shareholders' net earnings is presented in the "Other Financial Information" section of this MD&A.

MAJOR DEVELOPMENTS

British Columbia

View Royal Casino
On December 21, 2017, the first phase of renovations at View Royal was completed, which includes the expansion of the casino gaming floor. During the renovations in 2017, a number of slot machines were removed but were restored by the end of the year. Renovations are expected to be complete in the first half of 2018. New features will include new and modern dining options such as a buffet, casual lounge and bar, a multi-purpose entertainment venue that will accommodate up to 600 guests, and an expansion of the gaming floor with up to 12 new live dealer table games and up to an additional 350 slot machines and electronic table games. When the expansion is complete, View Royal Casino will be rebranded as Elements Casino Victoria.

River Rock
During 2017, River Rock enhanced its gaming and non-gaming amenities, including a refresh of the Salon Privé area, a new private gaming room, VIP lounge, VIP slot area, and Starbucks Evenings. The Starbucks Evenings is a Starbucks location licensed to serve a selection of alcoholic beverages and small plates, and the addition to River River Rock is the second location of this type to open in British Columbia. During the renovation, a number of slot machines were removed but were restored by the end of the year. On February 1, 2018, River Rock launched a "Grand Reveal Celebration" to unveil its refreshed casino floor.

Victoria
On July 8, 2016, BCLC announced that it had selected the City of Victoria as the preferred host local government for a gaming facility proposal in the Greater Victoria region. BCLC will develop a gaming facility to suit the market in the City of Victoria with the View Royal Casino remaining the primary facility in the marketplace. The decision on the size and scope of the new facility will be based on redevelopment plans for the View Royal Casino. The Company has been shortlisted for a request for proposal ("RFP") to operate the potential casino and entertainment facility in Victoria.

The City of Victoria is also where the Company's former Mayfair casino was located, and closed in 2002. The Casino Operating and Services Agreement ("COSA") for Mayfair was placed in abeyance by BCLC in February 2002. BCLC, the Province of British Columbia and the Company are parties to a casino relocation agreement regarding the Mayfair COSA and its redeployment, subject to compliance with the prevailing BCLC relocation policy.

The relocation of a casino or community gaming facility in any community is a complex process with many stakeholders to consider and many approvals required to be obtained, including BCLC, which has advised that its position is that the Company has no preferential right to be named as service provider. As such, there can be no assurance that a relocation of the Mayfair COSA will result, despite the Company's intention to relocate the Mayfair COSA. It is possible that the relocation of that agreement may not occur in connection with the process that has been initiated by BCLC.

BCLC Source of Funds Procedures

On January 10, 2018, BCLC enacted new procedures regarding buy-ins of $10,000 (ten thousand dollars) or more at all BC casinos and for all players. All cash, bank drafts and certified cheques of $10,000 (ten thousand dollars) or more, in one or more transactions over a 24-hour period, require a bank receipt. The original receipt must be from the same day of the transaction and display the financial institution, branch number, and account number. This information is required prior to a customer's buy-in and is subject to daily BCLC review.

Ontario

Greater Toronto Area Gaming Bundle

On August 8, 2017, the Company announced that Ontario Gaming GTA Limited Partnership ("OGGTA"), a partnership in which the Company now owns a 49% interest, was selected as the successful proponent by the Ontario Lottery and Gaming Corporation ("OLG") to operate gaming facilities in OLG's Greater Toronto Area ("GTA Gaming Bundle"). OGGTA signed a business transition and asset purchase agreement with OLG on August 7, 2017 and signed a casino operating and services agreement on January 23, 2018, with a minimum 22-year term. Under the business transition and asset purchase agreement, OGGTA acquired certain of OLG's gaming assets in the GTA Gaming Bundle, including OLG Slots at Woodbine, OLG Slots at Ajax Downs and Great Blue Heron Casino located in the Mississaugas of Scugog Island First Nation. The purchase price for such assets was $169.2 of cash consideration, including working capital of approximately $63.5 (subject to customary post-close adjustments) and applicable taxes arising from the transaction.

As at December 31, 2017, OGGTA had arranged for a letter of credit in the amount of $10.0 in favour of OLG to assure OGGTA's performance of transition activities relating to the business and the closing of the transaction. Subsequent to year end, OGGLP replaced the $10.0 letter of credit to OLG with a $50.0 letter of credit to satisfy the partnership's performance obligations under the COSA.

The Company will manage the property developments and operations of OGGTA through a development services agreement and a management services agreement. The Company will earn associated fees for providing these services.

West GTA Gaming Bundle

On December 19, 2017, the Company announced that Ontario Gaming West GTA Limited Partnership ("OGWGLP"), a partnership in which the Company holds a 55% interest, was selected as the successful proponent by OLG to operate certain gaming facilities in the West Greater Toronto Area ("West GTA Gaming Bundle"). The Partnership signed a business transition and asset purchase agreement with OLG on December 18, 2017 to acquire all the gaming assets in the West GTA Gaming Bundle, and will have the exclusive right to operate these assets for a minimum period of 20 years, in accordance with the requirements of a casino operating and services agreement ("COSA"). The closing date for the acquisition of the assets and assumption of certain liabilities from OLG, including the signing of a COSA with OLG, is expected to occur in the second quarter of 2018. Closing is subject to regulatory approvals and other customary conditions. In conjunction with the closing, the Company will enter into a management services agreement and a casino development services agreement with OGWGLP under which the Company will earn associated fees for the provision of such services.

The West GTA Gaming Bundle is comprised of OLG Casino Brantford, OLG Slots at Mohawk Racetrack, OLG Slots at Flamboro Downs and OLG Slots at Grand River Raceway. These facilities have a combined total of over 2,500 slot machines, approximately 60 table games, employ more than 1,400 staff, and generated approximately $425 million in Gross Gaming Revenue for the fiscal year ended March 31, 2017.

East Gaming Bundle

On January 11, 2017, Ontario Gaming East Limited Partnership ("OGELP") opened the newly built Shorelines Casino Belleville. Located in Belleville, Ontario, this new casino was designed to service that city and surrounding region. This property is the only newly built casino in the province of Ontario in the past 10 years.

OGELP has continued to implement their comprehensive development plan for the East Gaming Bundle, including renovations and new slot machines at both Shorelines Casino Thousand Islands and Shorelines Slots at Kawartha Downs. Implementation of the new gaming management system ("GMS") was completed at Shorelines Casino Thousand Islands in July 2017.

During the third quarter of 2017, the Company started construction of the new Shorelines Casino Peterborough, which is expected to complete in the second half of 2018 and will replace the current Shorelines Slots at Kawartha Downs.

Great Canadian manages the property developments and operations of OGELP through a development services agreement and a management services agreement with OGELP. Great Canadian earns associated fees from OGELP for providing these services.

Niagara Gaming Bundle

In April 2017, the Company was notified by OLG that it is pre-qualified to submit a RFP for Gaming Bundle 8 (Niagara) (the "Niagara Gaming Bundle"). The Company chose not to submit a RFP for the Niagara Gaming Bundle.

Central Gaming Bundle

In March 2017, the Company was notified by OLG that it is pre-qualified to submit a RFP for Gaming Bundle 7 (Central) (the "Central Gaming Bundle"). The Company chose not to submit a RFP for the Central Gaming Bundle.

Ottawa Area Gaming Bundle

In February 2017, the Company submitted a bid on the Ottawa Area Gaming Bundle, but was not awarded the bundle.

Washington

Des Moines

Great American Casino Des Moines opened on May 18, 2017. The new card room has up to 15 table games and offers high-end baccarat play. It also features a dining area and lounge that can seat up to 70 people.

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

Labour Relations

The Company employs unionized employees at eight of its properties. Below is a summary of the collective bargaining units in place and the status of negotiations as at December 31, 2017.

Facility	Employee Group	Union	Term of Collective Agreement	Status
British Columbia				
River Rock Casino Resort	Two units of employees: Gaming and some hospitality; security employees	BC Government and Service Employees' Union	September 25, 2017 to September 24, 2021	A first collective agreement was ratified on September 25, 2017.
Hard Rock Casino Vancouver	Two units of employees: Gaming and culinary; security employees	BC Government and Service Employees' Union	N/A	Subsequent to 2017, union voted in favour of a strike in February 2018. Bargaining is ongoing.
Hastings Racecourse and Slots	Employees, excluding food and beverage employees	Canadian Office and Professional Employees Union, Local 378 (doing business as MoveUP)	August 1, 2012 - December 31, 2014	Collective Bargaining commenced in January 2017 and talks continued up to January 26, 2018. Strike Notice from the Union and subsequent Lockout Notice from the Employer was issued in December 2017. No further talks are scheduled at this time.
	Food and beverage employees	Unite Here, Local 40	January 1, 2011 - June 30, 2016	Collective bargaining has not been initiated.
Ontario				
Georgian Downs	Mutuels, housekeeping, facilities (maintenance and track), money room, and food and beverage employees	Public Service Alliance of Canada, Local 00500	September 18, 2015 - December 31, 2017	Bargaining commenced on February 23, 2018 and is ongoing.
Flamboro Downs	Mutuels, housekeeping/facilities, food and beverage, and security employees	Service Employees International Union, Local 2	January 1, 2017 - December 31, 2019	A new collective agreement was ratified on August 8, 2017.
Shorelines Casino Thousand Islands	Hourly Security Officers	Teamsters, local 91	November 1, 2017 - October 31, 2020	A new collective agreement was ratified on December 19, 2017.
Shorelines Slots at Kawartha	Hourly non-supervisory employees, excluding security and surveillance, office and clerical staff	Service Employees International Union, Local 2	May 16, 2017 - May 15, 2018	A new collective agreement was ratified, retroactive to May 16, 2017.
Nova Scotia				
Casino Nova Scotia Halifax	The "main unit" consisting of all full-time and regular part-time employees	SEIU, Local 902	February 1, 2015 - January 31, 2018	Bargaining commenced January 26, 2018 and is ongiong.
	Security employees	SEIU, Local 902	February 1, 2015 - January 31, 2018	Tentative bargaining dates are planned for April 2018.

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

BUSINESS DESCRIPTION

General

The Company operates gaming, entertainment, and hospitality facilities in British Columbia, Ontario, New Brunswick, Nova Scotia and Washington State. As at December 31, 2017, the Company's 22 gaming properties consisted of 14 casinos, including a Four Diamond resort hotel in Richmond, British Columbia and a four star hotel in Moncton, New Brunswick, four horse racetrack casinos, three community gaming centres and one commercial bingo hall. The Company opened the new Shorelines Casino Belleville on January 11, 2017 and Great American Casino Des Moines on May 18, 2017. In Canada, the Company operates its casinos both within managed markets that feature high barriers to entry and under agreements as service providers with provincial lottery corporations. As at December 31, 2017, the Company had approximately 5,800 employees.

The Company is expanding its operations in Ontario. On January 23, 2018, the Company acquired the assets and operations of the OLG's gaming facilities in the GTA Gaming Bundle, which consists of the OLG Slots at Woodbine, OLG Slots at Ajax Downs, and Great Blue Heron Casino. On December 19, 2017, the Company was selected as the successful proponent by the OLG to operate certain gaming facilities in the West GTA Gaming Bundle, which consists of the OLG Slots at Mohawk Racetrack, OLG Casino Brantford, OLG Slots at Flamboro Downs, and OLG Slots at Grand River Raceway.

Information on the Canadian and Washington State gaming industries, regulatory environment and the Company's operating agreements in these jurisdictions are included in the Annual Information Form located on the SEDAR website at www.sedar.com or on the Company's website at www.gcgaming.com.

The Company's principal operating entities as at December 31, 2017 and 2016 were:

	Ownership interest at	
Entity	**December 31, 2017**	December 31, 2016
Chilliwack Gaming Ltd.	100%	100%
Flamboro Downs Limited	100%	100%
Georgian Downs Limited	100%	100%
Great American Gaming Corporation	100%	100%
Great Canadian Casinos Inc.	100%	100%
Great Canadian Entertainment Centres Ltd.	100%	100%
Great Canadian Gaming (New Brunswick) Ltd.	100%	100%
Hastings Entertainment Inc.	100%	100%
Metropolitan Entertainment Group	100%	100%
Ontario Gaming East Limited Partnership	90.5%	90.5%
Orangeville Raceway Limited	100%	100%
TBC Teletheatre B.C.	50%	50%

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

Operations

The following table summarizes the Company's casino operations as at December 31, 2017:

Facility and Location	Year Built/ Renovated	Additional Facilities and Activities	Slot Machines	Table Games	Operational Services Agreements Initial / Renewal Term Expiry Dates
British Columbia [1]					
River Rock Casino Resort, Richmond, BC[2]	2017	2 hotels with 396 rooms, 1,000 seat show theatre, 7 dining options, conference facilities, pool/spa, Racebook[3], marina, 32 Touch Bet Roulette terminals	1,263	117	June 23, 2024
Hard Rock Casino Vancouver, Coquitlam, BC	2013	1,051 seat show theatre convertible to 729 seat cabaret with dance floor, 7 dining options, Racebook[3], 28 Touch Bet Roulette terminals	931	49	November 16, 2025
Elements Casino (Surrey), Surrey, BC	2015	4 dining options, 12 Touch Bet Roulette terminals, banquet room, Racebook[3]	543	24	March 31, 2024
Hastings Racecourse and Slots Facility (Thoroughbred Racing), Vancouver, BC	2008	3 dining options[4], concession, Racebook[3]	536	-	November 9, 2019
View Royal Casino, Victoria, BC[5]	2017	2 dining options, 4 Touch Bet Roulette terminals	555	19	February 28, 2021
Casino Nanaimo, Nanaimo, BC	2017	1 dining option, Racebook[3]	409	13	February 28, 2021
Bingo Esquimalt, Esquimalt, BC	2016	Bingo, 1 dining option	-	-	May 31, 2021
Chances Chilliwack, Chilliwack, BC	2012	Bingo, 1 dining option, 1 electronic table gaming device, meeting room, outdoor patio, stage, Racebook[3]	300	-	October 31, 2022 / October 31, 2032
Chances Maple Ridge, Maple Ridge, BC	2013	Bingo, 1 dining option, 2 meeting rooms, entertainment space, outdoor patio, Racebook[3]	200	-	October 31, 2023 / October 31, 2033
Chances Dawson Creek, Dawson Creek, BC	2016	Bingo, 1 dining option, 1 electronic table gaming device	152	-	June 30, 2026
TBC Teletheatre BC[3]	various	19 Racebooks[3]	-	-	-
Ontario					
Georgian Downs (Standardbred Racing)[6], Innisfil, Ontario	2009	4 dining options offered by OLG, concession, meeting rooms, Racebook, 1,000 slot machines owned and operated by OLG	-	-	March 31, 2023
Flamboro Downs (Standardbred Racing)[6], Flamborough, Ontario	2001	4 dining options, meeting room, Racebook, 800 slot machines owned and operated by OLG	-	-	March 31, 2023
Shorelines Casino Thousand Islands Gananoque, Ontario	2016	1 dining option	525	23	March 31, 2036
Shorelines Slots at Kawartha Downs Fraserville, Ontario	2016	1 dining option	486	-	March 31, 2036
Shorelines Casino Belleville Belleville, Ontario[7]	2017	2 dining options, buffet and a la carte (300 seats total), flex/entertainment space and Racebook	450	18	March 31, 2036

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

Facility and Location	Year Built/ Renovated	Additional Facilities and Activities	Slot Machines	Table Games	Operational Services Agreements Initial / Renewal Term Expiry Dates
New Brunswick					
Casino New Brunswick, Moncton, New Brunswick	2010	1 hotel with 126 rooms, 2,500 seat show theatre/conference centre, 2 dining options, pool/spa, gift shop	635	24	December 31, 2030
Nova Scotia					
Casino Nova Scotia Halifax(8), Halifax, Nova Scotia	2006	2 dining options, entertainment show room, lounge, meeting facilities	571	27	July 1, 2025
Casino Nova Scotia Sydney(8), Sydney, Nova Scotia	2016	1 dining option, lounge	273	7	July 1, 2025
Washington State					
Washington State Operations(9)	1997-2017	Dining option, banquet room, lounge	-	60	N/A
			7,829	381	

(1) The Company's Mayfair casino that was previously located in Victoria, BC, has a casino operating agreement that was placed in abeyance by BCLC on February 2002, when that facility closed. The Mayfair casino operating agreement remains in force, pending relocation.

(2) During its renovation in 2017, a number of slot machines at River Rock were temporarily removed, but were restored back to service before the end of the year. Additional slot machines were added after opening the new VIP slot area in June 2017. Renovations were completed in January 2018.

(3) The Company owns or holds an interest in 21 Racebooks in BC. The Company owns and operates two Racebooks; one at each of Elements Casino and Hastings Racecourse and Slots Facility. The remaining 19 Racebooks, including those at River Rock Casino & Resort, Hard Rock Casino Vancouver, Casino Nanaimo, Chances Chilliwack and Chances Maple Ridge, are operated by TBC. TBC also offers internet and phone racetrack wagering. The Company owns a 50% interest in TBC and the remaining 50% interest is held by two horsemen's associations, the Harness Racing BC Society and the Horsemen's Benevolent and Protective Association. TBC contributes any surplus revenues in excess of its operating expenses to the consolidated BC horse racing industry revenue fund as described in the "Regulatory Environment and Seasonality" section of this MD&A. During the year ended December 31, 2017, there were 21 Racebooks operated by TBC. However, the number of Racebooks operated by TBC as at December 31, 2017 reflects the closure of two Racebooks on January 1, 2018, resulting in a total of 19 Racebooks now being operated by TBC.

(4) There are up to five dining options during the racing season.

(5) During its renovation in 2017, a number of slot machines at View Royal were removed during the fourth quarter but were restored by the end of the year. Renovations are expected to be completed in the first half of 2018. When the renovation is completed, Views Royal Casino will have a total of 2 dining options, 770 slot machines, 23 table games, 10 Touch Bet Roulette terminals, and a multi-purpose entertainment venue that will accomodate up to 600 guests.

(6) Slot machines are owned and operated by OLG and lease revenues are earned from OLG at these properties. During 2017, the Company signed Lease Extension Agreements with OLG for its Georgian Downs and Flamboro Downs racetracks. The agreements, effective March 31, 2017, secure lease revenues for these properties for an extended term from April 1, 2018 to March 31, 2023.

(7) OGELP opened Shorelines Casino Belleville on January 11, 2017.

(8) Casino Nova Scotia Halifax and Casino Nova Scotia Sydney operate under a single operating agreement.

(9) Great American Casino Des Moines opened on May 18, 2017.

The following table summarizes the Company's racetrack operations and the number of actual live race days in 2017, 2016, and 2015:

		Live Race Days		
Property	**Location**	**2017**	2016	2015
Hastings Racecourse and Slot Facility	Vancouver, BC	**50**	52	53
Elements Casino	Surrey, BC	**58**	55	62
Georgian Downs	Innisfil, ON	**39**	39	39
Flamboro Downs	Flamborough, ON	**131**	130	131
		278	276	285

All of the Company's racetrack operations offer simulcast wagering, which allows patrons to place wagers on international and domestic live horse racing events.

Business Strategy

The Company's vision is to be the leading gaming, entertainment and hospitality company in its chosen markets by providing superior entertainment value and exceptional experiences. To achieve this goal, the Company has adopted the strategies as outlined below.

1. **Continuously Improve the Company's Operating Efficiency and Effectiveness.** Great Canadian's ongoing success can be partially attributed to the Company's commitment to operating efficiency, proactive labour management and disciplined purchasing. This efficiency has been supported by an integrated corporate structure that centralizes major property functions such as accounting, purchasing, and human resources. The Company continually seeks new ways to realize operational synergies, business process improvements and optimal labour utilization.

2. **Drive Incremental Growth at the Company's Recently Acquired and Existing Facilities.** The majority of Great Canadian's existing properties operate within mature, highly regulated markets. As a result of this regulation, these markets offer advantages and protection for incumbent operators. This regulatory regime also requires that the Company work alongside its Crown corporation partners when expanding or introducing gaming offerings. These partners also oversee any loyalty programs within the Company's existing markets. In order to increase market share, penetrate new demographics, and drive incremental growth within this environment, the Company seeks to provide its patrons with a superior entertainment experience. In pursuit of this goal, the Company actively reinvests in its properties, supports its gaming offerings with premium non-gaming entertainment and hospitality options, and strives to maintain the highest standards of guest service.

3. **Continually Improve Guest Experiences.** Great Canadian believes guest satisfaction to be the primary driver of patron loyalty, particularly within mature markets. As a result, the Company constantly strives to provide exceptional guest service across its entire property portfolio. The Company pursues this service vision through staff training, performance recognition, and communication, all of which emphasizes the importance of each employee taking personal responsibility to exceed our guests' expectations.

4. **Pursue New Growth Opportunities.** Great Canadian is actively seeking opportunities to grow. These opportunities may be located within both the Company's existing markets and new jurisdictions, and include property expansions, the implementation of new offerings, the development of new properties or projects, and strategic acquisitions. Depending upon the size, scope, and regulatory requirements associated with these opportunities, the Company may elect to align itself with strategic business partners. As a result, the Company may hold majority or minority positions in new investment vehicles that align with the Company's core business.

5. **Pursue and Promote Exceptional Corporate Culture.** Great Canadian annually invests in the development of our people and in our communities. The Company is committed to its team members and a culture that recognizes and rewards exceptional service and teamwork. Additionally, since its founding, Great Canadian has placed great emphasis on the importance of social responsibility and corporate citizenship. These core values are best reflected in the Company's commitment to developing and assisting the communities in which it operates. Great Canadian Gaming is proud of its culture and the many contributions it has been able to make to those in need. "PROUD of our people, our business, our community" is Great Canadian's brand that unifies the company and social responsibility efforts. Under the PROUD program, Great Canadian supports hundreds of charitable organizations in the various communities in which it does business.

Regulatory Environment and Seasonality

British Columbia

Regulatory

In British Columbia, gaming activities are managed and conducted by the British Columbia Lottery Corporation ("BCLC") and regulated by the Gaming Policy and Enforcement Branch ("GPEB"). BCLC in turn engages service providers, such as the Company, to operate the gaming activities pursuant to operational services agreements. The Company receives a remuneration for its operational services based upon its casinos' gaming win. A significant portion of gaming net win is retained by BCLC, which in turn provides all of its net income to the Province of British Columbia. The Province of British Columbia provides a share of its gaming net income to the local governments where gaming win is earned ("host local governments"). The Province of British Columbia dedicates the remainder of the funds to many areas. These areas include the consolidated revenue fund for public service programs such as education, the Health Special Account for health care expenditures, and disbursements to charitable organizations. GPEB is a provincial agency established under the *Gaming Control Act* and is responsible for regulating all gaming in British Columbia, licensing charitable gaming events, overseeing the horse racing industry, and investigating allegations of wrongdoing under the *Act*. GPEB also registers gaming service providers and gaming workers, and approves and certifies gaming equipment and lottery schemes.

Since 1997, when BCLC assumed responsibility for casino gaming and introduced slot machines in the BC marketplace, the casino business has developed into BCLC's largest earnings stream. The Company believes that the current market and regulatory environment favours the province's incumbent gaming operators.

BCLC's strategy is to continue to develop casino properties that provide players with an exceptional entertainment experience, while positioning casino gaming as a potential tourism attraction where market demand allows. BCLC is also working closely with service provider partners to provide players entertaining gaming experiences. In addition, the FDC component of the operational services agreements enables service providers such as the Company to earn additional funds to support capital improvements invested in their gaming facilities.

According to BCLC's Gambling Service Provider Commissions Report for its fiscal year ended March 31, 2017, the Company's slot machines produced 40% (2016 – 44%) of the province's Casino Provider's revenue from slot machines and the Company's table games produced 50% (2016 – 50%) of the province's revenue from table games.

In BC, the strategic direction and business leadership of the local horse racing industry is provided by the B.C. Horse Racing Industry Management Committee ("BCHRIMC"), which also provides a forum for industry participants to cooperate collectively in the development of the industry. The current BCHRIMC members include representatives from both the thoroughbred and standardbred horse associations, the President and Chief Executive Officer of BCLC, representatives from the Gaming Policy Enforcement Branch, and the Vice President of Stakeholder Relations & Responsible Gaming for the Company. The Agreement provides for mandatory representation on the Committee of a representative of the major racetracks in the province that are owned by the Company.

Under the direction of the BCHRIMC, as described in the "Business of the Company" section of the Company's 2017 Annual Information Form, the Company's BC horse racing operations shared approximately 43% of a consolidated BC horse racing industry revenue fund in 2017 (2016 - 43%). This fund includes all revenues generated from horse racing in the province and which has been established and maintained for the purpose of facilitating financial allocations among industry organizations. Also under the direction of the BCHRIMC, TBC Teletheatre B.C. is required to contribute any revenues in excess of its operating expenses to the consolidated horse racing industry revenue fund. Financial allocations from the consolidated horse racing industry revenue fund may be adjusted by resolution of the BCHRIMC. Under the current financial allocations for 2018, the Company's racing industry revenue share percentage is expected to be consistent with 2017.

Seasonality

While the Company's BC casinos operate year-round, its racetracks are subject to seasonal variations due to the timing of their respective live racing seasons. Live racing generally operates from April to October at Hastings Racecourse, and from October to April at Elements Casino (Surrey). Gaming offerings and Racebooks at both locations operate year-round.

Ontario

Regulatory

In Ontario, gaming activities are conducted and managed by OLG while the Alcohol and Gaming Commission of Ontario ("AGCO") regulates Ontario's alcohol, gaming and horse racing sectors. OLG's operations and revenues are organized under five business lines: lotteries, slots and casinos, resort casinos, iGaming and charitable gaming.

According to OLG's website, it directs gaming proceeds to the host municipalities, Ontario's hospitals, amateur sports, problem gaming prevention, treatment and research, and to charitable organizations and non-profit corporations through the Ontario Trillium Foundation. AGCO is a provincial agency established under the *Alcohol and Gaming Regulation and Public Protection Act, 1996* and is responsible for the administration of the Liquor License Act and the Gaming Control Act, 1992 and complementary legislative amendments. The AGCO regulates the sale, service, and consumption of beverage alcohol and ensures that casino gaming, charitable gaming and lotteries are conducted in the public interest, by people who are socially and financially responsible.

Slot machines are owned and operated by OLG at the Company's two racetrack facilities in Ontario. During 2013, the Company signed definitive lease agreements with OLG whereby OLG leases the slot machine areas at the Company's Ontario racetracks for a five-year term ending on March 31, 2018. On March 31, 2017, the Company signed Lease Extension Agreements with OLG for its Georgian Downs and Flamboro Downs racetracks. The agreements, effective March 31, 2017, secure lease revenues for these properties for an extended term from April 1, 2018 to March 31, 2023.

Effective April 1, 2014, the Company signed agreements with five other Ontario racetrack operators and the Ontario Racing Commission (which ceased operations in 2016, with AGCO assuming their regulatory responsibilities) in support of a five-year horse racing plan ("Horse Racing Partnership Plan") released by the Government of Ontario. These agreements establish an unprecedented standardbred alliance (the "Standardbred Alliance") amongst a core group of racetracks centred around the concentrated horse supply in Central and South-Western Ontario and provide better stability and clarity for all industry stakeholders. The Standardbred Alliance members represent a three-tier racing hierarchy, 'Grass Roots' (Clinton Raceway, Hanover Raceway), 'Signature' (Flamboro Downs, Georgian Downs, Grand River Raceway and The Raceway at Western Fair) and 'Premier' (Mohawk Racetrack and Woodbine Racetrack). The Standardbred Alliance has worked closely with government, regulators and industry participants to develop a racing plan that will see a coordinated year-round racing calendar that is attractive to both foreign and domestic customers, provides for consistent purse levels at each track, and enables enhanced operational efficiencies among the tracks.

Under the terms of the revenue sharing agreements among the Standardbred Alliance members, racetracks' pari-mutuel revenues and transitional funding received from the Province of Ontario are pooled and shared among the Ontario Alliance Racetracks.

Ontario Racing, a horse racing industry association, which was established in 2016 to assume many of the functions of the Ontario Horse Racing division of the former Ontario Racing Commission, administers provincial funding provided by OLG for racing purses and provincial horse programs. OLG also provides marketing for the racing industry in Ontario.

Seasonality

In accordance with the Ontario Racing Agreements, Georgian Downs operates live racing from June to August, and Flamboro Downs operates from January to May and from September to December.

Eastern Ontario, where the Shorelines Casinos are located, occasionally experiences extreme winter weather conditions, which can result in a negative impact on short-term attendance.

New Brunswick

Regulatory

In New Brunswick, gaming activities are managed and conducted by the New Brunswick Lotteries and Gaming Corporation ("NBLGC") and regulated by the Gaming Control Branch ("GCB"). NBLGC's three lines of business are video lottery, traditional (or ticket) lottery and casino gaming. Casino New Brunswick, located in Moncton, New Brunswick, conducts its activities pursuant to a Casino Service Provider Agreement with NBLGC. The Company is a service provider to NBLGC and earns a commission based on the gaming revenues it generates for NBLGC, the remainder of which are retained by NBLGC. According to NBLGC, the revenues that it receives are immediately credited to the consolidated revenue fund and subsequently used to help fund important provincial programs such as health care and education programs as well as problem gambling education, awareness, research and treatment. GCB is a provincial agency established under the *Gaming Control Act* and is a branch of the Department of Public Safety. GCB is responsible for the regulation and control of provincial gaming as well as the regulation, control and licensing of charitable gaming in New Brunswick.

Seasonality

Moncton, where Casino New Brunswick is located, occasionally experiences extreme winter weather conditions, which can result in a negative impact on short-term attendance. The gaming industry in New Brunswick has also historically witnessed a modest increase in business volumes during the summer months, primarily as a result of both tourism and favourable weather conditions.

Nova Scotia

Regulatory

In Nova Scotia, gaming activities are managed and conducted by the Nova Scotia Provincial Lotteries and Casino Corporation ("NSPLCC") and regulated by the Alcohol, Gaming, Fuel and Tobacco Division of Service Nova Scotia ("AGFTD"). NSPLCC operates two different gaming models: commercial casinos, of which the Company operates the only two within the province, and ticket and video lotteries. Lottery ticket sales are permitted at various locations, whereas video lottery terminals are permitted in licensed liquor establishments, and on First Nations' land. The Company is a service provider to NSPLCC and earns a commission based upon its casinos' revenues. According to NSPLCC, its profits are directed to the provincial government's general revenue account to help pay for programs and services that benefit the province's residents. These programs and services include investments in infrastructure, schools, hospitals, community organizations and problem gambling prevention, education and treatment. AGFTD is a provincial agency established under the *Gaming Control Act*, Chapter 4 of the Acts of 1994-95, and is responsible for the administration of the *Gaming Control Act*, the *Liquor Act* and the *Theatres and Amusements Act*. The AGFTD issues licences and registrations to operators of gaming and liquor activities and theatres in the province of Nova Scotia, is responsible for regular inspections of licensed premises throughout Nova Scotia, including travelling shows, festivals and special occasion licenses.

In October 2012, the Company signed the second amended and restated operating contract ("AROC") with NSPLCC, effective October 1, 2012. Under the AROC, the Company is entitled to receive an operator's fee equal to 52.24% of total revenue, plus an additional 47.76% of non-gaming revenues after deduction of the capital reserve contribution ("CRC"). The CRC is the greater of 5% of total revenue and $5.0 (adjusted for inflation in each year since 2010). The Company is also entitled to receive an additional operator's fee equal to the lesser of $1.3 or 10% of leased slot machines revenues.

In June 2014, the Company extended the term of the AROC with NSPLCC, effective July 1, 2015. Under the 10-year extension, the Company has committed to make substantial capital investments totalling $10.0, subject to a renovation plan and schedule approved by NSPLCC. Once $10.0 in capital investments have been made, the Company will be entitled to receive a growth incentive fee if total gaming revenue exceeds a baseline annual revenue by 5% or more. As at December 31, 2017, the Company has spent $0.9 on these capital investments. The Company is entitled to receive an operator's fee equal to 52.24% of total revenue, plus an additional 47.76% of non-gaming revenues after deduction of the CRC and the marketing fund contribution ("MFC"). For the CRC's fiscal year ending March 31, 2018, the annual CRC is $4.7 ($4.5 annually adjusted for inflation) and the annual MFC is $1.5. The annual MFC is reduced by any approved gaming promotional allowance greater than $0.9. The Company is also entitled to receive an additional operator's fee equal to the annual MFC if the Company spends more than $6.7 in qualifying marketing initiatives in an operating year or has increased total gaming revenue by $3.0 over the preceding operating year.

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

Seasonality

Halifax and Sydney, where the Nova Scotia casinos are located, occasionally experience extreme winter weather conditions, which can result in a negative impact on short-term attendance. The gaming industry in Nova Scotia has also historically witnessed a slight increase in business volumes during the summer months, primarily as a result of both tourism and favourable weather conditions.

Washington State

The following table summarizes the Company's Washington gaming operations as at December 31, 2017:

Name	Location	Table Games
Great American Casino Des Moines	Des Moines, WA	15
Great American Casino Everett	Everett, WA	15
Great American Casino Lakewood	Lakewood, WA	15
Great American Casino Tukwila	Tukwila, WA	15
		60

Regulatory

In Washington State, gaming operations are regulated by the Washington State Gambling Commission ("WSGC") and fall into three categories: charitable, commercial and tribal. The Company operates four commercial card rooms in the Greater Seattle area.

While the commercial gaming environment in Washington State is highly regulated, it does not feature the significant barriers to entry associated with the Company's Canadian operations. Individual cities or counties within Washington State may choose to restrict card room operations within their jurisdiction, which could result in the closure of certain locations. Washington State card room operations are conducted pursuant to house banked card room licenses that limit the number of table games to fifteen per location. These card room licenses must be renewed annually with WSGC, and the Company's renewals have historically been granted automatically.

Anti-money Laundering in the Gaming Sector

Canada

Certain industries in Canada, like the gaming sector, are subject to the federal Proceeds of Crime (Money Laundering) and Terrorist Financing Act ("PCMLTFA"). Other sectors regulated under the PCMLTFA include banks, credit unions, securities dealers, accountants, real estate brokers, dealers in precious metals and stones, and money service businesses. The PCMLTFA provides for the creation of Financial Transactions and Reports Analysis Centre of Canada ("FinTRAC"), which fulfills the role of Canada's financial intelligence unit. FinTRAC is given responsibility for regulating those sectors of the economy subject to the PCMLTFA and in particular for making sure regulated entities have appropriate and effective anti-money laundering regimes in place.

Similar to banks and other regulated entities, casinos in Canada operate under and are required to comply with strict anti-money laundering, customer identification and reporting requirements set out within the PCMLTFA. FinTRAC has designated provincial lottery corporations as the gaming reporting entity and the Company assists provincial lottery corporations with their FinTRAC reporting obligations.

Pursuant to the PCMLTFA, cash transactions of $10,000 (ten thousand dollars) or more, casino disbursements of $10,000 (ten thousand dollars) or more and electronic funds transfers of $10,000 (ten thousand dollars) or more occurring within a 24 hour timeframe or within a gaming day must be reported to FinTRAC. Additionally casinos must report suspicious transactions, conducted or attempted, of any amount to FinTRAC. Moreover, suspicious transactions are reported to provincial Gaming Regulators and police agencies which have the authority and responsibility for the investigation of money laundering and other related criminal offences.

The Company's anti-money laundering efforts are subject to independent external review through audits completed by FinTRAC, provincial Gaming Regulators and the Crown Agents responsible for the conduct and management of gaming in a province. The combination of a strong anti-money laundering program and verification of compliance with anti-money laundering laws through independent auditing help to ensure the Company's operations are protected from being used to launder illicit funds and help to protect the communities in which the Company operates.

For more information on anti-money laundering, the PCMLTFA and FinTRAC see: http://www.fintrac-canafe.gc.ca

Washington State

The gaming industry in the United States ("US" or "USA") mandates anti-money laundering regulations that are documented within the Bank Secrecy Act ("BSA") (as amended by the USA Patriot Act). Other sectors regulated under the BSA are not limited to the following: financial institutions; insurance and real estate agencies; pawnbrokers; dealers in precious metals, stones or jewels; travel agencies; and currency exchange services. The financial intelligence unit, Financial Crimes Enforcement Network ("FinCEN") has been assigned many responsibilities under the BSA including being assigned as the administrator of the Act. FinCEN has delegated its gaming sector examination authorities to the Internal Revenue Service Small Business / Self Employed Division ("IRS").

Similar to Canada the gaming sector is required to meet strict anti-money laundering, customer identification and reporting requirements set out with the BSA. Pursuant to the BSA and the regulations thereunder, all cash transactions exceeding US$10,000 (ten thousand dollars) must be reported to the IRS. Additionally, transactions that have been identified as suspicious where the funds involved with the incident exceed US$5,000 (five thousand dollars) must also be reported to the IRS. Within 72 hours of the incident the Washington State Gaming Agent is notified of all suspicious activities.

Great American Casino's anti-money laundering efforts are subject to monthly compliance department reviews and every two years the Company initiates a review of Great American Casino's anti-money laundering compliance through the engagement of an independent auditor with relevant expertise.

MARKET UPDATE

British Columbia

Competition

One of the Company's direct competitors, Paragon Gaming LLC, relocated the Edgewater Casino in downtown Vancouver, BC to the adjacent Parq Vancouver. The casino at Parq Vancouver opened at the end of the third quarter of 2017, and the resort featuring two hotel towers opened in late October 2017. While the maximum number of gaming positions remains the same, management continues to monitor this new development as it may impact the Company's nearby facilities, and the Company will implement appropriate measures to address such impact, if any.

On November 9, 2016, BCLC announced that it has selected Gateway to open and operate a new gaming and entertainment facility in the South of the Fraser region, with the City of Delta selected as the preferred host local government. On September 8, 2017, after obtaining preliminary approval from BCLC, Gateway announced that it has secured development land at the Delta Town and Country Inn as the site for its gaming and entertainment facility.

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

Ontario

Competition

As the modernization of gaming in Ontario continues, there will be new service providers that will operate and make investments to gaming facilities adjacent to the Company's gaming bundles, resulting in changes to market dynamics. Management continues to monitor the impact of new operators on the Company's nearby facilities.

CONSOLIDATED RESULTS OF OPERATIONS

	Three months ended December 31,			Twelve months ended December 31,		
	2017	2016	% Chg	**2017**	2016	% Chg
REVENUES						
River Rock Casino Resort	**$ 41.7**	$ 41.3	1%	**$ 172.2**	$ 174.0	(1%)
Hard Rock Casino Vancouver	**18.2**	17.6	3%	**67.7**	63.4	7%
Other Vancouver Area Casinos	**10.6**	10.6	0%	**44.7**	43.6	3%
Vancouver Island Casinos	**10.7**	10.3	4%	**43.9**	40.3	9%
Other BC Casinos	**7.2**	6.2	16%	**28.1**	23.9	18%
Great American Casinos	**10.3**	10.6	(3%)	**41.2**	40.4	2%
Ontario Properties	**28.3**	24.9	14%	**124.2**	95.2	30%
Atlantic Casinos	**24.0**	21.5	12%	**92.3**	85.6	8%
Total Revenues	**$ 151.0**	$ 143.0	6%	**$ 614.3**	$ 566.4	8%
ADJUSTED EBITDA [(1)]						
Casinos						
River Rock Casino Resort	**$ 17.3**	$ 18.6	(7%)	**$ 82.1**	$ 84.0	(2%)
Hard Rock Casino Vancouver	**7.8**	7.4	5%	**27.8**	24.2	15%
Other Vancouver Area Casinos	**2.6**	2.3	13%	**11.9**	11.1	7%
Vancouver Island Casinos	**5.0**	5.4	(7%)	**23.0**	21.8	6%
Other BC Casinos	**3.8**	3.0	27%	**14.9**	11.4	31%
Great American Casinos	**1.7**	3.0	(43%)	**7.6**	11.4	(33%)
Ontario Properties	**8.4**	5.0	68%	**45.6**	35.6	28%
Atlantic Casinos	**7.4**	6.5	14%	**28.9**	26.5	9%
Corporate & Other	**(4.8)**	(4.0)	(20%)	**(18.8)**	(17.1)	(10%)
Total Adjusted EBITDA	**$ 49.2**	$ 47.2	4%	**$ 223.0**	$ 208.9	7%

(1) Adjusted EBITDA is a non-IFRS measure defined in the "Non-IFRS Measures" section of this MD&A.

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

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

Casinos

River Rock Casino Resort

	Three months ended December 31,			Twelve months ended December 31,		
	2017	2016	% Chg	**2017**	2016	% Chg
Gaming revenues	**$ 27.2**	$ 25.9	5%	**$ 113.6**	$ 114.5	(1%)
Facility Development Commission	**3.9**	3.8	3%	**16.4**	16.9	(3%)
Hospitality and other revenues	**13.5**	14.7	(8%)	**55.1**	55.8	(1%)
Revenues before Promotional allowances	**44.6**	44.4	0%	**185.1**	187.2	(1%)
Less: Promotional allowances	**(2.9)**	(3.1)	(6%)	**(12.9)**	(13.2)	(2%)
Revenues	**41.7**	41.3	1%	**172.2**	174.0	(1%)
Human resources	**15.7**	13.3	18%	**56.7**	54.6	4%
Property, marketing and administration	**8.7**	9.4	(7%)	**33.4**	35.4	(6%)
Adjusted EBITDA	**$ 17.3**	$ 18.6	(7%)	**$ 82.1**	$ 84.0	(2%)
Human resources as a % of Revenues before Promotional allowances	**35.2%**	30.0%		**30.6%**	29.2%	
Adjusted EBITDA as a % of Revenues	**41.5%**	45.0%		**47.7%**	48.3%	

	Q4 2017	**Q3 2017**	**Q2 2017**	**Q1 2017**	**Q4 2016**	**Q3 2016**	**Q2 2016**	**Q1 2016**	**Average**
Table Drop	$ 257.4	$ 297.0	$ 283.1	$ 278.8	$ 262.9	$ 292.0	$ 242.2	$ 247.8	
Table Hold	$ 40.3	$ 39.5	$ 46.9	$ 40.2	$ 37.5	$ 52.4	$ 43.5	$ 44.6	
Table Hold %	15.7%	13.3%	16.6%	14.4%	14.3%	17.9%	18.0%	18.0%	16.0%
Poker Rake	$ 0.9	$ 1.0	$ 1.1	$ 1.2	$ 1.3	$ 1.1	$ 1.1	$ 1.0	
Slot Coin-In	$ 628.2	$ 701.8	$ 679.3	$ 660.4	$ 653.8	$ 671.8	$ 635.5	$ 609.5	
Slot Win	$ 40.0	$ 46.0	$ 44.9	$ 42.7	$ 40.7	$ 42.8	$ 41.4	$ 40.2	
Slot Win/Slot/Day[(1), (2)]	$ 414	$ 469	$ 455	$ 432	$ 397	$ 418	$ 410	$ 395	
Slot Win %	6.4%	6.6%	6.6%	6.5%	6.2%	6.4%	6.5%	6.6%	6.5%

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

(2) During the fourth quarter of 2017, a number of slot machines were temporarily removed during the renovation.

Recent Developments

In 2017, River Rock was undergoing work to enhance its gaming and non-gaming facilities, which included a refresh of the Salon Privé area, a new private gaming room, a new VIP lounge, Privé Slots area, and Starbucks Evenings, as described in the "Major Developments" section of this MD&A. During the renovations, a number of slot machines were removed but were restored by the end of the year.

Revenues

Gaming revenues increased for the three months ended December 31, 2017 mainly due to an improved Table Hold, despite a moderate decline in Table Drop by 2%, when compared to the same period in 2016. Table Hold percentage increased by 1.4 points for the three months ended December 31, 2017, when compared to the same period in 2016. Slot Win declined by 2% for the three months ended December 31, 2017, which is mainly due to a reduction of slot machines during construction at River Rock during this period. The decline was offset by reduction in payment to BCLC on service provider free play which commenced during the second quarter of 2017.

Gaming Revenues moderately declined by 1% for the twelve months ended December 31, 2017 primarily due to decreased table revenues, despite increased Table Drop of 7%, when compared to the same period in 2016. This is mainly due to a decrease in Table Hold percentage of 2.0 points for the twelve month period, when compared to the same period in 2016. The decline was offset by increased slot revenues and reduction in payment to BCLC on service provider free play that started in the second quarter of 2017.

Hospitality and other revenues declined in the three and twelve months ended December 31, 2017, when compared to the same periods in 2016, primarily due to the closure of several food and beverage outlets during renovations in the fourth quarter of 2017, partially offset by a growth in hotel sales.

Promotional allowances decreased during the three months ended December 31, 2017, when compared to the same period in 2016, mainly due to a reduction in complimentaries for food and beverages and hotel.

Expenses
Human resources expenses increased by 18% and 4% for the three and twelve months ended December 31, 2017, when compared to the same periods in 2016. The increase included additional wage and benefits as a result of the collective bargaining agreement effective September 25, 2017.

Property, marketing and administration expenses decreased during the three and twelve months ended December 31, 2017, primarily due to a reduction in advertising and promotion costs, food and beverage costs and fewer shows offered relative to the fourth quarter of 2016.

Adjusted EBITDA
Adjusted EBITDA decreased by 7% for the three months ended December 31, 2017 when compared to the same period in 2016, primarily due to higher human resources expenses as a result of additional costs from the collective agreement effective September 25, 2017. Adjusted EBITDA decreased by 2% for the twelve months ended December 31, 2017, when compared to the same period in 2016, mainly due to decreases in gaming revenues.

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

Hard Rock Casino Vancouver

	Three months ended December 31,			Twelve months ended December 31,		
	2017	2016	% Chg	**2017**	2016	% Chg
Gaming revenues	**$ 13.6**	$ 12.9	5%	**$ 51.8**	$ 46.8	11%
Facility Development Commission	**$ 2.1**	2.0	5%	**8.1**	7.5	8%
Hospitality and other revenues	**4.2**	4.0	5%	**14.0**	13.5	4%
Revenues before Promotional allowances	**19.9**	18.9	5%	**73.9**	67.8	9%
Less: Promotional allowances	**(1.7)**	(1.3)	31%	**(6.2)**	(4.4)	41%
Revenues	**18.2**	17.6	3%	**67.7**	63.4	7%
Human resources	**6.0**	5.9	2%	**23.1**	23.1	0%
Property, marketing and administration	**4.4**	4.3	2%	**16.8**	16.1	4%
Adjusted EBITDA	**$ 7.8**	$ 7.4	5%	**$ 27.8**	$ 24.2	15%
Human resources as a % of Revenues before Promotional allowances	**30.2%**	31.2%		**31.3%**	34.1%	
Adjusted EBITDA as a % of Revenues	**42.9%**	42.0%		**41.1%**	38.2%	

	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Average
Table Drop	$ 68.0	$ 69.6	$ 62.5	$ 65.5	$ 64.7	$ 58.1	$ 50.9	$ 56.6	
Table Hold	$ 12.1	$ 12.8	$ 10.0	$ 13.1	$ 13.3	$ 9.9	$ 10.1	$ 11.9	
Table Hold %	17.7%	18.3%	16.1%	20.0%	20.6%	17.0%	19.8%	20.8%	18.8%
Poker Rake	$ 0.7	$ 0.6	$ 0.7	$ 0.8	$ 0.9	$ 0.8	$ 0.8	$ 0.8	
Slot Coin-In	$ 444.4	$ 431.0	$ 421.9	$ 391.8	$ 388.2	$ 390.0	$ 376.9	$ 356.6	
Slot Win	$ 31.1	$ 30.3	$ 29.4	$ 27.1	$ 27.3	$ 27.0	$ 26.3	$ 25.1	
Slot Win/Slot/Day(1)	$ 371	$ 361	$ 353	$ 329	$ 324	$ 321	$ 315	$ 301	
Slot Win %	7.0%	7.0%	7.0%	6.9%	7.0%	6.9%	7.0%	7.0%	7.0%

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

Recent Developments
In February 2017, the Company introduced an authentic Chinese restaurant, which is operated by a third party, Neptune Restaurant Group.

Revenues
Gaming revenues increased by 5% for the three months ended December 31, 2017, when compared to the same period in 2016, primarily due to increased slot revenues. Gaming revenues increased by 11% for the twelve months ended December 31, 2017, when compared to the same period in 2016, due to increased slot and table revenues. There was an increase in Table Drop mainly due to growth in Privé table games and higher Slot Coin-In as a result of promotions targeting high value players. Reduction in payment to BCLC on service provider free play started in the second quarter of 2017 also contributed to the increase in gaming revenues.

Hospitality and other revenues increased during the three and twelve months ended December 31, 2017, when compared to the same periods in 2016. The increase in food and beverage revenues, mainly due to higher banquet sales, was partially offset by a decrease in theatre revenues.

Promotional allowances increased during the three and twelve months ended December 31, 2017, when compared to the same periods in 2016, mainly due to changes to the customer loyalty programs resulting in increased free play.

Expenses
Human resources expenses were consistent with the same periods in 2016. Property, marketing and administration expenses increased in the three and twelve months ended December 31, 2017, when compared to the same periods in 2016, due to higher utility costs and promotional expenses, partially offset by lower entertainment costs.

Adjusted EBITDA
Adjusted EBITDA increased by 5% and 15% for the three and twelve months ended December 31, 2017, respectively, when compared to the same periods in 2016, primarily due to improved gaming revenues.

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

Other Vancouver Area Casinos (Elements Casino (Surrey) and Hastings Racecourse and Slots Facility)

	Three months ended December 31,			Twelve months ended December 31,		
	2017	2016	% Chg	**2017**	2016	% Chg
Gaming revenues	**$ 6.7**	$ 6.3	6%	**$ 27.5**	$ 25.2	9%
Facility Development Commission	**1.1**	1.2	(8%)	**4.7**	4.7	0%
Racetrack revenues	**1.6**	1.9	(16%)	**7.4**	8.3	(11%)
Hospitality and other revenues	**1.9**	2.0	(5%)	**8.8**	8.9	(1%)
Revenues before Promotional allowances	**11.3**	11.4	(1%)	**48.4**	47.1	3%
Less: Promotional allowances	**(0.7)**	(0.8)	(13%)	**(3.7)**	(3.5)	6%
Revenues	**10.6**	10.6	0%	**44.7**	43.6	3%
Human resources	**4.5**	4.5	0%	**19.0**	19.1	(1%)
Property, marketing and administration	**4.2**	4.4	(5%)	**16.6**	16.0	4%
Share of profit of equity investment	**(0.7)**	(0.6)	(17%)	**(2.8)**	(2.6)	(8%)
Adjusted EBITDA	**$ 2.6**	$ 2.3	13%	**$ 11.9**	$ 11.1	7%
Human resources as a % of Revenues before Promotional allowances	**39.8%**	39.5%		**39.3%**	40.6%	
Adjusted EBITDA as a % of Revenues	**24.5%**	21.7%		**26.6%**	25.5%	

	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Average
Table Drop	$ 16.1	$ 18.2	$ 17.3	$ 15.6	$ 13.9	$ 13.6	$ 12.7	$ 13.3	
Table Hold	$ 3.5	$ 3.5	$ 3.4	$ 3.3	$ 3.3	$ 2.7	$ 3.0	$ 2.6	
Table Hold %	22.0%	19.0%	19.9%	21.4%	24.1%	19.9%	23.6%	19.8%	21.1%
Poker Rake	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 0.1	
Slot Coin-In	$ 291.9	$ 304.3	$ 325.7	$ 297.8	$ 278.8	$ 299.7	$ 303.4	$ 295.2	
Slot Win	$ 20.5	$ 22.0	$ 22.5	$ 21.7	$ 20.5	$ 21.6	$ 21.4	$ 21.1	
Slot Win/Slot/Day(1)	$ 209	$ 224	$ 230	$ 226	$ 209	$ 219	$ 221	$ 220	
Slot Win %	7.0%	7.2%	6.9%	7.3%	7.4%	7.2%	7.1%	7.2%	7.1%

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

Live race days	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Elements Casino	29	-	7	22	22	-	3	30
Hastings	6	26	18	-	6	26	20	-

Revenues

Gaming revenues increased by 6% and 9% for the three and twelve months ended December 31, 2017, respectively, when compared to the same periods in 2016, primarily due to higher Table Drop and Slot Coin-in. Reduction in payment to BCLC on service provider free play started during the second quarter of 2017 also contributed to the increase in gaming revenues.

Racetrack revenues decreased for the three and twelve months ended December 31, 2017, when compared to the same periods in 2016, due to a decline in simulcast wagers, which impacted the Company's allocation of racetrack revenues from the industry fund.

Expenses

Human resources expenses were relatively consistent when compared to the same periods in 2016. Property, marketing and administration expenses decreased for the three months ended December 31, 2017 primarily due to timing of occupancy costs. Property, marketing and administration expenses increased for the twelve months ended December 31, 2017, when compared to the same period in 2016, due to higher occupancy costs and food and beverage costs.

Adjusted EBITDA

Adjusted EBITDA increased by 13% and 7% for the three and twelve months ended December 31, 2017, respectively, when compared to the same periods in 2016. These increases were primarily due to improved gaming revenues.

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

Vancouver Island Casinos (View Royal Casino, Casino Nanaimo and Bingo Esquimalt)

	Three months ended December 31,			Twelve months ended December 31,		
	2017	2016	% Chg	**2017**	**2016**	% Chg
Gaming revenues	**$ 8.8**	$ 8.3	6%	**$ 36.3**	$ 32.4	12%
Facility Development Commission	**1.5**	1.2	25%	**6.1**	5.0	22%
Hospitality and other revenues	**1.1**	1.3	(15%)	**4.7**	5.2	(10%)
Revenues before Promotional allowances	**11.4**	10.8	6%	**47.1**	42.6	11%
Less: Promotional allowances	**(0.7)**	(0.5)	40%	**(3.2)**	(2.3)	39%
Revenues	**10.7**	10.3	4%	**43.9**	40.3	9%
Human resources	**3.9**	3.2	22%	**14.0**	12.0	17%
Property, marketing and administration	**1.8**	1.7	6%	**6.9**	6.5	6%
Adjusted EBITDA	**$ 5.0**	$ 5.4	(7%)	**$ 23.0**	$ 21.8	6%
Human resources as a % of Revenues before Promotional allowances	**34.2%**	29.6%		**29.7%**	28.2%	
Adjusted EBITDA as a % of Revenues	**46.7%**	52.4%		**52.4%**	54.1%	

	Q4 2017	**Q3 2017**	**Q2 2017**	**Q1 2017**	**Q4 2016**	**Q3 2016**	**Q2 2016**	**Q1 2016**	**Average**
Table Drop	$ 13.7	$ 14.2	$ 15.6	$ 17.3	$ 14.6	$ 13.6	$ 13.9	$ 14.6	
Table Hold	$ 3.3	$ 3.6	$ 3.8	$ 3.8	$ 3.6	$ 3.3	$ 3.3	$ 3.2	
Table Hold %	23.8%	25.3%	24.6%	22.1%	24.3%	24.3%	23.7%	22.4%	23.7%
Slot Coin-In	$ 409.2	$ 436.8	$ 444.7	$ 407.3	$ 392.5	$ 407.2	$ 404.8	$ 381.4	
Slot Win	$ 28.2	$ 30.2	$ 30.1	$ 27.8	$ 27.1	$ 28.0	$ 28.3	$ 26.4	
Slot Win/Slot/Day(1), (2)	$ 407	$ 356	$ 359	$ 346	$ 314	$ 325	$ 332	$ 310	
Slot Win %	6.9%	6.9%	6.8%	6.8%	6.9%	6.9%	7.0%	6.9%	6.9%

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

(2) During the renovation in 2017, the Company added 25 slot machines at Casino Nanaimo, resulting in 409 slot machines at December 31, 2017. View Royal was also under renovation during 2017, in which several slot machines were temporarily removed, resulting in 530 slot machines at December 31, 2017.

Recent Developments

Renovations to Casino Nanaimo commenced in the second half of 2016 and completed in the second quarter of 2017. The Company expanded both gaming and non-gaming amenities to better serve the marketplace by adding a VIP slot area, opening a new Poker/Racebook room, and adopting the Company's Well restaurant brand, which allows the property to offer greater entertainment options, including viewing parties for sporting events and live shows.

Renovations at View Royal Casino began in the first quarter of 2017 and are expected to be completed during the first half of 2018, as described in the "Major Developments" section of this MD&A.

Revenues

Gaming revenues increased for the three and twelve months ended December 31, 2017, when compared to the same periods in 2016, primarily due to increases in Slot Coin-In. The increases were a result of the relaunch of Casino Nanaimo and additions of three new tables and 25 slot machines. Reduction in payment to BCLC on service provider free play started in the second quarter of 2017 also contributed to the increase in gaming revenues. The increase in gaming revenues was partially offset by a decline in revenues at View Royal Casino due to a temporary reduction in gaming capacity as a result of the renovations.

Facility Development Commission increased in the three months ended December 31, 2017, when compared to the same period in 2016, mainly due to increased eligible capital expenditures. Facility Development Commission increased in the twelve months ended December 31, 2017, when compared to the same period in 2016, primarily due to higher gaming revenues and $0.5 previously deferred revenue recognized as a result of approval of eligible expenditures at Casino Nanaimo received in the second quarter of 2017.

Hospitality and other revenues declined in the three and twelve months ended December 31, 2017, when compared to the same periods in 2016. These decreases were primarily due to a decline in food and beverage revenues as a result of temporary restaurant closures at the View Royal Casino due to renovations, offset by increased food and beverage revenues at the Casino Nanaimo.

Promotional allowances increased during the three and twelve months ended December 31, 2017, when compared to the same periods in 2016, mainly due to changes to the customer loyalty programs resulting in increased free play offset by a reduction in food and beverage comps.

Expenses
Human resources expenses increased during the three and twelve months ended December 31, 2017, when compared to the same periods in 2016, primarily due to higher business volumes, additional positions and pre-opening costs for View Royal Casino. Property, marketing and administration expenses increased during the twelve months ended December 31, 2017, when compared to the same period in 2016, mainly due to costs incurred to relaunch the renovated Casino Nanaimo and pre-opening costs for View Royal Casino, partially offset by a reduction in operating costs at View Royal Casino due to the temporary restaurant closures.

Adjusted EBITDA
Adjusted EBITDA decreased by 7% for the three months ended December 31, 2017, when compared to the same period in 2016, primarily due to higher human resources expenses as result of pre-opening costs for View Royal Casino. Adjusted EBITDA increased by 6% for the twelve months ended December 31, 2017, when compared to the same period in 2016, primarily due to the improvement in gaming revenues.

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

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

	Three months ended December 31,			Twelve months ended December 31,		
	2017	2016	% Chg	**2017**	2016	% Chg
Gaming revenues	**$ 5.2**	$ 4.3	21%	**$ 20.6**	$ 17.1	20%
Facility Development Commission	**1.0**	0.8	25%	**3.8**	3.3	15%
Hospitality and other revenues	**1.5**	1.4	7%	**5.8**	5.2	12%
Revenues before Promotional allowances	**7.7**	6.5	18%	**30.2**	25.6	18%
Less: Promotional allowances	**(0.5)**	(0.3)	67%	**(2.1)**	(1.7)	24%
Revenues	**7.2**	6.2	16%	**28.1**	23.9	18%
Human resources	**2.0**	1.8	11%	**7.4**	6.9	7%
Property, marketing and administration	**1.4**	1.4	0%	**5.8**	5.6	4%
Adjusted EBITDA	**$ 3.8**	$ 3.0	27%	**$ 14.9**	$ 11.4	31%
Human resources as a % of Revenues before Promotional allowances	**26.0%**	27.7%		**24.5%**	27.0%	
Adjusted EBITDA as a % of Revenues	**52.8%**	48.4%		**53.0%**	47.7%	

	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Average
Slot Coin-In	$ 281.5	$ 292.3	$ 271.5	$ 257.7	$ 239.8	$ 228.7	$ 232.2	$ 213.4	
Slot Win	$ 19.5	$ 20.5	$ 19.2	$ 17.4	$ 16.6	$ 16.6	$ 16.0	$ 15.0	
Slot Win/Slot/Day(1), (2)	$ 324	$ 349	$ 346	$ 316	$ 302	$ 306	$ 301	$ 288	
Slot Win %	6.9%	7.0%	7.1%	6.7%	6.9%	7.3%	6.9%	7.0%	7.0%

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

(2) During 2016, the Company added 13 slot machines at Chances Maple Ridge and 60 slot machines at Chances Chilliwack resulting in a total of 598 slot machines across the three properties at December 31, 2016. In July 2017, the Company added 45 slot machines at Chances Chilliwack resulting in a total of 652 slot machines across the three properties at December 31, 2017.

Recent Developments

During 2017, the Company expanded the footprint of the slot machine area at Chances Chilliwack by relocating the bingo area to the second floor of the facility. In July of 2017, the Company added 45 new slot machines to the expanded area.

Revenues

The increase in gaming revenues was attributed to additional slot machines at Chances Chilliwack and growth in the slot revenues across all three Chances properties. Reduction in payment to BCLC on service provider free play started during the second quarter of 2017 also contributed to the increase in gaming revenues.

Hospitality and other revenues increased primarily due to higher food and beverages revenues at Chances Chilliwack.

Expenses

Human resources expenses increased for the three and twelve months ended December 31, 2017, when compared to the same periods in 2016, mainly due to additional surveillance hours added to support the increase of 45 slot machines at Chances Chilliwack. Property, marketing, and administration expenses were relatively consistent for the three months ended December 31, 2017, when compared to the same period in 2016. Property, marketing and administration expenses increased for the twelve months ended December 31, 2017 when compared to the same period in 2016. The increase was mainly due to higher food and beverage costs and promotions expense during the first quarter of 2017.

Adjusted EBITDA

Adjusted EBITDA at Other BC Casinos increased by 27% and 31% for the three and twelve months ended December 31, 2017, respectively, when compared to the same periods in 2016. These increases were primarily due to the improvement in gaming revenues.

Great American Casinos

Results in U.S. Dollars (in millions)

	Three months ended December 31,			Twelve months ended December 31,		
	2017	2016	% Chg	**2017**	2016	% Chg
Gaming revenues	**$ 7.1**	$ 6.8	4%	**$ 27.6**	$ 26.2	5%
Hospitality and other revenues	**1.8**	1.8	0%	**7.1**	6.9	3%
Revenues before Promotional allowances	**8.9**	8.6	3%	**34.7**	33.1	5%
Less: Promotional allowances	**(0.9)**	(0.7)	29%	**(3.3)**	(2.9)	14%
Revenues	**8.0**	7.9	1%	**31.4**	30.2	4%
Human resources	**3.7**	3.1	19%	**14.5**	12.3	18%
Property, marketing and administration	**3.0**	2.6	15%	**11.2**	9.4	19%
Adjusted EBITDA	**$ 1.3**	$ 2.2	(41%)	**$ 5.7**	$ 8.5	(33%)
Human resources as a % of Revenues before Promotional allowances	**41.6%**	36.0%		**41.8%**	37.2%	
Adjusted EBITDA as a % of Revenues	**16.3%**	27.8%		**18.2%**	28.1%	

	Q4 2017	**Q3 2017**	**Q2 2017**	**Q1 2017**	**Q4 2016**	**Q3 2016**	**Q2 2016**	**Q1 2016**	**Average**
Table Drop	$ 46.7	$ 43.1	$ 42.9	$ 37.3	$ 37.8	$ 36.9	$ 35.7	$ 35.9	
Table Hold	$ 7.0	$ 6.3	$ 7.0	$ 7.2	$ 6.9	$ 6.2	$ 6.2	$ 7.2	
Table Hold %	14.9%	14.5%	16.2%	19.1%	18.1%	16.6%	17.4%	19.8%	17.0%

Results in Canadian Dollars

	Three months ended December 31,			Twelve months ended December 31,		
	2017	2016	% Chg	**2017**	2016	% Chg
Revenues	**$ 10.3**	$ 10.6	(3%)	**$ 41.2**	$ 40.4	2%
Adjusted EBITDA	**$ 1.7**	$ 3.0	(43%)	**$ 7.6**	$ 11.4	(33%)

Discussion in U.S. Dollars

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 Canadian dollar in comparison to the U.S. dollar was 5% and 2% higher in the three and twelve months ended December 31, 2017, when compared to same periods in 2016. A higher average value of the Canadian dollar in comparison to the U.S. dollar results in a decrease in the Canadian dollar translation of the operating results.

Revenues

Gaming revenues increased during the three and twelve months ended December 31, 2017, when compared to the same periods in 2016, mainly due to additional revenues attributable to Great American Casino Des Moines.

Expenses

Human resources expenses increased by 19% and 18% for the three and twelve months ended December 31, 2017, respectively, when compared to the same periods in 2016, primarily due to an increase in minimum wage in Washington state and additional labour costs at Great American Casino Des Moines. Property, marketing and administration expenses increased by 15% and 19% for the three and twelve months ended December 31, 2017, respectively, when compared to the same periods in 2016, mainly due to increased promotions and additional expenses attributable to Great American Casino Des Moines. $0.3 of the increase in the twelve month period was related to pre-opening costs at Great America Casino Des Moines.

Adjusted EBITDA

Adjusted EBITDA decreased by 41% and 33% for the three and twelve months ended December 31, 2017, respectively, when compared to the same periods in 2016, due to increased expenses.

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

Ontario Properties (Georgian Downs, Flamboro Downs and Shorelines Casinos)

	Three months ended December 31,			Twelve months ended December 31,		
	2017	2016	% Chg	**2017**	2016	% Chg
Gaming revenues	**$ 19.1**	$ 17.2	11%	**$ 88.3**	$ 65.4	35%
Racetrack revenues	**1.3**	1.2	8%	**4.7**	4.7	0%
Lease revenues	**4.3**	4.2	2%	**16.7**	16.6	1%
Hospitality and other revenues	**4.4**	3.0	47%	**18.4**	10.7	72%
Revenues before Promotional allowances	**29.1**	25.6	14%	**128.1**	97.4	32%
Less: Promotional allowances	**(0.8)**	(0.7)	(14%)	**(3.9)**	(2.2)	(77%)
Revenues	**28.3**	24.9	14%	**124.2**	95.2	30%
Human resources	**9.1**	8.4	8%	**37.0**	29.9	24%
Property, marketing and administration	**10.8**	11.5	(6%)	**41.6**	29.7	40%
Adjusted EBITDA	**$ 8.4**	$ 5.0	68%	**$ 45.6**	$ 35.6	28%
Human resources as a % of Revenues before Promotional allowances	**31.3%**	32.8%		**28.9%**	30.7%	
Adjusted EBITDA as a % of Revenues	**29.7%**	20.1%		**36.7%**	37.4%	

Live race days	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Georgian	-	27	12	-	-	27	12	-
Flamboro	52	17	26	36	51	17	26	36

Recent Developments
During the twelve months ended December 31, 2017, the Company signed Lease Extension Agreements with OLG for its Georgian Downs and Flamboro Downs racetracks. The agreements effective March 31, 2017 secure lease revenues for these properties for an extended term from April 1, 2018 to March 31, 2023.

Shorelines Casino Belleville began operations on January 11, 2017, as described in the "Major Developments" section of this MD&A. In August 2017, further development at Shorelines Casino Belleville was completed to expand parking by 158 spaces to accommodate additional patrons.

Revenues
Revenues increased primarily due to the additional revenues attributable to Shorelines Casino Belleville, partially offset by decreased gaming revenues at both Shorelines Slots at Kawartha Downs and Shorelines Casino Thousand Islands. During the three and twelve months ended December 31, 2017, OGELP recognized additional gaming revenues related to permitted capital expenditures of $nil and $3.6, respectively; which were $0.2 and $0.7 lower than the comparative periods in 2016 due to timing of expenditures.

Expenses
Human resources expenses increased primarily due to the additional positions at Shorelines Casino Belleville. The increase was partially offset by decreased human resource expenses at Shorelines Slots at Kawartha Downs and Shorelines Casino Thousand Islands due to labour efficiencies as a result of attrition.

Property, marketing and administrative expenses decreased for the three months ended December 31, 2017, when compared to the same period in 2016, primarily due to pre-opening costs incurred for Shorelines Casino Belleville in 2016, partially offset by additional operating costs for Shorelines Casino Belleville in 2017. Property, marketing and administration expenses increased for the twelve months ended December 31, 2017, when compared to the same period in 2016, primarily due to the additional expenses attributable to Shorelines Casino Belleville and the implementation of a comprehensive marketing plan at the three Shorelines casinos including promotional offers, full media campaign, and player investment strategy.

Adjusted EBITDA
Adjusted EBITDA increased by 68% and 28% for the three and twelve months ended December 31, 2017, respectively, when compared to the same periods of 2016. These increases were primarily due to additional Adjusted EBITDA from Shorelines Casino Belleville.

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

Atlantic Casinos (Casino Nova Scotia Halifax, Casino Nova Scotia Sydney and Casino New Brunswick)

	Three months ended December 31,			Twelve months ended December 31,		
	2017	2016	% Chg	**2017**	2016	% Chg
Gaming revenues	**$ 18.4**	$ 16.2	14%	**$ 72.8**	$ 66.8	9%
Hospitality and other revenues	**8.2**	7.5	9%	**29.9**	28.2	6%
Revenues before Promotional allowances	**26.6**	23.7	12%	**102.7**	95.0	8%
Less: Promotional allowances	**(2.6)**	(2.2)	18%	**(10.4)**	(9.4)	11%
Revenues	**24.0**	21.5	12%	**92.3**	85.6	8%
Human resources	**7.3**	7.1	3%	**28.6**	28.3	1%
Property, marketing and administration	**9.3**	7.9	18%	**34.8**	30.8	13%
Adjusted EBITDA	**$ 7.4**	$ 6.5	14%	**$ 28.9**	$ 26.5	9%
Human resources as a % of Revenues before Promotional allowances	**27.4%**	30.0%		**27.8%**	29.8%	
Adjusted EBITDA as a % of Revenues	**30.8%**	30.2%		**31.3%**	31.0%	

	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Average
Table Drop	$ 23.9	$ 24.4	$ 22.9	$ 20.6	$ 21.5	$ 23.1	$ 22.1	$ 20.5	
Table Hold	$ 4.9	$ 4.9	$ 4.7	$ 4.6	$ 4.4	$ 4.9	$ 4.2	$ 5.0	
Table Hold %	20.4%	20.1%	20.7%	22.7%	20.5%	21.2%	19.0%	24.6%	21.0%
Poker Rake	$ 0.6	$ 0.6	$ 0.6	$ 0.7	$ 0.6	$ 0.6	$ 0.6	$ 0.6	
Slot Coin-In	$ 357.8	$ 416.6	$ 366.3	$ 308.7	$ 321.9	$ 385.7	$ 347.9	$ 294.9	
Slot Win	$ 29.6	$ 34.1	$ 30.0	$ 25.2	$ 26.0	$ 31.0	$ 27.4	$ 23.7	
Slot Win/Slot/Day(1), (2)	$ 221	$ 256	$ 231	$ 194	$ 197	$ 239	$ 239	$ 214	
Slot Win %	8.3%	8.2%	8.2%	8.2%	8.1%	8.0%	7.9%	8.0%	8.1%

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

(2) The Atlantic Casinos Group includes the results of Casino New Brunswick since its acquisition on October 1, 2015.

Recent Developments
The Company completed renovations at its Halifax location in September 2017 to introduce a new buffet outlet, bar, entertainment lounge, Racebook and relocate the poker room.

Revenues
Gaming revenues increased by 14% and 9% for the three and twelve months ended December 31, 2017, respectively, when compared to the same periods in 2016, primarily due to increased Slot Coin-in resulting from increased marketing efforts.

Hospitality and other revenues and promotional allowances increased during the three and twelve months ended December 31, 2017, mainly due to growth in food and beverage revenues at the two Casino Nova Scotia properties as a result of increased promotional activities.

Expenses
Human resources expenses increased for the three and twelve months ended December 31, 2017, when compared to the same periods in 2016, due to increased labour costs at the two Casino Nova Scotia properties as a result of increased wages, addition of a buffet and promotional activities.

Property, marketing, and administration expenses increased for the three and twelve months ended December 31, 2017, when compared to the same periods in 2016, primarily due to higher advertising and promotions expenses and higher food and beverage costs as a result of a new marketing strategy at the two Casino Nova Scotia properties.

Adjusted EBITDA
Adjusted EBITDA increased by 14% and 9% for the three and twelve months ended December 31, 2017, respectively, when compared to the same periods of 2016. These increases were primarily due to the improvement in gaming revenues.

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

Corporate & Other

	Three months ended December 31,					Twelve months ended December 31,				
		2017		2016	% Chg		**2017**		2016	% Chg
Human resources	**$**	**3.5**	$	2.8	25%	**$**	**13.6**	$	12.2	11%
Property, marketing and administration		**1.3**		1.2	8%		**5.2**		4.9	6%
Adjusted EBITDA	**$**	**(4.8)**	$	(4.0)	(20%)	**$**	**(18.8)**	$	(17.1)	(10%)

Adjusted EBITDA
Human resources expenses increased for the three and twelve months ended December 31, 2017, when compared to the same periods in 2016, primarily due to new hires and increased contracted services. Property, marketing and administration expenses remained relatively consistent for the three and twelve months ended December 31, 2017, when compared to the same periods in 2016.

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

Discussion of Items Excluded from Adjusted EBITDA

	Three months ended December 31,					Twelve months ended December 31,				
		2017		2016	% Chg		**2017**		2016	% Chg
Adjusted EBITDA	**$**	**49.2**	$	47.2	4%	**$**	**223.0**	$	208.9	7%
Amortization		**15.3**		13.6			**58.3**		54.7	
Share-based compensation		**2.2**		1.6			**8.1**		6.7	
Impairment reversal of long-lived assets		**-**		-			**(0.9)**		-	
Interest and financing costs, net		**8.2**		8.6			**33.9**		34.9	
Business acquisition, restructuring and other[1]		**2.3**		2.2			**3.3**		7.3	
Foreign exchange gain and other		**(0.1)**		(0.5)			**-**		(0.3)	
Income taxes		**8.4**		6.2			**34.6**		29.0	
Net earnings	**$**	**12.9**	**$**	**15.5**	(17%)	**$**	**85.7**	$	76.6	12%

[1] "Business acquisition, restructuring and other" for the three and twelve months ended December 31, 2017 includes $1.8 of the Company's share of OGGTA's transition costs incurred for the GTA Gaming Bundle, which is excluded from Adjusted EBITDA. These costs are presented as "share of profit of equity investments" on the consolidated statement of earnings and other comprehensive income for the twelve months ended December 31, 2017.

Amortization
Amortization increased by $1.7 and $3.6 for the three and twelve months ended December 31, 2017, when compared to the same periods in 2016, primarily due to the completion of Shorelines Casino Belleville in January 2017.

Share-Based Compensation
The share-based compensation of $2.2 and $8.1 in the three and twelve months ended December 31, 2017, respectively, comprised of equity-settled share-based compensation expense of $1.7 (2016 - $1.0) and $5.5 (2016 - $5.0), respectively, and cash-settled share-based compensation expense of $0.5 (2016 - $0.6) and $2.5 (2016 - $2.8), respectively. The increase in equity-settled share-based compensation in the three and twelve months ended December 31, 2017, compared to the same periods in 2016, was due to a higher number of options vesting during the three and twelve months ended December 31, 2017. The cash-settled share-based compensation for the twelve months ended December 31, 2017 was lower due to fewer RSUs being settled for cash.

Impairment Reversal of Long-lived Assets
In 2012, the Company recorded impairment of long-lived assets in connect with the early termination of Flamboro Down's site holder agreement. During 2017, the Company signed the Lease Extension Agreements with OLG for both Georgian Downs and Flamboro Downs. As a result of the Lease Extension Agreement, the Company recorded reversals of impairment related to Flamboro Downs' intangible assets and property, plant and equipment during the first quarter of 2017.

Interest and Financing Costs, net
Interest and financing costs, net of interest income decreased for the three and twelve months ended December 31, 2017, when compared to the same periods in 2016, primarily due to increased interest income as a result of higher cash balances compared to the prior year periods.

Business Acquisition, Restructuring and Other
Business acquisition, restructuring and other costs was relatively consistent for the three months ended December 31, 2017, when compared to the same period in 2016. Business acquisition, restructuring and other costs decreased by $4.0 in the twelve months ended December 31, 2017, when compared to the same period in 2016. For the twelve months ended December 31, 2017, business acquisition, restructuring and other costs includes $1.8 of the Company's share of OGGTA's transition costs incurred for the GTA Gaming Bundle, $1.2 of restructuring severance costs, $0.6 of business development costs, offset by a $0.3 reduction to the provision for contingent future trailing.

Foreign Exchange Gain and Other
Foreign exchange gain decreased by $0.4 and $0.3 in the three and twelve months ended December 31, 2017, when compared to the same periods in 2016, primarily due to unrealized foreign exchange on revaluation of U.S. dollar denominated monetary balances.

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

Income Taxes
Income taxes increased by $2.2 and $5.6 in the three and twelve months ended December 31, 2017, when compared to the same periods in 2016. These increases were primarily due to higher earnings before income taxes and a future corporate income tax rate that was 27% in 2017 compared to 26% in 2016. The Company's effective tax rate has remained relatively consistent in each of the periods.

CONSOLIDATED QUARTERLY RESULTS TREND

	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Revenues	$ 151.0	$ 159.6	$ 161.0	$ 142.7	$ 143.0	$ 151.4	$ 140.5	$ 131.5
Adjusted EBITDA	$ 49.2	$ 62.7	$ 62.8	$ 48.2	$ 47.2	$ 62.9	$ 55.3	$ 43.5
Adjusted EBITDA as a % of Revenues	32.6%	39.3%	39.0%	33.8%	33.0%	41.5%	39.4%	33.1%
Shareholders' net earnings	$ 12.9	$ 26.9	$ 26.7	$ 17.8	$ 15.6	$ 26.9	$ 22.8	$ 10.4
Shareholders' net earnings per common share								
Basic	$ 0.21	$ 0.44	$ 0.43	$ 0.29	$ 0.26	$ 0.45	$ 0.37	$ 0.16
Diluted	$ 0.21	$ 0.43	$ 0.43	$ 0.29	$ 0.25	$ 0.44	$ 0.36	$ 0.16

Revenues have increased in each quarter, when compared to the same quarter in the prior year, due to the acquisition of the East Gaming Bundle in Q1 2016 and growth from reinvestments and renovations in the Company's current properties, partially offset by a decline in revenues at River Rock due to its renovation period in 2017. The second and third quarters generate higher revenues than the first and fourth quarters, due to seasonality and weather conditions impacting player attendance.

Changes in Adjusted 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. Adjusted EBITDA in Q4 2017, Q3 2017, Q2 2017, Q1 2017, Q4 2016, Q2 2016, and Q1 2016 were affected by pre-opening costs totalling $0.4, $0.4, $0.4, $0.2, $1.0, $0.1, and $0.3 respectively.

The shareholders' net earnings trend reflects the items noted above, as well as amortization expense, share-based compensation expense, business acquisition costs, restructuring expenses and the related income tax effects of these items. Amortization expense increased over the past eight quarters due to the addition of the Shorelines Casinos.

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

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 December 31, 2017, the Company had:

- Receivables, of which the majority are due from the provincial gaming corporations, federal government, and racetrack operators. Receivables have decreased by $1.1 since December 31, 2016.
- 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, has fixed interest rates with its Canadian dollar denominated Senior Unsecured Notes and has an interest rate swap that effectively converted the floating interest rate into a fixed interest rate on the debt borrowed from OGELP's Non-recourse Revolving Credit Facility;
- $281.8 of available credit on its Revolving Credit Facility, subject to compliance with the related financial covenants. Available credit decreased by $41.2 since December 31, 2016 due to additional letters of credits issued to satisfy bidding requirements for the Ontario gaming bundle RFPs;
- $5.7 of available credit under OGELP's Non-recourse Revolving Credit Facility, subject to compliance with the related financial covenants. Available credit decreased by $3.3 since December 31, 2016 primarily due to additional $3.0 drawn on the facility in the first quarter of 2017; and
- Counterparties to its existing debt and credit facilities that are primarily major financial institutions that have minimum grade "A" credit ratings.

Financial Position

	December 31, 2017	December 31, 2016	% Chg
Cash and cash equivalents	**$ 322.3**	$ 228.7	41%
Accounts receivable	**21.8**	22.9	(5%)
Land held for sale	**8.1**	8.1	0%
Other current assets	**12.1**	11.0	10%
Property, plant and equipment	**665.4**	667.7	(0%)
Cash on deposit with Canada Revenue Agency	**29.3**	29.5	(1%)
Other long-term assets	**112.4**	115.8	(3%)
Total Assets	**$ 1,171.4**	$ 1,083.7	8%
Current liabilities	**$ 99.0**	$ 103.5	(4%)
Long-term debt	**482.6**	478.3	1%
Other long-term liabilities	**119.6**	112.6	6%
Total Liabilities	**701.2**	694.4	1%
Equity attributable to shareholders of the company	**464.9**	385.4	21%
Non-controlling interests	**5.3**	3.9	36%
Total Equity	**470.2**	389.3	21%
Total Liabilities and Equity	**$ 1,171.4**	$ 1,083.7	8%

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

Total Assets
Total assets increased by 8% in the twelve months ended December 31, 2017, when compared to the total assets as at December 31, 2016. This increase was primarily due to increases in cash balances, partially offset by decreases in accounts receivable, property, plant and equipment and intangible assets.

Total Liabilities
Total liabilities increased by 1% in the twelve months ended December 31, 2017, when compared to the balance as at December 31, 2016. The increase was mainly attributable to an increase in deferred tax liabilities.

Equity
Total equity increased by 21% in the twelve months ended December 31, 2017, when compared to the total equity as at December 31, 2016. This increase was primarily due to net earnings of $87.4, share options exercised of $11.1, and equity-settled share-based compensation of $5.6, offset by $20.3 purchase and cancellation of 859,450 common shares.

Cash Flows

	Three months ended December 31,			Twelve months ended December 31,		
	2017	2016	% Chg	**2017**	2016	% Chg
Cash generated by operating activities	**$ 50.4**	$ 46.6	8%	**$ 192.3**	$ 176.8	9%
Cash used in investing activities	**(17.0)**	(14.7)	16%	**(57.8)**	(85.4)	(32%)
Cash used in financing activities	**(0.7)**	0.3	(333%)	**(40.5)**	(70.6)	(43%)
Effect of foreign exchange on cash and cash equivalents	**0.2**	0.6	(67%)	**(0.4)**	0.4	(200%)
Cash inflow	**$ 32.9**	$ 32.8	0%	**$ 93.6**	$ 21.2	342%

Cash generated by operating activities in the three and twelve months ended December 31, 2017, when compared to the same periods in 2016, were higher due to the growth in Adjusted EBITDA.

Cash used in investing activities in the three months ended December 31, 2017 was higher, when compared to the same period in 2016, mainly due to the investment in OGGTA, partially offset by lower purchases of property, plant, and equipment in the fourth quarter of 2017. Cash used in investing activities in the twelve months ended December 31, 2017 was lower, when compared to the same period in 2016, mainly due to the acquisition of Ontario East Gaming Bundle in 2016, partially offset by higher purchases of property, plant, and equipment in 2017.

The cash used in financing activities in the three months ended December 31, 2017 was mainly attributable to interest paid. The cash used in financing activities in the twelve months ended December 31, 2017 was mainly attributable to $34.3 interest paid and $20.3 paid for the purchase and cancellation of shares, partially offset by $11.1 proceeds from the exercise of share options and the $3.0 drawn on the Non-recourse Revolving Credit Facility of OGELP.

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

Capital Resources

Long-Term Debt and Equity

	December 31, 2017	December 31, 2016
Senior Unsecured Notes, net of unamortized transaction costs of $4.9 (2016 - $5.9)	**$ 445.1**	$ 444.1
Non-recourse Revolving Credit Facility, net of unamortized transaction costs of $0.5 (2016 - $0.8)	**37.5**	34.2
	$ 482.6	$ 478.3

a) *Senior Unsecured Notes*

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

The Senior Unsecured Notes are guaranteed by the Company's material restricted subsidiaries as defined in the long-term debt agreement covering the Trust Indenture. Interest on the Senior Unsecured Notes is payable semi-annually in arrears on January 25 and July 25 of each year. There are customary provisions for early redemptions of the Senior Unsecured Notes during defined periods prior to maturity with payment of defined premiums.

As at December 31, 2017, subject to compliance with the related financial covenants, the Company has $281.8 (2016 - $323.0) of available undrawn credit on its Senior Secured Revolving Credit Facility after deducting outstanding letters of credit of $68.2 (2016 - $27.0).

Transaction costs of approximately $10.5 associated with the issuance of the Senior Unsecured Notes were primarily related to underwriting fees, legal fees, and other expenses, and are amortized through the "interest and financing costs, net" line of the consolidated statements of earnings and other comprehensive income over the term of the Senior Unsecured Notes using the effective interest method.

b) *Revolving Credit Facility*

As at December 31, 2017, subject to compliance with the related financial covenants, the Company has $281.8 (2016 - $323.0) of available undrawn credit on its Revolving Credit Facility after deducting outstanding letters of credit of $68.2 (2016 - $27.0). The counterparties to this facility are major financial institutions with minimum "A" credit ratings.

On May 25, 2015, the Company extended the maturity of its Credit and Guarantee Agreement ("Credit Agreement"), which covers the terms of its $350.0 Revolving Credit Facility by five years to May 25, 2020. The interest rate on advanced amounts and the commitment fee on the unused facility are based on the Company's Total Debt to Adjusted EBITDA ratio (for all calculations relating to the Revolving Credit Facility, Adjusted EBITDA is determined as defined in the underlying Credit Agreement), which is calculated quarterly on a trailing twelve month basis.

Transaction costs associated with the past extensions of the Revolving Credit Facility totalling $1.5 are included in the "other assets" line of the consolidated statements of financial position and are amortized through the "interest and financing costs, net" line of the consolidated statements of earnings and other comprehensive income over the term of the Revolving Credit Facility using the straight-line method.

The Revolving Credit Facility is guaranteed and secured by substantially all of the assets of the Company and its subsidiaries. The Revolving Credit Facility requires the Company to comply with certain operational and financial covenants (which are defined in the underlying agreement). The financial covenants which are calculated quarterly on a trailing twelve month basis are: Total Debt to Adjusted EBITDA ratio of 5.00 or less, Senior Secured Debt to Adjusted EBITDA ratio of 3.50 or less, and Interest Coverage ratio of 2.25 or more.

c) *Non-recourse Revolving Credit Facility of OGELP subsidiary*

On January 11, 2016, the Company's OGELP subsidiary arranged a $60.0 revolving credit facility for the acquisition of the assets and operations of certain casinos in Ontario from OLG as described in the "Major Developments" section of this MD&A. The Non-recourse Revolving Credit Facility Credit Agreement ("Non-recourse Credit Agreement"), which expires on January 11, 2020, is non-recourse to Great Canadian Gaming Corporation and its other subsidiaries, other than the Company's historic investment in the OGELP subsidiary, which may not be recovered in the event of default of OGELP. OGELP's assets are pledged as collateral on the facility. The counterparties to this credit facility are major financial institutions with minimum "A" credit ratings. The interest rates applicable to this revolving credit facility are equal to a margin of 1% to 2.5% above the Canadian prime lending rate, depending on OGELP's Total Leverage Ratio, as defined in the underlying credit agreement. Standby fees range from 0.50% to 0.88%, also depending on OGELP's Total Leverage Ratio.

As at December 31, 2017, subject to compliance with the related financial covenants, the Company had $5.7 (2016 - $9.0) of available undrawn credit on its Non-recourse Revolving Credit Facility after deducting outstanding letters of credit of $16.3 (2016 - $16.0).

Transaction costs associated with the issuance of the Non-recourse Revolving Credit Facility totalling $1.1 are amortized through the "interest and financing costs, net" line of the consolidated statements of earnings and other comprehensive income over the term of the Non-recourse Revolving Credit Facility using the straight-line method.

d) *Interest rate swap*

On January 19, 2016, the Company's OGELP subsidiary entered into an interest rate swap that effectively converted the floating interest rate on the debt borrowed from its Non-recourse Revolving Credit Facility into fixed interest rate debt. As at December 31, 2016, the interest rate swap had a notional principal of $35.0 and matures on January 10, 2020. OGELP receives interest based on a 3-month Canadian Dealer Offered Rate and pays interest at 0.813% per annum.

OGELP designated the interest rate swap as a cash flow hedge of the interest rate exposure on the debt. OGELP has evaluated the interest rate swap and assessed it as an effective hedge of the cash flows associated with the Non-recourse Revolving Credit Facility. Accordingly, the change in fair values of the swap, net of income taxes, has been recorded in other comprehensive income. The fair value of the interest rate swap is calculated based on the market conditions at the time of reporting.

At December 31, 2017, the fair value of the interest rate swap was in a $0.9 (2016 - $0.4) asset position and the amount was recorded in "other assets" on the consolidated statements of financial position.

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

e) Covenants and credit ratings

As at December 31, 2017, the Company was in compliance with the financial covenants related to its revolving credit facility and senior unsecured notes as shown below:

Covenant test	**Required ratio**	**Actual ratio**
Total Debt to Adjusted EBITDA ratio (1)	≤ 5.00	2.01
Senior Secured Debt to Adjusted EBITDA ratio (1) (2)	≤ 3.50	0.00
Interest Coverage ratio (1)	≥ 2.25	6.27
Fixed Charge Coverage ratio (3)	≥ 2.00	6.30

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

(2) This ratio does not include the Non-recourse Revolving Credit Facility of OGELP.

(3) 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.

As at December 31, 2017, OGELP was in compliance with the financial covenants related to its non-recourse revolving credit facility as shown below:

Covenant test	**Required ratio**	**Actual ratio**
Total Leverage ratio (1)	≤ 4.00	1.82
Total Debt to Capitalization ratio (1)	≤ 0.65	0.49
Interest Coverage ratio (1)	≥ 2.25	17.32

(1) Calculated on a trailing twelve month basis and defined in the Non-recourse Credit Agreement, dated January 11, 2016.

As part of its capital structure monitoring process, the Company's independent credit ratings as at December 31, 2017 were as follows:

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

Canada Revenue Agency Disputes and Audit

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 to 2014 years. CRA has taken the position that FDC was received by the Company and its subsidiaries during 2009 and subsequent years as service fee income and should be included in taxable income when received. For income tax purposes, the Company and its subsidiaries treat the reimbursement by BCLC of the approved gaming related property, plant and equipment costs as a reduction in the capital cost of the asset. CRA's current 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 current position 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.

Based on the FDC received from BCLC between January 1, 2009 to December 31, 2017, if CRA's current position of FDC prevails, preliminary estimates indicate the Company's consolidated current tax expense would increase $64.1, deferred tax expense would decrease $62.9, and interest and financing costs would increase $11.6, resulting in a one-time $12.8 decrease in net earnings and a corresponding decrease to basic net earnings per share of approximately $0.21 per share. The Company expects that the effect of the estimated $8.4 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 December 31, 2017, 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.

During 2015, the Company received notices of reassessment from CRA for itself and three of its subsidiaries related to the income tax treatment of FDC received from BCLC in 2009 and 2010. During 2016, the Company and five of its subsidiaries received notices of reassessment related to the income tax treatment of FDC received from BCLC in 2011, and 2012, and in some cases 2013. As a part of the notices of reassessment received during 2016, the CRA waived $1.1 of interest relating to the 2011 and 2012 taxation years. During the quarter ended December 31, 2017, the Company and five of its subsidiaries received notices of reassessment related to the income tax treatment of FDC received from BCLC in 2013 and 2014.

The Company strongly disagrees with the CRA's current position of FDC and CRA's adjustments to the taxable income of it and its subsidiaries in respect of FDC. Management believes that it is probable 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 five subsidiaries that have received notices of reassessment from CRA for 2009 to 2012 have filed notices of objection with CRA's Appeals Division. The Company is in the process of preparing notices of objection to CRA's Appeals Division for five of its subsidiaries that received notices of reassessment in 2017 and subsequent to year-end, paid the minimum 50% of the income taxes and interest reassessed. The Company and its subsidiaries plan to file notices of objection to CRA's Appeals Division to each notice of reassessment received for any subsequent years, where 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. As at December 31, 2017, the Company and its subsidiaries have deposited a net amount of $29.3 (2016 - $29.5) to CRA and is reflected in "cash on deposit with Canada Revenue Agency" on the consolidated statements of financial position.

The CRA also commenced an audit over a payment Georgian Downs Ltd ("GDL") received from OLG in 2013, as a result of the termination of the Slots at Racetracks Program. During the year ended December 31, 2017, GDL received a notice of reassessment for its 2013 taxation year. GDL is in the process of preparing a notice of objection to appeal the notice of reassessment to CRA Appeals Division. As required under the *Income Tax Act* (Canada), subsequent to year-end, GDL paid the minimum 50% of the income taxes and interest reassessed. The notice of reassessment was issued in accordance with CRA's position that the payment received should be treated as ordinary business income for GDL. GDL treated the payment as a reimbursement of property, plant and equipment costs it incurred to expand the facility under OLG direction; thus reducing the capital cost of related assets. If CRA's current position prevails, it would accelerate the timing of when GDL recognize taxable income, but would also increase the tax depreciation deduction (capital cost allowance) available in the prior and future years. GDL estimates current tax expense would increase $6.2, deferred tax expense would decrease $6.2 and interest and financing costs would increase $1.6, resulting in a one-time $1.6 decrease in net earnings and a corresponding decrease to basic net earnings per share of approximately $0.03 per share. Management believes that it is probable that GDL's tax filing position will prevail and consequently has not accrued any potential liability arising from this matter. GDL intends to vigorously defend its tax filing position.

Normal Course Issuer Bid

In March 2017, the Company received approval from the TSX to renew a normal course issuer bid for up to 3,995,203 of its common shares, representing approximately 10% of the Company's common shares in the public float. The bid commenced on March 15, 2017 and will end on March 14, 2018, or earlier if the number of shares sought in the issuer bid has been obtained. The Company will not purchase shares during its self-imposed blackout periods and reserves the right to terminate the bid earlier. Pursuant to TSX policies, daily purchases made by the Company will not exceed 29,676 common shares or 25% of the prior six-month average trading volume of 118,705 common shares on the TSX, subject to certain prescribed exceptions. Purchases will be made 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 rules. No purchases will be made other than by means of open market transactions during the term of the normal course issuer bid and conducted at the market price at the time of acquisition. All shares purchased by the Company will be subsequently cancelled.

During the year ended December 31, 2017, the Company purchased for cancellation 859,450 common shares at a weighted-average price per share of $23.66 under the issuer bid which commenced on March 15, 2017. All shares purchased by the Company were cancelled.
The Company records the cost of repurchasing shares as a reduction to share capital on a prorated per share basis with any residual amount recorded as a reduction of retained earnings.

Outstanding Share Data

As at December 31, 2017 there were 60,894,490 common shares issued and outstanding compared to 60,791,632 as at December 31, 2016. This increase was primarily due to the exercise of employee stock options, partially offset by the repurchase and cancellation of common shares in 2017 as described in the "Normal Course Issuer Bid" section of this MD&A.

As at December 31, 2017, there were 5,345,846 share options outstanding at a weighted-average exercise price of $20.86.

As at March 4, 2018, there were 60,984,409 common shares outstanding and 5,882,593 share options outstanding.

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

Capital Spending and Development

The majority of the Company's capital expenditures on gaming operations in British Columbia and Nova Scotia are eligible for reimbursement by the provincial gaming authorities. In Ontario, a portion of OGELP's annual service provider fee comprises an amount for permitted capital expenditures.

British Columbia

In British Columbia, through the 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.

The following table summarizes the changes in the Company's Approved Amounts to be recovered by future FDC receipts from BCLC:

	Year ended December 31,	
	2017	2016
Opening Approved Amounts	**$ 309.7**	$ 342.1
Additional Approved Amounts	**7.3**	5.0
FDC receipts	**(38.6)**	(37.4)
Closing Approved Amounts	**$ 278.4**	$ 309.7

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.

Nova Scotia

In Nova Scotia, under the terms of the casino operating agreement with NSPLCC, $4.5 annually (adjusted for inflation) is deposited to a Capital Reserve Account. 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 Capital Reserve Account. For accounting purposes, the purchases made using funds from the Capital Reserve 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 Capital Reserve Account. If there are insufficient funds in the Capital Reserve Account to reimburse the Company for qualifying expenditures, 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.

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

The following table summarizes the Company's consolidated maintenance and development capital expenditures net of accounts payable for the three and twelve months ended December 31, 2017:

	Three months ended December 31,				Twelve months ended December 31,			
		2017		2016		**2017**		2016
Development capital expenditures net of related accounts payable	**$**	**9.4**	$	16.9	**$**	**49.2**	$	34.2
Maintenance capital expenditures net of related accounts payable		**0.8**		0.8		**2.8**		4.9
Total capital expenditures net of related accounts payable	**$**	**10.2**	$	17.7	**$**	**52.0**	$	39.1

Development capital expenditures during the three months ended December 31, 2017 were primarily related to the renovations at River Rock, expansion of View Royal Casino, and construction of Shorelines Casino Peterborough during the period. Development capital expenditures during the twelve months ended December 31, 2017 were primarily related to the renovations at River Rock, expansion of View Royal Casino, and development of Shorelines Casino Belleville. For the upcoming twelve months of 2018, the Company estimates that development and maintenance capital expenditures for its operating entities as of December 31, 2017, will total approximately $39.8 and $11.6 respectively.

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 2009. The Company takes the position that BCLC is not entitled to collect the marketing contributions and alleges the total of such amounts collected from it to December 31, 2017 is in excess of $32.3 (2016 - $28.3). The Company is seeking an order that BCLC cease collecting such marketing contributions as well as damages from BCLC in an amount equal to the total of such marketing contributions collected by BCLC up to the date of judgment. BCLC has filed a statement of defense denying the claims by the Company. A trial has been set to commence in the first quarter of 2018. On September 15, 2016, the Company filed and served an application, and related applications, for certification of the claim as a class proceeding under the Class Proceedings Act ("CPA"). The application for leave to amend the notice of civil claim to plead the CPA was dismissed on April 6 2017, but the Company was given leave to add Orangeville Raceway Ltd. and Hastings Entertainment Inc. as plaintiffs and to amend its claim in other respects. The Company will continue with its legal action as planned toward the trial date in mid-2018.

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

Commitments

The Company expects the following maturities of its financial liabilities (including interest), operating leases and other contractual commitments:

	Expected payments by period as at December 31, 2017				
	Within 1 year	2 - 3 years	4 - 5 years	More than 5 years	Total
Accounts payable and accrued liabilities	$ 91.9	$ -	$ -	$ -	$ 91.9
Income taxes payable	4.3	-	-	-	$ 4.3
Senior Unsecured Notes	29.8	59.6	509.6	-	$ 599.0
Revolving Credit Facility	2.3	3.2	-	-	$ 5.5
Non-recourse Revolving Credit Facility	2.1	36.7	-	-	$ 38.8
Provisions	2.0	0.8	0.8	5.3	$ 8.9
Operating leases	10.6	7.7	6.1	4.4	$ 28.8
Other contractual commitments	46.3	12.4	5.7	3.4	$ 67.8
Total	$ 189.3	$ 120.4	$ 522.2	$ 13.1	$ 845.0

(1) Operating leases include a ground lease with the City of Surrey, BC for Elements Casino (Surrey), an operating agreement with the City of Vancouver, BC for Hastings Racecourse and Slots Facility, a property lease with Kawartha Downs for OLG for Shorelines Slots at Kawartha Downs, and a ground lease with the City of Sydney, NS for Casino Nova Scotia Sydney.

(2) Other contractual commitments include the acquisition of property, plant and equipment of $28.0 (2016 - $15.5), various service contracts of $21.4 (2016 - $15.5), and amounts committed to NSPLCC to fund responsible gaming programs over the remaining 7.5-year term of the AROC of $9.4 (2016 - $14.2). Under the terms of the contract option extension with NSPLCC, the Company has committed to make capital investments totalling $10.0 in the Nova Scotia casino properties, subject to a renovation plan and schedule approved by NSPLCC. This capital commitment is not eligible for reimbursement from the CR Account. As at December 31, 2017, the Company has spent $0.9 on the properties.

(3) OGELP has covenanted to OLG that OLG shall realize gaming revenue in each year that is equal to or greater than an agreed upon threshold in respect of each operating year, or to otherwise pay to OLG the amount by which the gaming revenue realized in year is less than the applicable threshold in respect of such year (each such payment, a "Threshold Top-Up Amount"). Based on OGELP's operating results, the likelihood that OGELP will fail to generate sufficient gaming revenue for OLG for any year is expected to be remote, and as such, no provision has been made for Threshold Top-Up Amounts.

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.

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

OTHER FINANCIAL INFORMATION

Key Management Compensation

Key management personnel comprise the Company's Board of Directors and executive officers. Key management compensation was as follows:

	Year ended December 31, 2017	2016
Human resources [(1)]	**$ 2.8**	$ 3.2
Share-based compensation [(2)]	**5.2**	4.4
Total	**$ 8.0**	$ 7.6

(1) Human resources includes salaries and other short-term employee benefits.

(2) Share-based compensation includes equity and cash-settled share-based compensation.

As at December 31, 2017, the liabilities of the Company include amounts due to key management personnel of $1.2 (2016 - $2.0) in "accounts payable and accrued liabilities" and $6.3 (2016 - $5.1) in "deferred credits, provisions and other liabilities" of the consolidated statements of financial position.

Adjusted shareholders' net earnings

Adjusted shareholders' net earnings, a non-IFRS measure as defined by the Company, means shareholders' 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. A reconciliation between shareholders' net earnings and adjusted shareholders' net earnings is presented below. Adjusted shareholders' net earnings per common share is defined as adjusted shareholders' net earnings divided by the weighted average number of common shares outstanding.

	Three months ended December 31,			Twelve months ended December 31,				
	2017	2016	% Chg	**2017**	2016	% Chg	2015	% Chg
Shareholders' net earnings	**$ 12.9**	$ 15.6	(17%)	**$ 84.3**	$ 75.7	11%	$ 74.6	1%
Items of note								
Equity investment loss in OGGTA for transition costs	**1.8**	-		**1.8**	-		-	
Pre-opening costs	**0.4**	1.0		**1.4**	1.4		0.7	
Restructuring severance costs	**0.4**	-		**1.2**	2.6		3.1	
Impairment reversal of long-lived assets	**-**	-		**(0.9)**	-		-	
FDC revenues previously deferred at Casino Nanaimo	**-**	-		**(0.5)**	-		-	
Uneconomic lease provision due to Kent casino closure	**-**	-		**-**	-		0.8	
Non-recurring payment received for right of way access	**-**	-		**-**	-		(0.5)	
Other	**-**	-		**-**	0.5		0.3	
Income taxes on the above items of note	**(0.7)**	(0.4)		**(0.9)**	(1.2)		(1.2)	
Adjusted shareholders' net earnings	**$ 14.8**	$ 16.2	(9%)	**$ 86.4**	$ 78.9	9%	$ 77.8	1%
Adjusted shareholders' net earnings per common share								
Basic	**$ 0.24**	$ 0.27		**$ 1.41**	$ 1.28		$ 1.15	
Diluted	**$ 0.24**	$ 0.26		**$ 1.39**	$ 1.25		$ 1.13	
Weighted average shares outstanding								
Basic	**60,870**	60,747		**61,157**	61,895		67,664	
Diluted	**62,433**	62,049		**62,356**	62,963		69,151	

(1) Adjusted net earnings and adjusted net earnings per common share are non-IFRS measures as defined in the "Non-IFRS Measures" section of this MD&A.

Accounting standards, amendments and interpretations effective and applied

Accounting standards issued but not yet effective
The IASB issued the following new accounting standards which the Company does not plan to early adopt.

Effective January 1, 2018

- IFRS 9*, Financial Instruments ("IFRS 9")* – replaces IAS 39, *Financial Instruments: Recognition and* Measurement. IFRS 9 introduces amendments to classification and measurement for financial assets, a new expected loss impairment model and a new hedge accounting model. IFRS 9 will become effective on January 1, 2018 and will be applied retrospectively in accordance with IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*. Management has completed its assessment of the new standard and concluded that it would not have a material impact on the Company's financial statements.

- IFRS 15, Revenue from Contracts with Customers – provides a single, principles based five-step model to be applied to all contracts with customers. The standard provides guidance on timing of revenue recognition, including accounting for variable consideration, costs of fulfilling and obtaining a contract and various other matters. New disclosures about revenue are also introduced. The new standard is required to be applied either retrospectively to each prior reporting period presented ("full retrospective method") or retrospectively with the cumulative effect of initially applying the new standard recognized at the date of initial application ("modified retrospective method"). The Company currently anticipates adoption of the new standard under the modified retrospective method from January 1, 2018.

  The Company continues to assess the impact of the new standard on its consolidated financial statements. Management formed a working group in 2017 who have reviewed the nature of the Company's contracts with its customers in its most significant revenue arrangements in effect at December 31, 2017. The working group has identified the areas of significant impact and continues to assess their implications upon adoption. The working group will continue to evaluate other sources of revenue, as well as disclosure, transition and other implications of IFRS 15 through to the date of its adoption.

  At this time, the Company expects that a significant effect will be related to the accounting for certain the Company's customer loyalty programs and promotional allowances. The Company has customer loyalty programs that impact different locations we serve. Upon adoption of the new standard, a deferred revenue model will be used for customer loyalty programs operated by the Company to account for the classification and timing of revenue recognized when customers redeem rewards under the loyalty programs. This will result in a portion of gaming revenues received for which loyalty rights are earned by our customers being recorded as a contract liability based on the rewards' allocated amount using their relative selling price and then subsequently recognized as revenue in a future period when the rewards are redeemed. The revenue classification at that time will depend on the type of rewards redeemed. For customer loyalty programs operated by our crown partners, the Company does not anticipate any impact under the new guidance. The Company is finalizing the quantitative effects of these changes.

  The new standard will increase revenue disclosure requirements, including disaggregation of revenue and discussion of deferred revenue. The Company is currently considering the additional disclosure and presentation requirements. It is expected that revenue in the notes to the financial statements will be presented net of complimentary revenue and promotional allowances compared to its current gross presentation (this will have no impact on total revenue reported in the Consolidated Statements of Earnings and Other Comprehensive Income). Additionally, we continue to evaluate the impact the new standard will have on the Company's processes, systems, and internal controls.

Accounting standards issued but not yet effective (Continued)

Effective January 1, 2019

- IFRS 16, *Leases* ("IFRS 16") – specifies how to recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with lessor accounting substantially unchanged from its predecessor, IAS 17, *Leases*. The Company currently has operating lease commitments. The presentation of the majority of these operating leases will change by increasing the "property, plant and equipment", current and long-term lease liability amounts on the Consolidated Statements of Financial Position. The current presentation of lease expenses on the Consolidated Statements of Earnings and Other Comprehensive Income as a component of "property, marketing and administration" expense will change to "amortization" and "interest and financing costs, net". As the "principal" on the lease obligations is repaid, the Consolidated Statements of Cash Flows will reflect a higher amount of "cash generated by operating activities", which will be offset by an equally higher amount of "cash used in financing activities". The Company's financial covenants on its long-term debt are based on financial measures that will change under IFRS 16. The Company is currently assessing the impact of the new standard.

- IFRIC 23, *Uncertainty over Income Tax Treatments* ("IFRIC 23") - On June 7, 2017, the IASB published IFRIC 23 which includes requirements that add to the requirements in IAS 12 by specifying how to reflect the effects of uncertainty in accounting for income taxes. The Company is currently assessing the impact of the new standard.

Critical Accounting Estimates and Judgments

The preparation of financial statements requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

The estimates used in determining the recorded amounts in these consolidated financial statements include the following:

- *Estimated useful lives of long-lived assets*

  Judgment is used to estimate each component of an asset's useful life and is based on an analysis of all pertinent factors including, but not limited to, the expected use of the asset and in the case of an intangible asset, contractual provisions that enable renewal or extension of the asset's legal or contractual life without substantial cost, and renewal history. If the estimated useful lives were incorrect, it could result in an increase or decrease in the annual amortization expense, and future impairment charges or recoveries.

- *Residual values of property, plant and equipment*

  Judgement is used to estimate the residual values of property, plant and equipment, if the residual values were incorrect, it could result in an increase or decrease in the annual amortization expense and future impairment charges.

- *Fair value of net assets acquired in business combinations*

  The consideration transferred for an acquired business ("purchase price") is assigned to the identifiable tangible and intangible assets purchased and liabilities assumed on the basis of their fair values at the date of acquisition. The identification of assets purchased and liabilities assumed and the valuation thereof is specialized and judgmental. Where appropriate, the Company engages external business valuators to assist in the valuation of tangible and intangible assets acquired. Any excess of purchase price over the fair value of the identifiable tangible and intangible assets purchased and liabilities assumed is allocated to goodwill.

  When a business combination involves contingent consideration, an amount equal to the fair value of the contingent consideration is recorded as a liability at the time of acquisition. The key assumptions utilized in determining fair value may include probabilities associated with the occurrence of specified future events, financial projections of the acquired business, the timing of future cash flows, and the appropriate discount rate.

- *Equity-settled share-based compensation*

  The Company estimates the cost of equity-settled share-based compensation using the Black-Scholes option pricing model. The model takes into account an estimate of the expected life of the option, the current price of the underlying common share, the expected volatility, an estimate of future dividends on the underlying common share, the risk-free rate of return expected for an instrument with a term equal to the expected life of the option, and the expected forfeiture rate.

- *Cash-settled share-based compensation*

  The cost of cash-settled share-based compensation provided to employees incorporates an expected forfeiture rate based on historic employee retention to estimate the expected number of cash-settled securities that will vest. If the actual employee retention rate over the vesting period differs from the estimated rate, the amount of cash required to settle the liability could be higher or lower than the accrued liability and the change would be reflected in share-based compensation expense.

- *Income taxes*

  Deferred tax assets and liabilities are due to temporary differences between the carrying amount for accounting purposes and the tax basis of certain assets and liabilities, as well as undeducted tax losses. Estimation is required for the timing of the reversal of these temporary differences and the tax rate applied. The carrying amounts of assets and liabilities are based on amounts recorded on the consolidated statements of financial position and are subject to the accounting estimates inherent in those balances. The tax basis of assets and liabilities and the amount of undeducted tax losses are based on the applicable income tax legislation, regulations and interpretations. The timing of the reversal of the temporary differences and the timing of deduction of tax losses are based on estimations of the Company's future financial results.

  Changes in the expected operating results, enacted tax rates, legislation or regulations, and the Company's interpretations of income tax legislation will result in adjustments to the expectations of future timing difference reversals and may require material deferred tax adjustments.

  The Company's operations are conducted in countries with complex tax laws and regulations that can require significant interpretation. As such, the Company and the tax authorities could disagree on tax filing positions and any reassessment of the Company's tax filings could result in material adjustments to tax expense, taxes payable and deferred income taxes.

- *Contingencies*

  Provisions are accrued for liabilities with uncertain timing or amounts, if, in the opinion of management, it is both likely that a future event will confirm that a liability had been incurred at the date of the consolidated financial statements of financial position and the amount can be reasonably estimated. In cases where it is not possible to determine whether such a liability has occurred, or to reasonably estimate the amount of loss until the performance of some future event, no accrual is made until that time. In the ordinary course of business, the Company may be party to legal proceedings which include claims for monetary damages asserted against the Company and its subsidiaries. The adequacy of provisions is regularly assessed as new information becomes available.

  The Company does not record contingent assets.

The judgments used in applying the Company's significant accounting policies and disclosures include the following:

- *Determination of CGUs*

  The Company's assets are grouped into CGUs based on their ability to generate separate identifiable cash flows. The determination of CGUs involves an assessment regarding the interdependency of cash inflows, and the Company's organizational structure.

- *Segment Reporting*

  The Company has aggregated its operating segments into one reportable segment based on an assessment that each operating segment has similar economic characteristics, types of customers, types of services and products provided, regulatory environments and management and reporting structures.

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.

Disclosure Controls and Procedures and Internal Controls Over Financial Reporting

The Chief Executive Officer and Chief Financial Officer (or appointed designate) are responsible for establishing and maintaining the Company's disclosure controls and procedures and internal controls over financial reporting to provide reasonable assurance a) that material information about the Company and its subsidiaries would have been made known to them and b) regarding the reliability of financial reporting and the preparation of financial statements for external purposes.

The Chief Executive Officer and Chief Financial Officer (or appointed designate) have evaluated and concluded that the Company's disclosure controls and procedures are adequately designed and effective for providing reasonable assurance that material information relating to the Company, including its consolidated subsidiaries, would have been made known to them as of the end of the fiscal year ended December 31, 2017.

As well, as of the end of the fiscal year ended December 31, 2017, the Chief Executive Officer and Chief Financial Officer (or appointed designate) have evaluated and concluded that the Company's internal controls over financial reporting, designed under the Committee of Sponsoring Organizations of the Treadway Commission's 2013 Internal Control Integrated Framework, are adequately designed and effective for providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes.

All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

During 2017, there was no change in the Company's internal controls over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company's internal controls over financial reporting.

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, simulcast fees, and provincial and federal pari-mutuel taxes, and includes the host track share of wagering on the Company's races simulcast to other associations.

- 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 has 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. BCLC considers accelerated FDC submissions for approval on a project-by-project basis.

- Casino gaming in Ontario – OGELP receives an annual service provider fee comprised of (i) a guaranteed base fixed fee component, (ii) a variable component equal to 70% of Gross Gaming Revenue above the applicable pre-established annual gaming revenue threshold retained by OLG, and (iii) an amount for permitted capital expenditures.

- Horse racing in Ontario – racetrack revenues includes the Company's share of pari-mutuel wagering revenues and transitional funding received from the Province of Ontario.

- 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") and Marketing Fund Contribution ("MFC"). 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 the annual MFC provided the Company satisfies certain criteria related to its marketing spend or revenues growth.

- Casino gaming in New Brunswick – gaming revenues are equal to 50% of the first $50.0 of Gross Gaming Revenues, an additional 35% of the next $10.0 in Gross Gaming Revenues and an additional 25% of Gross Gaming Revenues in excess of $60.0, adjusted for inflation annually since 2010. The Company is also entitled to receive an additional allocation of revenue for the leased slot adjustment which is capped at $0.8 annually.

- Casino gaming in Washington – gaming revenues are not reduced for county/municipal gaming taxes.

- 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 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

	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Gaming Revenues								
River Rock Casino Resort	$ 27.2	$ 28.4	$ 31.1	$ 26.9	$ 25.9	$ 32.0	$ 28.3	$ 28.4
Hard Rock Casino Vancouver	13.6	13.6	12.2	12.3	12.9	11.2	11.1	11.6
Other Vancouver Area Casinos	6.7	7.1	7.1	6.6	6.3	6.3	6.3	6.2
Vancouver Island Casinos	8.8	9.5	9.5	8.5	8.3	8.2	8.2	7.8
Other BC Casinos	5.2	5.6	5.2	4.6	4.3	4.4	4.3	4.1
Great American Casinos	9.0	8.0	9.5	9.5	9.2	8.2	7.9	9.9
Ontario Properties	19.1	23.8	25.8	19.6	17.2	20.2	16.7	11.1
Atlantic Casinos	18.4	20.5	18.4	15.5	16.2	18.9	17.0	14.8
	108.0	**116.5**	**118.8**	**103.5**	**100.3**	**109.4**	**99.8**	**93.9**
Facility Development Commission								
River Rock Casino Resort	3.9	4.2	4.3	4.1	3.8	4.7	4.2	4.2
Hard Rock Casino Vancouver	2.1	2.1	1.9	2.0	2.0	1.8	1.8	1.8
Other Vancouver Area Casinos	1.1	1.2	1.2	1.2	1.2	1.2	1.2	1.2
Vancouver Island Casinos	1.5	1.6	1.8	1.2	1.2	1.3	1.3	1.2
Other BC Casinos	1.0	1.0	0.9	0.9	0.8	0.8	0.8	0.8
	9.6	**10.1**	**10.1**	**9.4**	**9.0**	**9.8**	**9.3**	**9.2**
Hospitality, Lease and Other Revenues								
River Rock Casino Resort	13.5	15.0	14.0	12.5	14.7	15.0	13.9	12.1
Hard Rock Casino Vancouver	4.2	3.1	3.5	3.2	4.0	2.8	3.4	3.4
Other Vancouver Area Casinos	1.9	2.8	2.5	1.7	2.0	2.5	2.4	2.0
Vancouver Island Casinos	1.1	1.3	1.1	1.0	1.3	1.3	1.3	1.2
Other BC Casinos	1.5	1.5	1.4	1.4	1.4	1.3	1.3	1.2
Great American Casinos	2.5	2.3	2.4	2.4	2.4	2.2	2.2	2.5
Ontario Properties	8.7	9.1	8.8	8.5	7.2	7.1	6.6	6.4
Atlantic Casinos	8.2	7.7	7.5	6.4	7.5	7.8	6.5	6.4
	41.6	**42.8**	**41.2**	**37.1**	**40.5**	**40.0**	**37.6**	**35.2**
Racetrack Revenues								
Other Vancouver Area Casinos	1.6	2.1	2.1	1.6	1.9	2.2	2.2	1.9
Ontario Properties	1.3	1.2	1.1	1.2	1.2	1.2	1.1	1.2
	2.9	**3.3**	**3.2**	**2.8**	**3.1**	**3.4**	**3.3**	**3.1**
Promotional Allowances	(11.1)	(13.1)	(12.3)	(10.1)	(9.9)	(11.1)	(9.5)	(9.9)
Revenues	**$ 151.0**	**$ 159.6**	**$ 161.0**	**$ 142.7**	**$ 143.0**	**$ 151.5**	**$ 140.5**	**$ 131.5**
Adjusted EBITDA								
River Rock Casino Resort	$ 17.3	$ 22.4	$ 24.1	$ 18.2	$ 18.6	$ 25.6	$ 21.2	$ 18.6
Hard Rock Casino Vancouver	7.8	7.2	6.2	6.6	7.4	5.1	5.9	5.9
Other Vancouver Area Casinos	2.6	3.6	3.1	2.5	2.3	3.5	3.3	2.1
Vancouver Island Casinos	5.0	6.2	6.3	5.4	5.4	5.4	5.7	5.3
Other BC Casinos	3.8	4.1	3.8	3.2	3.0	2.9	2.8	2.7
Great American Casinos	1.7	0.9	1.8	3.4	3.0	2.2	2.4	3.8
Ontario Properties	8.4	13.5	15.2	8.5	5.0	13.9	11.1	5.4
Atlantic Casinos	7.4	9.2	7.3	5.0	6.5	8.6	6.9	4.4
Corporate & Other	(4.8)	(4.4)	(5.0)	(4.6)	(4.0)	(4.3)	(4.0)	(4.7)
	$ 49.2	**$ 62.7**	**$ 62.8**	**$ 48.2**	**$ 47.2**	**$ 62.9**	**$ 55.3**	**$ 43.5**