



**Interim Condensed Consolidated Financial Statements**  
**for the six months ended June 30, 2015**

**These interim condensed consolidated financial statements have not been reviewed by the Company's auditor.**

## Interim condensed consolidated statements of comprehensive income

In Canadian dollars (millions except per share figures)	Note	<i>(unaudited)</i>		<i>(unaudited)</i>	
		six months ended June 30		three months ended June 30	
		2015	2014	2015	2014
Operating revenue		\$ 39.1	\$ 41.6	\$ 19.3	\$ 21.0
Cost of sales					
Other		(20.9)	(21.1)	(10.4)	(10.6)
Depreciation		(1.0)	(1.1)	(0.5)	(0.5)
		(21.9)	(22.2)	(10.9)	(11.1)
<b>Gross profit</b>		17.2	19.4	8.4	9.9
Other income		0.1	0.1	0.1	0.1
Administrative expenses					
Other		(1.7)	(1.6)	(0.8)	(0.9)
Depreciation		(0.8)	(0.9)	(0.4)	(0.4)
		(2.5)	(2.5)	(1.2)	(1.3)
<b>Profit from operating activities</b>		14.8	17.0	7.3	8.7
<b>Net finance costs</b>		(1.0)	(1.2)	(0.5)	(0.5)
<b>Profit before income taxes</b>		13.8	15.8	6.8	8.2
Income tax expense	5	(4.3)	(3.6)	(2.6)	(1.7)
<b>Profit</b>		9.5	12.2	4.2	6.5
<b>Profit attributable to:</b>					
Shareholders of the Company		8.9	11.5	3.9	6.1
Non-controlling interest		0.6	0.7	0.3	0.4
		9.5	12.2	4.2	6.5
<b>Earnings per share</b>	6				
Basic		\$ 0.38	\$ 0.49	\$ 0.16	\$ 0.26
Fully diluted		\$ 0.38	\$ 0.49	\$ 0.16	\$ 0.25
<b>Weighted average number of common shares outstanding</b>					
Basic		23.7	23.5	23.8	23.5
Fully diluted		24.5	24.9	24.6	24.9

The accompanying notes are an integral part of the consolidated financial statements.

## Interim condensed consolidated statements of financial position

<i>In Canadian dollars (millions)</i>	<i>Note</i>	<b>(unaudited)</b>	<b>(audited)</b>
		<b>June 30, 2015</b>	<b>December 31, 2014</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash		\$ 16.0	\$ 16.3
Restricted cash		0.5	0.5
Trade and other receivables		1.2	1.9
Inventories		0.6	0.6
Prepaid expenses		1.0	0.5
		<b>19.3</b>	<b>19.8</b>
<b>Non-current assets</b>			
Other receivables		0.3	0.3
Property, plant and equipment		72.8	73.8
Intangible assets		76.9	76.9
Investment property		2.8	2.8
		<b>152.8</b>	<b>153.8</b>
		<b>\$ 172.1</b>	<b>\$ 173.6</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		\$ 4.1	\$ 3.8
Loans and borrowings		24.5	23.7
Income tax payable		0.5	3.6
Dividends payable		1.8	1.7
		<b>30.9</b>	<b>32.8</b>
<b>Non-current liabilities</b>			
Loans and borrowings		11.3	13.0
Deferred tax liabilities	5	10.1	10.9
		<b>21.4</b>	<b>23.9</b>
		<b>52.3</b>	<b>56.7</b>
<b>Equity</b>			
	7		
Share capital		161.1	156.3
Contributed surplus		0.8	1.1
Deficit		(50.2)	(48.6)
<b>Equity attributable to the Company</b>		<b>111.7</b>	<b>108.8</b>
<b>Non-controlling interest</b>		<b>8.1</b>	<b>8.1</b>
		<b>119.8</b>	<b>116.9</b>
		<b>\$ 172.1</b>	<b>\$ 173.6</b>

The accompanying notes are an integral part of the consolidated financial statements.

## Interim condensed consolidated statements of changes in equity

In Canadian dollars (millions)

Note

(unaudited)

		Share capital	Contributed surplus	Deficit	Total	Non- controlling interest	Total equity
<b>Equity as at January 1, 2014</b>		\$ 157.9	\$ 1.7	\$ (50.3)	\$ 109.3	\$ 8.1	\$ 117.4
Profit		-	-	11.5	11.5	0.7	12.2
Dividends to shareholders of the Company	7	-	-	(10.3)	(10.3)	-	(10.3)
Distributions to non-controlling interest		-	-	-	-	(0.9)	(0.9)
Shares repurchased for cancellation	7	(4.7)	-	-	(4.7)	-	(4.7)
Conversion of debentures into common shares	7	3.6	-	-	3.6	-	3.6
Conversion privilege on debentures converted to common shares		0.4	(0.4)	-	-	-	-
<b>Equity as at June 30, 2014</b>		\$ 157.2	\$ 1.3	\$ (49.1)	\$ 109.4	\$ 7.9	\$ 117.3
<b>Equity as at January 1, 2015</b>		\$ 156.3	\$ 1.1	\$ (48.6)	\$ 108.8	\$ 8.1	\$ 116.9
Profit		-	-	8.9	8.9	0.6	9.5
Dividends to shareholders of the Company	7	-	-	(10.5)	(10.5)	-	(10.5)
Distributions to non-controlling interest		-	-	-	-	(0.6)	(0.6)
Conversion of debentures into common shares	7	4.5	-	-	4.5	-	4.5
Conversion privilege on debentures converted to common shares		0.3	(0.3)	-	-	-	-
<b>Equity as at June 30, 2015</b>		\$ 161.1	\$ 0.8	\$ (50.2)	\$ 111.7	\$ 8.1	\$ 119.8

The accompanying notes are an integral part of the consolidated financial statements.

## Interim condensed consolidated statements of cash flows

In Canadian dollars (millions)	Note	<i>(unaudited)</i>		<i>(unaudited)</i>	
		six months ended June 30		three months ended June 30	
		2015	2014	2015	2014
<b>Cash provided by (used in):</b>					
<b>Operating activities</b>					
Profit and comprehensive income		\$ 9.5	\$ 12.2	\$ 4.2	\$ 6.5
Adjustments for:					
Depreciation of property, plant and equipment		1.8	2.0	0.9	0.9
Finance costs		1.0	1.2	0.5	0.5
Income tax expense	5	4.3	3.6	2.6	1.7
		16.6	19.0	8.2	9.6
Change in:					
Non-cash working capital:					
Trade and other receivables		0.8	(0.1)	0.1	-
Prepaid expenses		(0.6)	(0.5)	(0.2)	(0.5)
Trade and other payables		0.3	(0.3)	(0.4)	0.1
Finance costs paid		(1.0)	(1.1)	(0.3)	(0.3)
Income taxes paid		(8.1)	(4.5)	(2.6)	(3.1)
<b>Net cash provided by operating activities</b>		<b>8.0</b>	<b>12.5</b>	<b>4.8</b>	<b>5.8</b>
<b>Investing activities</b>					
Purchase of property, plant and equipment		(0.5)	(0.2)	(0.4)	(0.2)
<b>Net cash (used in) investing activities</b>		<b>(0.5)</b>	<b>(0.2)</b>	<b>(0.4)</b>	<b>(0.2)</b>
<b>Financing activities</b>					
Proceeds of loans and borrowings		4.6	10.3	2.8	5.6
Payments on loans and borrowings		(1.3)	(7.0)	(0.7)	(3.3)
Advances on notes receivable		(0.1)	(0.3)	(0.1)	(0.1)
Distributions to non-controlling interest		(0.6)	(0.8)	(0.1)	(0.4)
Dividends paid		(10.4)	(10.3)	(5.2)	(5.2)
Share repurchases		-	(4.7)	-	(2.1)
<b>Net cash (used in) financing activities</b>		<b>(7.8)</b>	<b>(12.8)</b>	<b>(3.3)</b>	<b>(5.5)</b>
<b>Net increase (decrease) in cash</b>		<b>(0.3)</b>	<b>(0.5)</b>	<b>1.1</b>	<b>0.1</b>
Opening cash		16.3	15.0	14.9	14.4
<b>Closing cash</b>		<b>\$ 16.0</b>	<b>\$ 14.5</b>	<b>\$ 16.0</b>	<b>\$ 14.5</b>

The accompanying notes are an integral part of the consolidated financial statements.

## **Notes to the interim condensed consolidated financial statements for the six months ended June 30, 2015 (unaudited)**

### **1 Reporting entity**

Gamehost Inc. (the "Company") is incorporated in Canada under the Business Company's Act (Alberta). The Company's shares and debentures are listed on the Toronto Stock Exchange (the "TSX") under the trading symbols GH and GH.DB respectively. The address of the Company's registered office is Suite 2800 – 715, 5th Avenue S.W. Calgary, Alberta T2P 2X6. The interim condensed consolidated financial statements of the Company as at and for the six months ended June 30, 2015 (the "Period") are comprised of the Company, its wholly owned subsidiary Gamehost Limited Partnership and its 91% controlling interest in Deerfoot Inn & Casino Inc.. The Company currently operates only in the Province of Alberta, Canada. Operations include the Deerfoot Inn & Casino ("Deerfoot") in Calgary, Boomtown Casino ("Boomtown") in Fort McMurray, the Great Northern Casino ("Great Northern") in Grande Prairie and Service Plus Inns & Suites ("Service Plus"), a limited service hotel, also located in Grande Prairie. As a complement to the hotel, the Company owns a retail complex (the "Strip Mall") that leases space to a full service restaurant operation and pub. Gaming operations of the Company are controlled by the Alberta Gaming and Liquor Commission (the "AGLC") including Company owned table games and government owned slot machines, video lottery terminals and lottery ticket outlets. Hotel operations of the Company include full and limited service hotels, banquet and convention services. Food, beverages and entertainment are offered at each of the Company's casino locations.

### **2 Basis of presentation**

#### **(a) Statement of compliance and authorization of financial statements**

These interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS" or "Standards"), as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements. The policies applied in preparation of these interim condensed consolidated financial statements are the same as described in note 3 to the Company's 2014 annual consolidated financial statements for the twelve months ended December 31, 2014 except as described below under *New standards*. These interim condensed consolidated financial statements were authorized for issue by the Board of Directors on August 11, 2015.

These interim condensed consolidated financial statements do not include all disclosures normally provided in annual consolidated financial statements and should be read in conjunction with the Company's 2014 annual consolidated financial statements.

#### **(b) Basis of measurement**

These interim condensed consolidated financial statements have been prepared on historical cost basis except for investment property in the statement of financial position, which is measured at fair value.

#### **(c) Functional and presentation currency**

These interim condensed consolidated financial statements are presented in Canadian dollars, which is the Company's functional currency. Unless otherwise noted, all figures are expressed in millions of dollars.

#### **(d) Seasonality**

There are factors that may cause quarterly variances that are not reflective of the Company's annual performance. These include, but are not limited to, weather, seasonal consumer behaviour, and energy and other industry economic activity that impacts consumer spending. As a result, interim results should not be relied on as any indication of results for future periods.

## Notes to the interim condensed consolidated financial statements for the six months ended June 30, 2015 (*unaudited*)

### 3 Significant accounting policies

#### (a) New Standards and interpretations not yet adopted

Standards, amendments to standards and interpretations that are not yet effective for the year ended December 31, 2015 have not been applied in preparing these consolidated financial statements but are described below. For those standards where earlier application is permitted, the Company expects to apply the changes at the effective date.

i) IFRS 11, *Amendment - Acquisition of an Interest in a Joint Operation*

The objective of the proposed amendment is to improve comparability of reported financial information by providing guidance on how a joint operator accounts for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business. It would require a joint operator to account for such an acquisition by applying IFRS 3 Business Combinations and other standards, and disclosing the relevant information specified in those IFRSs for business combinations. The amendment is effective for annual periods beginning on or after January 1, 2016 with early adoption permitted.

ii) IFRS 15, *Revenue From Contracts With Customers*

IFRS 15 – Revenue from Contracts with Customers – IFRS 15 is a single and comprehensive framework for revenue recognition that replaces previous revenue Standards. The International Accounting Standards Board (IASB) voted in April 2015 to propose a one year deferral from the original effective date for annual periods beginning on or after January 1, 2017. Early adoption of IFRS 15 is permitted. The deferral is not intended to allow entities to postpone implementation of IFRS 15 which is to be applied retrospectively.

iii) IFRS 9, *Financial Instruments*

IFRS 9 – Financial Instruments – IFRS 9 addresses the classification and measurement requirements of financial assets and liabilities and is intended to improve transparency in the disclosure of expected credit losses and is intended to improve the overall usefulness of financial statements for users by revising the current hedge accounting requirements. IFRS 9 is effective for annual periods beginning on or after January 1, 2018 and is to be applied retrospectively. Earlier application is permitted.

Management is currently assessing the impact of the above future accounting changes on the Company's consolidated financial statements.

**Notes to the interim condensed consolidated financial statements  
for the six months ended June 30, 2015 (unaudited)**

**4 Operating segments**

The Company's reportable segments are strategic business units that offer different services. They are managed separately because of their unique operational and marketing requirements. Each segment complements the other segments. The Gaming segment includes three casinos offering slot, VLT, lottery and table games. The Hotel segment includes two hotels catering to mid-range clients. The Food and Beverage segment has operations that are located within the casinos and hotels as a complement to those segments.

six months ended June 30, 2015	Gaming	Hotel	Food & Beverage	Corporate and Other <sup>(1)</sup>	Total
Operating revenue and other income	24.1	6.2	8.7	0.2	39.2
Finance (costs), net of finance income	(0.5)	(0.4)	(0.2)	0.1	(1.0)
Depreciation	(0.7)	(0.8)	(0.3)	-	(1.8)
Other cost of sales and administrative expenses	(10.7)	(3.2)	(6.4)	(2.3)	(22.6)
<b>Profit before income tax</b>	<b>12.2</b>	<b>1.8</b>	<b>1.8</b>	<b>(2.0)</b>	<b>13.8</b>
Segment assets	77.8	64.3	25.8	4.2	172.1
Segment liabilities	16.0	16.0	7.6	12.7	52.3
Capital expenditures	0.1	0.4	-	-	0.5
six months ended June 30, 2014	Gaming	Hotel	Food & Beverage	Corporate and Other <sup>(1)</sup>	Total
Operating revenue and other income	24.3	7.4	9.9	0.1	41.7
Finance (costs), net of finance income	(0.6)	(0.4)	(0.2)	-	(1.2)
Depreciation	(0.8)	(0.8)	(0.4)	-	(2.0)
Other cost of sales and administrative expenses	(10.4)	(3.5)	(6.6)	(2.2)	(22.7)
<b>Profit before income tax</b>	<b>12.5</b>	<b>2.7</b>	<b>2.7</b>	<b>(2.1)</b>	<b>15.8</b>
Segment assets	79.0	65.4	26.3	3.8	174.5
Segment liabilities	18.3	15.5	8.1	15.4	57.3
Capital expenditures	0.1	-	-	-	0.1

(in millions of dollars unless stated otherwise)

<sup>1</sup> Corporate and Other consists of revenues and expenses which are not allocated to segments and do not meet the definition of an operating segment on their own.

**5 Income tax expense**

Current income tax

six months ended June 30	2015	2014
Current tax expense	5.0	3.7
Deferred tax expense (recovery)		
Origination and reversal of temporary differences	(1.5)	(0.1)
Changes in future enacted tax rates	0.8	-
<b>Income tax expense</b>	<b>4.3</b>	<b>3.6</b>

(in millions of dollars unless stated otherwise)

**Notes to the interim condensed consolidated financial statements  
for the six months ended June 30, 2015 (unaudited)**

**5 Income tax expense (cont.)**

Reconciliation of effective tax rate

Actual income tax expense differs from the expected income tax expense that would have been computed by applying the statutory income tax rate to earnings before income taxes for the following reasons:

six months ended June 30	2015	2014
Shareholder profit before income taxes	13.2	15.1
Income tax using Company's domestic tax rate	26.01%	25.00%
Expected income tax expense	3.4	3.8
Adjustments in determining income tax expense		
Effect of changes in temporary differences	0.1	(0.2)
Changes in future enacted tax rates	0.8	-
<b>Income tax expense</b>	<b>4.3</b>	<b>3.6</b>

(in millions of dollars unless stated otherwise)

Substantially enacted tax laws, as they relate to the Company's liability for current and deferred taxes, have been factored into the determination of reported taxes. Bill 2 - An Act to Restore Fairness to Public Revenue, Alberta Corporate Tax Rate Change received Royal Assent on June 29, 2015. Bill 2 increases the Alberta general corporate tax rate from 10 per cent to 12 per cent, effective July 1, 2015. The resulting combined federal and provincial corporate effective rate for the 2015 tax year will be 26.01% and 27.0% for subsequent years. No foreseeable events have materialized or are expected to materialize that would result in a risk to tax rates used in the determination of the Company's liability for current or deferred tax.

Deferred income tax

a) Recognized deferred tax assets and liabilities

The income tax effects of temporary differences that give rise to significant portions of the deferred tax liabilities are presented below:

June 30	Assets	2015 Liabilities	Net
Deferred partnership income	-	(1.5)	(1.5)
Intangible assets	-	(6.6)	(6.6)
Property, plant and equipment	-	(2.0)	(2.0)
<b>Deferred tax assets (liabilities)</b>	<b>-</b>	<b>(10.1)</b>	<b>(10.1)</b>

(in millions of dollars unless stated otherwise)

b) Movement in deferred tax balances

six months ended June 30	Opening	2015 Recognized in profit	Closing
Debenture issuance costs	(0.1)	0.1	-
Deferred partnership income	(2.7)	1.2	(1.5)
Intangible assets	(6.1)	(0.5)	(6.6)
Property, plant and equipment	(2.0)	-	(2.0)
<b>Deferred tax assets (liabilities)</b>	<b>(10.9)</b>	<b>0.8</b>	<b>(10.1)</b>

(in millions of dollars unless stated otherwise)

**Notes to the interim condensed consolidated financial statements  
for the six months ended June 30, 2015 (unaudited)**

**6 Earnings per share**

Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to common shareholders and weighted average number of common shares outstanding calculated as follows:

	six months ended June 30		three months ended June 30	
	2015	2014	2015	2014
Profit attributable to common shareholders				
Profit and comprehensive income	9.5	12.2	4.2	6.5
Less: attributable to non-controlling interest	0.6	0.7	0.3	0.4
Profit attributable to common shareholders	8.9	11.5	3.9	6.1

	six months ended June 30		three months ended June 30	
	2015	2014	2015	2014
Weighted average number of common shares				
Opening balance of common shares	23.6	23.6	23.6	23.5
Weighted average effect of debenture conversions	0.1	0.1	0.2	0.1
Weighted average effect of common shares purchased for cancellation	-	(0.2)	-	(0.1)
Weighted average common shares outstanding	23.7	23.5	23.8	23.5
Basic earnings per share	\$ 0.38	\$ 0.49	\$ 0.16	\$ 0.26

(in millions of dollars unless stated otherwise)

Diluted earnings per share

The calculation of diluted earnings per share is based on profit attributable to common shareholders adjusted for the effects of all potentially dilutive common shares, and the weighted average number of diluted common shares outstanding, calculated as follows:

	six months ended June 30		three months ended June 30	
	2015	2014	2015	2014
Profit attributable to common shareholders				
Profit attributable to common shares (basic)	8.9	11.5	3.9	6.1
Interest expense on debentures	0.4	0.5	0.2	0.3
Amortization on debentures	0.2	0.2	0.1	-
Tax effect of above adjustments	(0.1)	(0.1)	(0.1)	(0.1)
Profit attributable to common shareholders (diluted)	9.4	12.1	4.1	6.3

	six months ended June 30		three months ended June 30	
	2015	2014	2015	2014
Weighted average number of common shares				
Weighted average number of common shares (basic)	23.7	23.5	23.8	23.5
Dilutive effect of convertible debentures	0.8	1.4	0.8	1.4
Weighted average number of common shares (diluted)	24.5	24.9	24.6	24.9
Diluted earnings per share	\$ 0.38	\$ 0.49	\$ 0.16	\$ 0.25

(in millions of dollars unless stated otherwise)

**Notes to the interim condensed consolidated financial statements  
for the six months ended June 30, 2015 (unaudited)**

**7 Equity**

	six months ended June 30, 2015		twelve months ended December 31, 2014	
	Shares	\$'s	Shares	\$'s
Opening number of common shares	23.6	156.3	23.6	157.9
Common shares issued on debenture conversions	0.4	4.8	0.6	6.3
Common shares purchased for cancellation under normal course issuer bid	-	-	(0.6)	(7.9)
Ending number of common shares	24.0	161.1	23.6	156.3

(in millions of dollars unless stated otherwise)

**Normal course issuer bid(s)**

On April 17, 2014 the Company commenced a normal course issuer bid (the "2014 Bid"). Pursuant to the 2014 Bid, Gamehost was authorized to repurchase for cancellation up to a maximum 1.3 million common shares being equal to 10% of Gamehost's 'public float' outstanding on March 31, 2014. Notwithstanding the foregoing, pursuant to the rules of the TSX, Gamehost may not purchase more than 2,402 common shares in any one day, such amount being equal to 25% of the average daily trading volume for the six months ended March 31, 2014. Pursuant to the 2014 Bid, Gamehost repurchased 2,400 common shares during the Period at market prices averaging \$13.30 per common share before commissions. The 2014 Bid expired April 16, 2015.

On April 24, 2015 the Company commenced a normal course issuer bid (the "2015 Bid"). Pursuant to the 2015 Bid, Gamehost is authorized to purchase for cancellation up to a maximum of 1,334,673 common shares, being equal to 10% of Gamehost's "public float" outstanding on April 15, 2015. Notwithstanding the foregoing, pursuant to the rules of the TSX, Gamehost may not purchase more than 3,143 common shares in any one day, such amount being equal to 25% of the average daily trading volume of the for the six months ended March 31, 2015. Common shares purchased under the 2015 Bid will be made in the open market only through the facilities of the Toronto Stock Exchange ("TSX") and any other Canadian marketplaces at market prices in effect on the date of trade. The 2015 Bid will terminate on April 23, 2016 or such earlier time as the 2015 Bid is completed or terminated at the option of the Company. No common shares have been purchased under the 2015 Bid during the Period.

**Convertible debentures**

The Company has 6.25% Convertible Unsecured Subordinated Debentures ("Debentures"). The Debentures have a maturity date of July 31, 2015 (the "Maturity Date"). Each Debenture is convertible into Shares at the option of the holder of a Debenture (a "Debentureholder") any time prior to the close of business on the Maturity Date of the Debentures at \$10.65 per Gamehost Inc. common share (the "Conversion Price"). The Company may also call for redemption of the Debentures on the business day immediately preceding the date specified by Gamehost for redemption of the Debentures, at the Conversion Price, being a conversion rate of approximately 93.8967 Gamehost Inc. shares per \$1,000 principal amount of Debentures, subject to adjustment in certain events. There are currently no restrictions on the Company's option to call for redemption provided proper notice is given. A portion of the proceeds from the Debenture issue were allocated to the conversion feature which is reported as equity rather than a liability.

During the Period \$4.4 million (\$3.8 million - 2014) in face value debentures were converted to common shares leaving a total of \$8.5 million (\$15.1 million - 2014). Fractional shares from conversions during the Period were expensed. A prorata share of the debenture conversion privilege was reclassified to share capital on each conversion. Otherwise, the Company did not have any options, warrants, or rights that would be potentially dilutive during the Period.

**Notes to the interim condensed consolidated financial statements  
for the six months ended June 30, 2015 (unaudited)**

**7 Equity (cont.)**

Common shares

Common shares of the Company have no par value. The Company is authorized to issue an unlimited number of common shares without nominal or par value to which shares shall be attached the right to vote at any meeting of shareholders of the Company; receive any dividend declared by the Company; and receive the remaining property of the Company upon dissolution.

Dividends

Dividends declared at Record Date	2015		2014	
	per Share		per Share	
January	0.0733	1.7	0.0733	1.7
February	0.0733	1.7	0.0733	1.7
March	0.0733	1.7	0.0733	1.7
April	0.0733	1.8	0.0733	1.7
May	0.0733	1.8	0.0733	1.7
June	0.0733	1.8	0.0733	1.7
July	-	-	0.0733	1.7
August	-	-	0.0733	1.7
September	-	-	0.0733	1.8
October	-	-	0.0733	1.8
November	-	-	0.0733	1.8
December	-	-	0.0733	1.7
	0.4398	10.5	0.8796	20.7

(in millions of dollars unless stated otherwise)

Dividends are considered "eligible" dividends for income tax purposes of the holder.

Other shares

The Company may cause to be issued unlimited numbers of shares or other securities provided they do not rank ahead of the common shares of the Company as to dividends, voting rights and other rights protected by the Limited Partnership Agreement.

**8 Subsequent events**

Regular monthly dividends

The Company declared a regular monthly dividend of \$0.0733 per common share for July 2015 payable on the 15th day of the subsequent month.

Financing

Subsequent to the end of the Period, the Company arranged replacement financing for debentures that had not converted to common shares at July 22, 2015. An existing term facility was increased by \$8.4M of which \$6.7 million was advanced and forwarded to the Company's transfer agent on the July 29, 2015 funding deadline anticipating the repayment of unconverted debentures at the July 31, 2015 maturity date. Terms on this loan facility and other debt facilities were extended to new 10 year, 2025, maturities and an existing 4.0% minimum interest rate condition was removed. These loans will now benefit from a pre-existing term of prime plus 1.0% maximum interest rate. All other conditions of the loan remain unchanged. \$5.5 million of the funds forwarded to the transfer agent are being returned due to late conversions on the date of maturity. The returned loan proceeds will be used to reduce the Company's revolving credit line.

**Notes to the interim condensed consolidated financial statements  
for the six months ended June 30, 2015 (unaudited)**

Debentures

Subsequent to the end of the Period, debentures totalling a principal amount of \$7.7 million were converted to common shares resulting in the issue of 718,400 common shares. Of the original \$55 million issue, \$0.8 million matured and were repaid.