



ANNUAL INFORMATION FORM

For the Year Ended December 31, 2022

March 14, 2023

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GLOSSARY OF TERMS

Unless the context indicates otherwise, the terms set forth below shall have the meanings set forth below when used in this Annual Information Form.

“**ABCA**” means the *Business Corporations Act* (Alberta), S.A. 2000, c. B-9, as amended, including the regulations promulgated thereunder.

“**AGLC**” means the Alberta Gaming, Liquor and Cannabis Commission.

“**Audit Committee**” means the audit committee of the Corporation.

“**CF License**” means a Casino Facility License issued by the AGLC.

“**CGT Agreement**” means a Casino Gaming Retailer Agreement, as further described under “*Description of the Business - Services and Sources of Revenue – Gaming Operations*”.

“**Commercial Building**” means the 10,530 square-foot multi-tenant lease facility in Grande Prairie, Alberta adjacent to the Service Plus Inn.

“**Company**” or “**Corporation**” means Gamehost Inc.

“**Constraint Action**” has the meaning attributed thereto under “*Description of Capital Structure – Limitations on Ownership Imposed by the AGLC*”.

“**Conversion**” means the reorganization of the income trust structure of Gamehost Income Fund into that of a corporation (i.e. the Corporation) by way of a plan of arrangement.

“**Deerfoot Inn & Casino**” means the Deerfoot Inn & Casino facility located in Calgary, Alberta.

“**Deerfoot Inn & Casino Joint Venture**” means the joint venture formed pursuant to a joint venture agreement dated April 26, 2001 among Service Plus Hospitality Ltd. (a predecessor to Gamehost Income Fund and therefore a predecessor to the Corporation), Will Inns Inc., Winners Gaming Inc., JM Wood Investments Ltd. and Deerfoot Inn & Casino Inc. for the purposes of constructing, developing and operating the Deerfoot Inn & Casino and entertainment facility in south-east Calgary, Alberta (the Corporation now holds a 100% interest in the original joint venture).

“**Deerfoot Management Services Agreement**” means the management services agreement entered into between Deerfoot Inn & Casino Inc. and WAL, as amended from time to time.

“**EGT’s**” means the electronic gaming tables operated at the Gamehost Casinos, as further described under “*Description of the Business – Services and Sources of Revenue – EGT’s*”.

“**Encore Suites Hotel**” means the 94 room Encore Suites by Service Plus extended stay hotel located in Grande Prairie, Alberta.

“**Federal Government**” means the Canadian federal government.

“**Gamehost**”, “**us**”, “**we**” or “**our**” means the Corporation and, where the context requires, the Corporation and its direct and indirect subsidiaries considered on a consolidated basis and its predecessors and their subsidiaries considered on a consolidated basis.

“**Gamehost Casinos**” means collectively the Great Northern Casino, the Rivers Casino and the Deerfoot Inn & Casino.

“**GMI**” means Gamehost Management Inc., a corporation incorporated under the ABCA.

“**Great Northern Casino**” means the Great Northern Casino facility located in Grande Prairie, Alberta.

“**Limited Partnership**” means Gamehost Limited Partnership, a limited partnership formed under the *Partnership Act* (Alberta) on May 23, 2003.

“**Management Services Agreement**” means the management services agreement entered into between the Limited Partnership and GMI, which agreement was amended and restated as of May 1, 2010.

“**MCNWCP**” means a Minimum Continuing Net Working Capital Position.

“**Operational Management Agreement**” means the operational management agreement entered into between a subsidiary of the Corporation and 1508956 Alberta Ltd.

“**Preferred Shares**” means the preferred shares of the Corporation, issuable in series from time to time.

“**REC**” means a Racing Entertainment Centre, licensed to offer slot and VLT machines but no table games.

“**Rivers Casino**” means the Rivers Casino & Entertainment Centre (formerly Boomtown Casino) facility located in Fort McMurray, Alberta.

“**Shares**” means the common shares of the Corporation.

“**Shareholders**” means the holders, from time to time, of the Shares.

“**Significant Interest**” has the meaning attributed thereto under “*Description of Capital Structure – Limitations on Ownership Imposed by the AGLC*”.

“**Service Plus Inn**” means the 122 room Service Plus Inn & Suites hotel located in Grande Prairie, Alberta.

“**TSX**” means the Toronto Stock Exchange.

“**VLT’s**” means the video lottery terminals operated at the Gamehost Casinos, as further described under “*Description of the Business – Services and Sources of Revenue – VLT’s*”.

“**WAL**” means Will Air Ltd., a corporation incorporated under the ABCA.

All dollar amounts set forth in this Annual Information Form are in Canadian dollars, except where otherwise indicated.

DATE OF INFORMATION

Unless otherwise specified, information in this Annual Information Form is given as of December 31, 2022, being the last day of the most recently completed financial year of Gamehost Inc. (“**Gamehost**” or the “**Corporation**”).

CORPORATE STRUCTURE

Name, Address and Jurisdiction of Formation

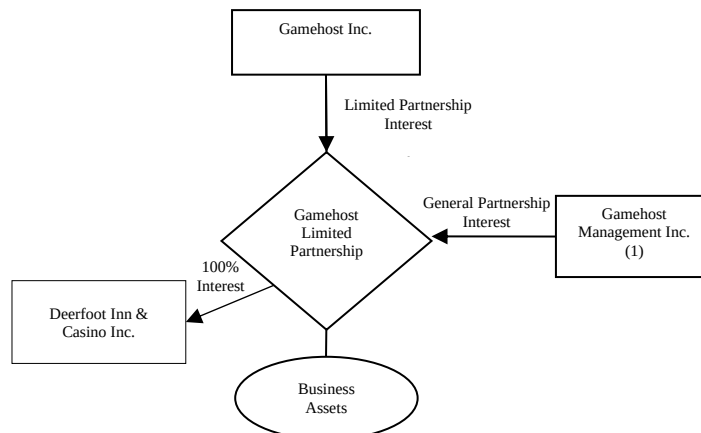
Gamehost Inc. was incorporated on March 15, 2010 pursuant to the provisions of the *Business Corporations Act* (Alberta) (the “**ABCA**”). On December 31, 2010, under the name of Gamehost Newco Inc., and in conjunction with the completion of the Conversion (as defined below), it filed articles of amendment to change its name to Gamehost Inc. and to add certain restraints on the transfer of its shares (see “*Description of Capital Structure – Limitations on Ownership Imposed by AGLC*”). It is referred to herein as “**Gamehost**” or the “**Corporation**” or the “**Company**”) provided that references contained herein to Gamehost may, as the context requires, also mean the Corporation and its subsidiaries considered on a consolidated basis and its predecessors and their subsidiaries considered on a consolidated basis.

The Corporation was incorporated for the purpose of participating in the reorganization (the “**Conversion**”) of the income trust structure of Gamehost Income Fund into that of a corporation (i.e. the Corporation) by way of a plan of arrangement under the provisions of the ABCA. Pursuant to the Conversion, all of the outstanding equity interests of Gamehost Income Fund and its subsidiary, Gamehost Limited Partnership (the “**Limited Partnership**”), were exchanged for shares of the Corporation. Articles of arrangement for the Corporation giving effect to the Conversion were filed on December 31, 2010. The Conversion was accounted for as a continuity of interests of Gamehost Income Fund since there was no change of control and since Gamehost continued to operate the business of Gamehost Income Fund.

The head office of the Corporation is located at 548 Laura Avenue, Suite 104, Red Deer County, Alberta, T4E 0A5. The registered office of the Corporation is located at 1400, 350 – 7th Avenue S.W., Calgary, Alberta, T2P 3N9.

Inter-corporate Relationships

The following diagram shows the organizational structure of Gamehost and its material subsidiaries as at each of December 31, 2022 and the date hereof.



Note:

- (1) Gamehost Management Inc. (“**GMI**”) is beneficially owned and controlled by two of the directors and officers of the Corporation, David J. Will and Darcy J. Will.

The following table lists the material subsidiaries of the Corporation as at each of December 31, 2022 and the date hereof, and for each subsidiary, (a) the percentage of securities of the subsidiary beneficially owned, or controlled or directed, directly or indirectly, by the Corporation and (b) its jurisdiction of incorporation, continuance, formation or organization.

Name of Subsidiary	Jurisdiction of Incorporation, Continuance, Formation or Organization	Percentage of Securities Owned, Controlled or Directed by Gamehost
Gamehost Limited Partnership ⁽¹⁾	Alberta	Limited Partnership Interest - 100%
Deerfoot Inn & Casino Inc.	Alberta	100%

Note:

- (1) The general partner of the Limited Partnership is GMI, a company beneficially owned and controlled by two directors and officers of the Corporation, David J. Will and Darcy J. Will. The general partner is entitled to 0.01% of the income of the Limited Partnership.

DEVELOPMENT OF THE BUSINESS

The following is a summary of the significant events that have influenced the general development of the business of Gamehost over the last three completed financial years.

COVID-19

March 16, 2020. Special meeting of the Company's board of directors to enact a response plan for the anticipated closure of provincial casinos. In addition to management initiatives to reduce the rate of cash burn, directors agree to a temporary suspension of dividends until further resolution from the board. Directors and senior management under management contracts agree to 100% deferral of remuneration until further directive from the board.

March 17, 2020. All Company casinos closed by order of the Government of Alberta (**GOA**). Staff issued temporary lay-off notices. Lines of communication established to disseminate information on Company and provincial and federal support programs available to team members.

March 25, 2020. Deerfoot Inn is closed due to abrupt decline in business and forward cancellations. Deerfoot Inn hotel staff issued temporary lay-off notices. Gamehost's two Grande Prairie hotels continue operations at reduced occupancy while following all recommendations of Alberta's health authorities for a safe and healthy work environment for staff and customers.

May 2020. The Company begins accessing various federal and provincial relief subsidies. Programs accessed include, but are not limited to, Canada Emergency Wage Subsidy (**CEWS**), Canada Emergency Commercial Rent Assistance (**CECRA**), Small & Medium Enterprise Relaunch Grant (**SMERG**), Canada Emergency Rent Subsidy (**CERS**), income tax and GST deferrals, workers compensation board and tourism levy forgiveness.

June 19, 2020. The Company reopened all casinos following the lifting of provincial restrictions. Deerfoot Inn reopened in conjunction with the casino. Casinos operate at reduced capacity with limited slot machines and partial food and beverage seating. Table games remain closed. Day to day operations strictly adhere to new COVID-19 Guidance for Casinos and Racing Entertainment Centres prepared by the Alberta government under orders issued by Alberta's Chief Medical Officer of Health.

August 2020. The Company makes face coverings mandatory at all of its casino operations throughout the province and is the first Alberta casino operator to voluntarily do so.

September 3, 2020. The Alberta Gaming, Liquor and Cannabis Commission ("**AGLC**") green lights table games to reopen under the COVID-19 Guidance for Casinos and Racing Entertainment Centres. The Company begins recalling laid-off gaming workers and announces intentions to reopen tables on September 5, 2020 at Deerfoot Inn & Casino and on September 11, 2020 at both Rivers Casino and Great Northern Casino.

September 13, 2020. The Company issues termination notices for 110 hotel staff on expiry of their extended temporary lay-off period.

October 2020. The Company arranges an additional \$5.0 million in term financing to improve available liquidity. The Company has invested \$0.8 million in equipment, supplies and health and safety protocols since the onset of COVID-19.

November 13, 2020. The GOA further restricts operating hours for bars and pubs.

November 23, 2020. The new Canada Emergency Rent Subsidy (**CERS**) is opened to receive applications from qualifying organizations. Gamehost is eligible and begins making submissions.

November 23, 2020. The GOA enacts a second state of public health emergency for areas of the province designated enhanced-status which includes all Gamehost casinos. New restrictions effective November 27, 2020 require the closure of all table games and a 25% capacity limit for casinos and food and beverage establishments operating in enhanced-status areas of the province.

December 8, 2020. The GOA announces additional measures to slow the spread of COVID-19. New restrictions include an order to close all casinos effective December 13, 2020. The GOA also announces an increase in one-time SMERG payments from \$5,000 to \$20,000 for eligible businesses. Gamehost properties all qualify and submit applications.

January 29, 2021. The GOA outlines their four-step plan for lifting restrictions based on the number of provincial hospitalizations for COVID-19. Casinos fall under Step 3 with 300 hospitalizations and a declining trend. At Step 1, on this date, hospitalizations are less than the maximum of 600 and trending lower.

February 28, 2021. Hospitalizations are less than 300 and trending lower meeting the conditions for a possible reopening of casinos as early as March 22, 2021 subject to the discretion of the GOA.

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

April 2021. The Company will be eligible for an additional tranche of the Small and Medium Enterprise Relaunch Grant announced by the GOA.

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

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

May, 2021. A major 7,500 square foot expansion/refurbishment project was completed at Deerfoot Inn & Casino adding additional seating capacity to the property’s Wild Horse Pub, a new high limit slot room, new 24 hour poker room and refurbished VLT room.

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

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

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

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

amenities remain closed.

September 16, 2021. Alberta declared another state of public health emergency introducing new restrictions for casinos and food & beverage outlets effective September 20, 2021. Restrictions include a reduction to one third of fire code capacity, no indoor dining and liquor sales and consumption ended by 11:00 PM. A restriction exemption program (“**REP**”) allows for businesses to operate without restrictions if they implement proof of vaccination or a negative COVID test result and continue mandatory masking for all customers. The Company’s casinos opted to implement the REP to continue uninterrupted operations. Furthermore, in the interest of occupational health and safety, the Company implemented the same requirements for staff as are required for customers.

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

October 21, 2021. The federal government announced the Tourism and Hospitality Recovery Program (“**THR**”) and Hardest-Hit Business Recovery Program (“**HBR**”) which replaced the expiring CERS and CEWS.

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

December, 2021. A 6,687 square foot major expansion/refurbishment and exterior facelift project was completed at Rivers adding a 190 seat live entertainment showroom allowing for ticketed events, a new kitchen, new dining and lounge areas to elevate the food and beverage segment of the operations.

January 20, 2022. The AGLC restricted operations by mandating beverage sales end by 11:00 PM and no beverage consumption outside of seated dining and lounge areas.

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

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

May 3, 2022. Gamehost purchased a non-controlling interest in Deerfoot Inn & Casino for \$13.6 million increasing the Company’s ownership from 91% to 100%.

June 14, 2022. Alberta ended all remaining COVID-19 restrictions including masking on public transit and mandatory isolation. Some COVID-19 measures remain in place in Alberta’s hospitals and senior care facilities.

December, 2022. The Great Northern Casino completed an interior refurbishment and exterior facelift which included a complete redesign of the food and beverage amenities to attract and better serve customers.

Normal Course Issuer Bids

On July 15, 2019, Gamehost commenced a normal course issuer bid (the “**2019 Bid**”) to purchase for cancellation up to a maximum of 1,568,776 Shares, being approximately 10% of Gamehost’s public float at the time. The normal course issuer bid terminated on July 14, 2020 with 386,895 shares purchased for cancellation at an aggregate cost of \$1,958,549 before commissions.

On July 21, 2020 the Company commenced a normal course issuer bid (the “**2020 Bid**”) to purchase for cancellation up to 1,500,000 Shares being approximately 10% of Gamehost’s public float at the time with a total of 917,865 Shares purchased under the 2020 Bid at prices averaging \$6.11/common share not including commissions.

On July 21, 2021 the Company commenced a normal course issuer bid (the “**2021 Bid**”) to purchase for cancellation up to 1.2 million of its common shares. The 2021 Bid ended on July 20, 2022. During the Year, the Company purchased for cancellation 223,400 common shares under the 2021 Bid at prices averaging \$8.52/common share before commissions for an aggregate \$1.9 million.

On July 21, 2022 the Company commenced a normal course issuer bid (the “**2022 Bid**”). Pursuant to the 2022 Bid, Gamehost is authorized to purchase for cancellation up to a maximum of 1.1 million common shares, being equal to 10% of Gamehost’s public float on July 11, 2022. Notwithstanding the foregoing, pursuant to the rules of the TSX, Gamehost may not purchase more than 3,643 common shares in any one day, such amount being equal to 25.0% of the average daily trading volume for the six months ended June 30, 2022. Common shares purchased under the 2022 Bid will be made in the open market through the facilities of the TSX and any other Canadian marketplaces at the prevailing market price of the shares on the TSX and any other Canadian marketplaces at the time of purchase. The 2022 Bid will terminate on July 20, 2023 or such earlier time as the 2022 Bid is completed or terminated at the option of the Company. During the Year, the Company purchased for cancellation 170,979 common shares under the 2022 Bid at prices averaging \$7.98/common share before commissions for an aggregate \$1.4 million.

DESCRIPTION OF THE BUSINESS

Overview

Through the Limited Partnership, the Corporation:

- (i) owns and operates the Great Northern Casino facility located in Grande Prairie, Alberta (the “**Great Northern Casino**”),
- (ii) owns and operates the Rivers Casino facility located in Fort McMurray, Alberta (the “**Rivers Casino**”),
- (iii) owns and operates the Deerfoot Inn & Casino facility located in Calgary, Alberta (the “**Deerfoot Inn & Casino**”),
- (iv) owns and operates the 122 room Service Plus Inn & Suites hotel located in Grande Prairie, Alberta (“**Service Plus Inn**”),
- (v) owns and operates a 10,530 square-foot multi-tenant lease facility located in Grande Prairie, Alberta adjacent to the Service Plus Inn (the “**Commercial Building**”), and
- (vi) owns and operates the 94 room Encore Suites by Service Plus extended stay hotel facility located in Grande Prairie, Alberta (the “**Encore Suites Hotel**”).

The Great Northern Casino, the Rivers Casino and the Deerfoot Inn & Casino are collectively referred to herein as the “**Gamehost Casinos**”.

Great Northern Casino, Grande Prairie, Alberta

Upgraded and/or expanded from its original capacity in 2003, 2006, 2013, 2017, and 2022, the Great Northern Casino is a 33,314 square foot casino and entertainment facility business located in Grande Prairie, Alberta. It is situated on 7.8 acres of land in the Gateway Power Centre in north-west Grande Prairie and is adjacent to Highway 2, a major north-south corridor. The building and land where the Great Northern Casino is situated are owned by the Limited Partnership.

The gaming area of the Great Northern Casino facility is comprised of approximately 19,124 square feet, accommodating 10 table games, 403 slot machines, 30 video lottery terminals (“**VLT’s**”) and a 3-table poker room. The non-gaming area of the facility contains a 30-seat cafe, 290 seat showroom/lounge and office and administrative areas.

Additional land situated between the Great Northern Casino and Service Plus Inn was acquired in late 2017 from the City of Grande Prairie. The former road allowance will allow for future expansion of the Great Northern Casino.

Rivers Casino, Fort McMurray, Alberta

Expanded from its original capacity in 2006, 2012, and 2021, the Rivers Casino is a 34,663 square foot casino and entertainment facility business located in the Peter Pond Shopping Mall in Fort McMurray, Alberta. The premises on which the Rivers Casino operates is leased from a third party. A lease extension, expansion and amending agreement was executed with a 15-year term expiring in 2036 but with an option to renew for an additional 5-year period.

The gaming area of the Rivers Casino facility is comprised of approximately 17,725 square feet, accommodating 10 table games, a 3-table poker room, 406 slot machines, and 16 electronic gaming tables. The non-gaming area of the facility contains a 40-seat restaurant, 125-seat lounge, and a 180- seat live entertainment showroom.

Deerfoot Inn & Casino, Calgary, Alberta

The Deerfoot Inn & Casino is a full-service convention, entertainment and casino facility that opened on November 21, 2005. The facility contains the casino, a hotel, a water park, convention facilities, dining and beverage venues and a live entertainment venue. The gaming area of the facility is comprised of approximately 67,200 square feet, accommodating 32 table games including an 11 table private high limit room, 773 slot machines, 12 electronic gaming tables, 24 VLT's and a 9-table poker room. The Chrome Room is a 5,300 square foot live entertainment facility located within the casino which hosts live entertainment, pay per view sporting events and afternoon buffets. There is an island pub located in the center of the gaming floor, a pub style restaurant with café, and a sushi bar all located adjacent to the gaming floor.

The hotel portion of the Deerfoot Inn & Casino facility, being the Deerfoot Inn, offers 188 guest rooms, which includes 28 suites. The hotel facility also includes 1 restaurant, 1 lounge, 14 conference/banquet rooms, a health and fitness center and a full water park.

The Deerfoot Inn & Casino Joint Venture was originally formed pursuant to a joint venture agreement dated April 26, 2001 among Service Plus Hospitality Ltd. (a predecessor to Gamehost Income Fund and therefore a predecessor to the Corporation), Will Inns Inc., Winners Gaming Inc., JM Wood Investments Ltd. and Deerfoot Inn & Casino Inc. for the purposes of constructing, developing and operating the Deerfoot Inn & Casino and entertainment facility in south-east Calgary, Alberta. The Corporation now holds a 100% interest in the original joint venture having purchased the remaining non-controlling interest from JM Wood Investments Ltd., a corporation controlled by Jed Wood, a former director and trustee of predecessors of the Corporation. The Deerfoot Inn & Casino Joint Venture was managed by 1016312 Alberta Ltd. pursuant to a management agreement entered into between Deerfoot Inn & Casino Inc. and 1016312 Alberta Ltd. dated November 21, 2005, with the initial term of such agreement expiring on November 21, 2010. On March 30, 2011 the Corporation made a decision to appoint Will Air Ltd. ("**WAL**") as the new manager for the Deerfoot Inn & Casino, in place of 1016312 Alberta Ltd., with effect as of November 22, 2010. Similar to 1016312 Alberta Ltd., WAL is beneficially owned and controlled by David J. Will, President and a director of the Corporation, and Darcy J. Will, the Vice President and Secretary and a director of the Corporation. The appointment of WAL as manager of the Deerfoot Inn & Casino Joint Venture was on substantially the same terms and conditions as were in place with 1016312 Alberta Ltd.

Service Plus Inn

Originally constructed in 1999, expanded in 2001, and substantially renovated in 2014, 2018, and 2022, the Service Plus Inn has 122 guest rooms, breakfast/gathering room, indoor waterslide, pool, hot tub, fitness facility and a meeting room capable of accommodating up to 50 people. The Service Plus Inn offers clean and modern appointed rooms, complimentary continental breakfast, in-room coffee and on demand pay-to-view movies and video games. The Service Plus Inn does not have any restaurant facilities, but catering is available through the restaurant facilities operating in the Great Northern Casino or by third parties off-site.

The Commercial Building

The Commercial Building was constructed in 1999 and consists of 10,530 square feet of leasable space. The Commercial building is 43% leased to a national restaurant franchise. The Corporation is actively pursuing tenants for the remaining space.

Encore Suites Hotel

Constructed in 2016, the Encore Suites Hotel has 94 guest rooms, 1 meeting room, breakfast/gathering room, and a fitness facility. The Encore Suites Hotel offers clean and modernly appointed oversized rooms with kitchenettes intended for extended stay guests. The property provides a complimentary continental breakfast, in-room coffee and on demand pay-to-view movies and video games. The breakfast/gathering space is also used for happy hour socials. The Encore Suites Hotel does not have any restaurant facilities, but catering is available through the restaurant facilities operating in the Great Northern Casino.

Marketing

Gamehost markets the Gamehost Casinos according to an entertainment driven model. This model emphasizes the non-gaming aspects of the casinos, such as live entertainment, meeting and banquet facilities and quality food and beverage services. By doing so, Gamehost targets the segment of the market population that would not normally attend a casino solely for gaming purposes. This marketing format is intended to increase the customer base of the casinos, enhance the profile and acceptance of the casinos in the relevant communities and position the casinos as prime competitors for entertainment-related spending. External advertising and promotions that Gamehost undertakes for the Gamehost Casinos focuses on the non-gaming forms of entertainment they offer.

AGLC conducts general marketing campaigns to promote various progressive slot games and lotteries. In 2020, AGLC launched a provincial loyalty program (“Winner’s Edge”), promoted within brick and mortar casinos.

Human Resources

The gaming industry is labour intensive. As at December 31, 2022, the Great Northern Casino employed approximately 93 part-time and full-time employees (72 – 2021), the Rivers Casino employed approximately 88 part-time and full-time employees (77 – 2021) and the Deerfoot Inn & Casino employed approximately 385 part-time and full-time employees (320 – 2021). There are currently no unionized employees at any of the Gamehost Casinos.

As at December 31, 2022, Gamehost also employed approximately 26 employees at the Service Plus Inn (24 – 2021) and approximately 26 employees at the Encore Suites Hotel (20 – 2021).

As at December 31, 2022, corporate and administrative staff at Gamehost’s head office numbered 4 employees (7 – 2021).

Due to nature of the gaming industry, a significant number of employees are required at each of the Gamehost Casinos and, as such, Gamehost anticipates that it will have to continue to expend considerable resources to recruit and train casino employees. Gamehost continually evaluates its existing benefit plan offerings to ensure it retains its competitiveness within the industry. Gamehost has, to date, been successful in creating a motivated, service orientated and efficient work force for the Gamehost Casinos.

Services and Sources of Revenue

Gaming Operations

The primary source of revenue for Gamehost is the gaming operations carried on at the Gamehost Casinos. Revenue from gaming operations at those casinos is derived from the operation of slot machines, VLT’s, lottery ticket terminals, table games and electronic gaming tables (“EGT’s”).

Slot Machines

Slot machines are free standing or tabletop, electronic gaming devices that interact directly with the player through player-activated buttons or touch screen technology. Most slot machines operate independently from other slot machines. Some slot machines are linked together to create progressive prizes that can be won by any of the linked slot machines. Players insert bills or “ticket in/ticket out” slips directly into the machine to play and the machine pays

out prizes if the player wins. Slot machines pay out a percentage of all wagers in accordance with a scale established by the AGLC. Slot machines are networked electronically to a centralized system controlled and monitored by the AGLC. The slot machines are owned and serviced by the AGLC.

Gamehost and the Deerfoot Inn & Casino Joint Venture have each entered into separate Casino Gaming Retailer Agreements (each a “**CGT Agreement**”) with the AGLC. A CGT Agreement governs the operation of slot machines and contains covenants of Gamehost related thereto, including, for example, the obligation of Gamehost to provide services in accordance with instructions, directives and operating manuals from time to time provided by the AGLC, to maintain current and accurate records of monies paid, credits paid and withdrawals of monies and, if required by the AGLC, to obtain financial security on such terms and in such amount as may be required by the AGLC. Each CGT Agreement entered into by Gamehost and the Deerfoot Inn & Casino Joint Venture, respectively, has an indefinite term and may be terminated upon seven days’ notice by either party without cause, or immediately by AGLC with cause.

In exchange for providing gaming services, Gamehost receives a commission from the AGLC based on 15% of the net revenue after payout to customers generated from the slot machines.

VLT’s

VLT machines are free standing, electronic gaming devices that interact directly with the player through player-activated touch screen technology. Each VLT operates independently from other VLT terminals. Players insert bills directly into the machine to play and the machine pays out prizes if the player wins. VLT machines pay out a percentage of all wagers in accordance with a scale established by the AGLC. VLT machines are networked electronically to a centralized system controlled and monitored by the AGLC. The VLT machines are owned and serviced by the AGLC.

In exchange for providing gaming services, Gamehost receives a commission from the AGLC based on 15% of the net revenue after payout to customers generated from the VLT’s.

Lottery Ticket Terminals

Lottery ticket terminals are located at cashier windows within the Gamehost Casinos, sales of which provide commission revenues.

Table Games

Table games are played at tables with a dealer. Games such as, but not limited to, traditional Poker, Three Card Poker, Four Card Poker, Progressive Stud Poker, Ultimate Texas Hold’em, Blazing 7’s Blackjack, Blackjack, Chase the Flush, Roulette, Baccarat, Craps and others may, or are, currently offered at some or all of the Gamehost Casinos. In each of these games, the customer purchases gaming chips from the dealer for cash and wagers an amount. Depending on the outcome of the event, being a card hand, a spin of a wheel or a roll of the dice, the customer either: (i) retains the amount wagered, (ii) receives a payment in the form of additional chips, or (iii) loses the amount wagered. Outcomes of various games are based on standard industry accepted pay out scales established by the AGLC. The odds are designed to provide an advantage to the casino, other than traditional poker where the casino operator receives fees for providing dealer services.

Gamehost is responsible for all labour, facilities, administration, security services, furniture and fixtures and certain equipment necessary for the operation of table games in the Gamehost Casinos. Marketing, is shared between the operator and AGLC.

In exchange for providing gaming services, Gamehost receives a commission from the AGLC between 50% and 65% of the net revenue generated from the table games at the Gamehost Casinos dependent on the size and location of each casino.

EGT's

EGT's comprise of electronic table games and electronic stadium games. These electronic versions of table games are in place at all Gamehost Casinos. EGT's offer benefits over dealer hosted tables in that new players feel less intimidated and are offered a stress-free environment to learn to play. Players can play at their own pace and have greater flexibility on wagers. EGT's provide operators with opportunity to reduce labour costs.

Gamehost is responsible for all labour, facilities, administration, security services, furniture and fixtures and certain equipment necessary for the operation of EGT's in the Gamehost Casinos. Marketing, is shared between the operator and AGLC.

In exchange for providing gaming services, Gamehost receives a commission from the AGLC equal to 15% of the net revenue generated from the table games at the Gamehost Casinos.

Food, Beverage and Entertainment Services

In addition to gaming, the Gamehost Casinos each offer a full-service menu and beverage services, including the sale of liquor, complemented by a variety of live entertainment acts including dancers, bands, comedians, impersonators, live and pay per view sporting events and theatre groups.

Cash Machine Services

Gamehost also derives revenue from cash machines located on the premises of the Gamehost Casinos. These cash machines are owned or leased and operated by Gamehost. Gamehost receives revenue from the cash machines from user-based surcharges and fees and a portion of interchange fees.

Quasi-Cash Advance Services

Gamehost also derives revenue from quasi-cash advance kiosks located on the premises of the Gamehost Casinos. These kiosks are owned by a third party and operated by Gamehost. Gamehost receives commission revenue from the cash advanced via the kiosks for a user-paid fee.

Guest Rooms

Gamehost owns and operates each of the Service Plus Inn, Encore Suites Hotel, and the Deerfoot Inn & Casino. The principal source of revenue from hotel operations is room sales including banquet room rentals. Additional revenues are also generated by pay-per-view movies, laundry services, video games, confectionary sales and other such guest services.

Commercial Leasing Operations

Gamehost also owns and operates the Commercial Building. Gamehost intends to derive revenue from the Commercial Building through long term leases to commercial tenants.

Government Subsidies

Since the onset of the COVID-19 pandemic, Gamehost has been a recipient of various government subsidies intended to relieve economic pressures brought on by the virus. Following the onset of the COVID-19 pandemic, the Company has, from time to time, received relief in the form of abatement of tourism levy's and workers compensation premiums as well as subsidies under various federal and provincial programs including, but not limited to the Canada Emergency Commercial Rent Assistance (**CECRA**) program the Canada Emergency Wage Subsidy (**CEWS**) program, the Canada Emergency Rent Subsidy (**CERS**) program, the Alberta Small and Medium Enterprise Relaunch Grant (**SMERG**), and the Restrictions Exemption Program Implementation Grant (**REPIG**). Gamehost may be eligible for subsidies under different programs that may be announced in the future. There is no certainty in the eligibility or amounts of any subsidy program.

Revenue

The following sets forth, for each of the two most recently completed financial years, Gamehost's revenue for each category of services that accounted for 15% or more of the total consolidated revenues for the applicable financial year.

Services	Year Ended December 31, 2022	Year Ended December 31, 2021
Guest Rooms (including meeting rooms)	\$13,453,454	\$7,210,160
Gaming Operations		
Table Games (including poker)	\$13,514,677	\$7,368,883
Slot Machines	\$20,708,455	\$10,266,819
Food and Beverage Operations	\$15,186,435	\$5,276,713

Regulatory Environment

Regulation of Casinos in Alberta

Gaming in Alberta is regulated and controlled by the AGLC. In connection with the adoption of the *Gaming and Liquor Amendment Act* (Alberta), the Gamehost Casinos each operate under a six-year casino facility license ("CF License") issued by the AGLC. Facility operators, such as the Limited Partnership, provide their services to AGLC under a CF License. Applicants for a CF License are first subject to background checks and due diligence investigations by the AGLC and are reviewed annually following a due diligence process mandated by the board of the AGLC. The CF Licenses held by each of the Gamehost Casinos were renewed on June 30, 2017 for a period of six years. See "Risk Factors – Risks Relating to the Business – Casino Licenses for Current Casinos". The Corporation is currently in the due diligence review period for renewal of all CF Licenses with the AGLC.

The standards and requirements to which casinos are to be operated are set out in detail in the AGLC's "Casino Terms & Conditions and Operating Guidelines". With respect to oversight of gaming operations in Alberta, slot machines, EGT's, VLT's and lottery ticket terminals are centrally controlled and monitored by the AGLC and revenue determined by the system is reconciled to actual cash counts. With respect to cash from table games, charity volunteers participate in all aspects of cash handling, cash counts and deposits under the purview of the AGLC. In addition, charities hire the services of independent professionals who assist the volunteers in their duties.

The AGLC is also responsible for enforcement, compliance and the screening of operators, employees and suppliers within the gaming industry. In particular, AGLC registration and/or determination of suitability may be required for any entity engaged in the gaming industry, any director, officer or key employee of any such entity, any person holding a 5% or greater interest in any such entity and all casino personnel. The AGLC investigates all applicants for registration and has the discretion to grant or refuse registration.

Obtaining Licenses for New Casinos

The AGLC is responsible for approving and licensing new casino facilities, casino expansions or major casino relocations in Alberta. In early 2021, AGLC introduced a market-based facility licensing approach for casinos, REC's and bingo halls replacing the former eight step process. The new process allows AGLC to identify opportunities for incremental growth in Alberta's mature gaming market. An abbreviated description of the step process is described below and can be found in its entirety at <https://aglc.ca/sites/aglc.ca/files/2021-12/21-12-01 CTCOG Handbook 0.pdf>

1. Request for Expression of Interest and Application Process. AGLC may issue a Request for Expression of Interest regarding either a traditional casino facility or First Nation casino facility in a specified geographic area or community.

2. **Applicant Selection.** AGLC evaluates all applications for a casino facility in a specified geographic area or community.
3. **Community Support and Background Check.** The Board of the AGLC may consider the views of the community including the views, if any, expressed by a council in relation to a proposed new casino facility. If the Board is of the view that the community is not in favour the Board may end the application process. The Board of the AGLC may direct AGLC to conduct a thorough background check into one or more selected applicants.
4. **Construction and Licensing.** The Board of the AGLC may make a determination to issue a conditional approval and advise the applicant in writing it can proceed with construction.

On the introduction of the new four step process outlined above, the AGLC Board lifted the moratorium that had been in place since 2018 for consideration of new casino and Racing Entertainment Centre (**REC**) licenses. The approval process for a casino facility expansion or relocation consists of the following three steps:

1. The AGLC will conduct an initial assessment to determine whether a proposed expansion or major relocation meets basic criteria related to market demand, benefits to charitable groups, and impact on other charitable gaming activities in the community. A casino facility licensee initiates this step by providing the AGLC with a written proposal for the expansion or major relocation of an existing licensed casino facility.
2. The Board of the AGLC will consider community support, or the lack thereof, as expressed through the municipal council. The AGLC will formally notify the council that they have received a request for expansion or major relocation and may conclude the process if in the Board's view the council does not support the expansion or major relocation of an existing casino facility in the community. If the council is silent and there is no demonstrated opposition to the concept of expansion or major relocation, the Board at its discretion may decide to continue the application process.
3. If all requirements for a gaming facility are met (federal and provincial legislation, regulation, and policies, and municipal requirements, permits, licenses or authorizations) the AGLC will approve or license the expansion or major relocation.

First Nations Casinos

The Alberta government's First Nations Gaming Policy requires any First Nations casino to be located on reserve land, regulated by the AGLC and operate under similar terms and conditions as off-reserve casinos.

There are two significant differences in the gaming environment created by the AGLC for First Nations casinos versus traditional casinos. Firstly, revenue sharing agreements for First Nation casinos are far more lucrative to the operator and by extension to the balance of First Nations in the province. This affords First Nations greater capacity to promote their business potentially at the expense of traditional casino operators. Secondly, in granting gaming licenses to First Nations, the province chose not to attach conditions that would see First Nations casinos have to comply with provincial non-smoking legislation to which traditional casino operators must.

Competition

There are 19 traditional casinos in Alberta. There are 5 First Nation casinos operating in Alberta. Further, there are 4 racing entertainment centres (each referred to as a "**REC**") operating in the province of Alberta. RECs may offer a limited number of slot machines, but no live table games. The government of Alberta also licenses bingo operations and VLT's throughout the province. Both of these gaming options typically attract a distinct and separate market segment than that targeted by Gamehost and has little impact on the market for table games and slot machines. Gamehost Casinos do not offer bingo. While bingo options are available in municipalities where Gamehost operates, bingo is not considered to be competition to Gamehost Casinos.

Great Northern Casino

Direct competition to the Great Northern Casino in Grande Prairie includes Evergreen Park, a REC on the outskirts of Grande Prairie that offers VLT's and 99 slot machines. Also, Great Northern Casino is marginally impacted by casinos operating in north-eastern British Columbia since this area's nearest 'big box' retail centre is located in Grande Prairie, meaning residents of north-east British Columbia regularly travel to Grande Prairie for shopping and other services. The travel of north-eastern British Columbia residents to Grande Prairie for shopping creates opportunities for these individuals to frequent the Great Northern Casino instead of those casinos located in north-eastern British Columbia, thereby creating indirect competition between such casinos and the Great Northern Casino.

Rivers Casino

There is currently no other gaming competition in the Regional Municipality of Wood Buffalo. As a result of a municipal plebiscite held in the Regional Municipality of Wood Buffalo, VLT's are not permitted in the municipality, leaving slot machines and EGT's at the Rivers Casino the only electronic gaming option, other than bingo, in the community.

Deerfoot Inn & Casino

The Deerfoot Inn & Casino is one of six casinos operating within the City of Calgary, each of which competes to a limited degree with the others. The AGLC generally tries not to license casino operations that will erode another casino's business. The Deerfoot Inn & Casino is located in the deep south-east quadrant of the City of Calgary at a significant distance from all other casinos. A seventh casino is located on the Western edge of the City on the Tsuut'ina First Nation. This First Nations casino is approximately 11 kilometres east of the nearest casino (Cash Casino) located within Calgary's city limits and 19 kilometres north-west of the Deerfoot Inn & Casino. This First Nations casino also includes a hotel and a 2,000-seat showroom. A REC located in Balzac, just north of Calgary's city limits, at the opposite end of the city from Deerfoot Inn & Casino, operates 550 slot machines, 7 VLT's, EGT's only and off-track betting.

Hotel competition includes a limited service hotel which services budget-conscious customers operating one block north of the Deerfoot Inn & Casino. This limited service hotel is owned by a related company in which David Will and Darcy Will hold a majority interest (for further information see "*Conflicts of Interest*"). The Deerfoot Inn & Casino benefits from the additional rooms available at this other hotel by way of higher foot traffic through the casino, eating establishments and banquet bookings.

There are 14 hotels located within 15 minutes driving distance of the Deerfoot Inn & Casino. Deerfoot Inn & Casino is the closest rooming/convention option for the light industrial areas to the east and residential areas to the south and the only casino in the deep southeast quadrant of the city.

Service Plus Inn and Encore Suites Hotel

In spite of significant additional room capacity being added in the Grande Prairie hotel market, superior location and management continue to be the Service Plus Inn's strength in maintaining a strong market position and some of the highest occupancy levels in the trading area. The two hotels are located adjacent to Great Northern Casino and in close proximity to the newly opened Grande Prairie Regional Hospital, the Grande Prairie Polytechnic and within walking distance to big box shopping and a good selection of restaurants. They are both located a convenient distance from large tracts of light industrial making them ideal locations for a solid cross-section of clientele.

The same factors apply to the Encore Suites Hotel, an extended stay suite hotel opened in June 2016 across the street from Service Plus Inn. The Encore Suites Hotel caters to a different market segment than the Service Plus Inn. Encore suites Hotel has a higher price point and offers extended stay suites specifically intended to capture business connected with the new Grande Prairie Regional Hospital.

Online Gambling

Gamehost faces competition from gambling conducted over the internet. Online gaming sites offer a variety of games

including slot machines, roulette, poker and blackjack, which are gaming opportunities similar to those offered at actual casinos, including the Gamehost Casinos. Online gaming websites allow players to pay using online payment services and credit cards which are often not available or have limits in physical casinos. Many online gaming websites are easily accessible and are unregulated in Canada. Pursuant to the *Canadian Criminal Code*, only the provinces have the authority to regulate gambling over the internet in Canada. British Columbia's PlayNow.com became the first sanctioned online casino in North America when it launched in July 2010. Quebec's online gaming platform, Espacejeux, followed shortly afterwards in November 2010. The Ontario Lottery launched their PlayOLG online gaming site in January 2014. Manitoba launched a branch of PlayNow, which is British Columbia's online gaming platform, in early 2013. AGLC's new on-line gaming site, PlayAlberta.ca went live with virtual slot and table games on October 1, 2020. On November 3, 2022, the Saskatchewan Indian Gaming Authority ("SIGA") launched PlayNow.com, Saskatchewan's first and only legal online gaming and sports betting site. Ontario recently initiated internet gaming (iGaming) consultations to more broadly address the current and future landscape for iGaming including combating the unregulated grey market for iGaming.

The United States ("U.S.") government has long considered online wagering illegal. The U.S. passed the Unlawful Internet Gambling Enforcement Act of 2006 which prohibits U.S. banks, credit card companies and other financial intermediaries from facilitating the electronic transmission of money from the U.S. to internet gambling businesses. Additionally, in the U.S., the Department of Justice has attempted to prosecute parties who accept advertising from online gambling services. The Department of Justice in late 2011 clarified its stance, paving the way for states to unilaterally legalize some forms of online gambling. Only five states currently permit forms of internet gambling including one or more of poker, sports betting, slots, blackjack and other banked games. Estimates and projections of online gaming activity vary wildly. At this time, Gamehost cannot, with any degree of certainty, determine the impact, if any, of internet gambling on Gamehost's business and financial results.

Sport Wagering

AGLC introduced sport wagering to Alberta in February 2022 through its Playalberta.ca online gaming website. SPORT SELECT, run by the Western Canada Lottery Corporation is another avenue for Albertan's to bet legally on sports. A more robust platform for sports betting has been promised. AGLC requested proposals from only two private sportsbook operators which closed February 14, 2022 and is proceeding through a process to select the winning proposal. No further information has been made available. Management does not anticipate a negative impact to its land-based casino operations from any added sports wagering activities offered in the province, but will be monitoring developments for any possible benefits.

Growth Strategy

Gamehost operates an entertainment driven casino model. Accordingly, Gamehost will continually respond to the changing wants of the entertainment seeker. Part of Gamehost's growth strategy was initiated when locations were selected for our operations: locations in areas of high disposable income, potential for above average population growth and highly visible sites with good access. All of the Corporation's operations continue to benefit from our original site selections. Gamehost will participate in the growth of casino gaming and hotel rooming through a combined strategy of internal growth and highly scrutinized targeted acquisitions.

In terms of internal growth, the Corporation completed two expansion projects in 2021. A 6,687 square foot expansion to non-gaming amenities at Rivers Casino and a 7,500 square foot expansion to gaming and non-gaming amenities at Deerfoot Inn & Casino. It is believed that additional opportunities exist with respect to each of the Gamehost Casinos. Land separating the Company's Great Northern Casino and Service Plus hotel in Grande Prairie was acquired in late 2017 allowing for additional parking and expansion opportunities including the possible joining of the two facilities.

Internal Growth by Casino

Great Northern Casino

The Grande Prairie area where Great Northern Casino is located has experienced higher than average population growth. The Great Northern Casino has expanded three times since 2003 with the most recent expansion to its food, beverage and entertainment areas and an exterior facelift completed in 2013.

Grande Prairie had a population of 67,627 in 2021, a decline of 0.81% from 2020, but an increase of 3.85% in the last five years. Grande Prairie is the market hub for the wider Peace region servicing a combined population of about 300,000. Grande Prairie is the largest northern market centre offering a full range of shopping and services which attract people from a 200 km radius. Grande Prairie is favourably situated in central proximity to one of North America's largest and most cost-effective shale oil and gas fields being the Montney formation. The area is also supported by the forestry, healthcare and agriculture sectors. The Great Northern Casino facility is well suited to support the current and foreseeable growth in the City of Grande Prairie and surrounding area.

The Great Northern Casino is located adjacent to but separate from the Service Plus Inn by some 200 feet. The Company owns the land between Service Plus and Great Northern Casino making possible a potential joining of the two properties. Expansion possibilities include increased gaming space, hotel rooms or both as well as additional parking. Great Northern Casino is now benefiting from the December 2021 opening of the new Grande Prairie Regional Hospital.

A complete exterior and interior refurbishment of the Great Northern Casino was completed in 2022.

Rivers Casino

Fort McMurray is situated in the Regional Municipality of Wood Buffalo. A municipal census completed in 2021 reports the municipality's population at 106,059, a decrease of 5.1% from census 2018. The decrease in population occurred in the shadow population which includes work camps. The city of Ft. McMurray registered an increase of 6,700 residents over the same period.

The Corporation leases space in the Peter Pond Mall in Fort McMurray for the Rivers Casino. The current term of the Peter Pond Mall lease ends in 2036 and contains one 5-year renewal option.

In 2021, the Corporation completed a \$6.3 million, 6,687 square foot expansion of non-gaming amenities at Rivers Casino and a total interior and exterior refresh of the original property. The project eased congestion on the gaming floor and allows for future gaming capacity when warranted. The main objective of the project was to boost gaming revenues through improved food, beverage and entertainment offerings and a total facelift to exterior and interior appearances. The expansion has filled a void resulting from the closure of numerous food and beverage and entertainment venues as a result of an area wildfire in 2016, a flood in 2020 and the COVID-19 pandemic all of which have reduced available options in the community.

Deerfoot Inn & Casino

The Deerfoot Inn & Casino is located in Calgary, Alberta. The City of Calgary website reports the population to be 1,306,220 in 2021. Alberta, and in particular Calgary is experiencing a significant net migration in 2022, supported by a low cost of living and job opportunities.

In 2021 the Corporation completed construction of a \$4.5 million, 7,500 square foot expansion to gaming and non-gaming amenities at the Deerfoot Inn & Casino. The expansion added floor space to the north of the existing gaming floor to accommodate an increase in the number of possible slot machines as well as additional food and beverage space. The project included a new poker room, new high-limit table room, new high-limit slot room and expanded and improved food and beverage offerings including reintroduction of a sushi bar and added seating to the live entertainment showroom. An additional 120 seats for food and beverage/live entertainment was added.

External Growth

In addition to pursuing internal growth opportunities, Gamehost continually assesses external growth opportunities. Opportunities for strategic acquisitions by Gamehost exist within and outside of the province of Alberta, in both the gaming and hospitality sectors that would provide synergies with existing operations.

Seasonal Cycles

Operations of Gamehost are not overtly impacted by seasonal cycles. The most significant influence of seasonal cycles on the business of Gamehost relates to spring break-up in the energy sector. Beginning in March/April of each year, and for a duration of six to eight weeks, ground thaw prohibits the movement of heavy equipment on provincial highways and in and out of lease sites. Spring break-up has its most profound impact in the northern half of the province. This is normally a period of high activity for the Great Northern and Rivers Casinos while it has the opposite effect on hotel operations in Grande Prairie. The Deerfoot Inn & Casino is less affected by spring break-up. The volatility of spring break up has diminished in recent years as energy firms adjust their logistics to stage equipment prior to the thaw so it does not have to be moved during periods of weight restrictions of provincial roadways.

Trends

Gaming growth has moderated in Canada and Alberta. A study of individual casinos shows the entertainment driven casino model (casinos that offer a broader selection of entertainment offerings, live music, comedy, F&B etc.) continue to be the top performing casinos. Industry game designers are actively working on new games that are more interactive and social, targeted to younger generations.

Enhancement Based Casinos

The operation of entertainment-based casinos in Alberta, while on a smaller scale than that found in Las Vegas, Nevada, for example, is a trend that is evolving. Live theatre entertainment, fine dining, connection to convention space and full-service hotels with spa amenities play an increasingly combined role with casinos. Management expects this trend to continue and intends to capitalize on it through internal and external growth.

Online Gaming

This is a growing trend with laws and regulations playing catch up to an increasing number of online gaming options hosted by sites located all over the world and in Canada. Federal laws in the USA have been relaxed to allow individual state jurisdiction over access to online gaming for USA residents. A number of US States offer online gaming. Additional states are currently advancing legislation to open online gaming to state residents or have introduced such legislation only to see it defeated. On November 3, 2022, the Saskatchewan Indian Gaming Authority (“**SIGA**”) launched PlayNow.com, Saskatchewan’s first and only legal online gaming and sports betting site. AGLC launched their new online gambling site, PlayAlberta.ca on October 1, 2020 which added sports betting on September 1, 2021. Unlike casino play on slots, VLT’s and tables at land-based casinos that flow dedicated revenues to charities, revenues generated by Alberta’s online gaming site flow to general revenue. AGLC estimates that players based in Alberta spend approximately \$350 million on internet gambling sites each year.

Sport Wagering

Sports wagering, though it has been available in various forms and extents in North America for some time, is gaining entry in more and more jurisdictions. On August 27, 2011 Bill C-218 came into law in Canada opening up this country to regulated betting on single sporting events. Some estimates claim Canadians spend \$14 billion annual with offshore companies, illegal bookies and organized crime. Provincial jurisdictions are now jumping on the band wagon including Alberta who had previously stated their intention to bring land-based and mobile-phone based sport wagering to Alberta casinos by the end of 2022, but as yet have not fully delivered.

Cashless Gaming and Digital Payments

An emerging trend in the gaming space is wagering through mobile wallets. Gaming equipment suppliers are investing heavily in this space which accelerated as a result of the COVID-19 pandemic and desire for contactless payment systems. Already prevalent in the world of mobile sports betting, technology is being created for use at in-person slot machines and live table games. Though in its very early stages, at least eight states in the USA have approved and adopted cashless payment options for casinos. The technology touts benefits beyond being touchless to improving safeguards for anti-money laundering rules and background requirements for ‘knowing your customer’. Customers can benefit by being able to ‘self-exclude’ or set limits on their accounts.

DIVIDENDS

The board of directors of Gamehost is responsible for determining the dividend policy of Gamehost from time to time. As an ABCA corporation, the dividend policy must comply with the requirements of the ABCA, including satisfying the dividend test applicable to ABCA corporations (i.e. an ABCA corporation shall not declare or pay a dividend if there are reasonable grounds for believing that (a) the corporation is, or would after the payment be, unable to pay its liabilities as they become due or (b) the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities and stated capital of all classes).

The dividend policy adopted by the Corporation is designed to provide for regular monthly dividend payments to holders of Shares. Prior to COVID-19, dividends in the amount of \$0.0575 per Share (i.e. \$0.6900 per Share on an annualized basis) were paid monthly. In April 2020, dividends were suspended. On March 7, 2022 the board of directors reinstated a dividend for shareholders in the amount of \$0.0300 per Share. The board of directors of the Corporation retains the right to modify such dividend policy from time to time in its discretion.

The following table summarizes, for each of the three most recently completed financial years and the current year to date, the Corporation's cash dividends declared:

Month	Cash Dividends Per Share			
	2023	2022	2021	2020
January	\$0.0300	-	-	\$0.0575
February	\$0.0300	-	-	\$0.0575
March	\$0.0300	\$0.0300	-	\$0.0575
April	-	\$0.0300	-	-
May	-	\$0.0300	-	-
June	-	\$0.0300	-	-
July	-	\$0.0300	-	-
August	-	\$0.0300	-	-
September	-	\$0.0300	-	-
October	-	\$0.0300	-	-
November	-	\$0.0300	-	-
December	-	\$0.0300	-	-

DESCRIPTION OF CAPITAL STRUCTURE

The Corporation is authorized to issue an unlimited number of common shares ("**Shares**") without nominal or par value and an unlimited number of preferred shares issuable in series ("**Preferred Shares**"). As at December 31, 2022, there were 22,291,819 Shares and nil Preferred Shares issued and outstanding.

Shares

Holders of Shares ("**Shareholders**") are entitled to vote at any meeting of Shareholders, receive any dividend declared by the Corporation, and receive the remaining property of the Corporation upon dissolution.

Preferred Shares

The board of directors of the Corporation may fix from time to time the number of Preferred Shares and the designation, rights, privileges, restrictions and conditions attaching thereto. The Preferred Shares of each series are entitled to preference over the Shares, and over any other shares of the Corporation ranking by their terms junior to the Preferred Shares, with respect to the payment of dividends and the distribution of assets or return of capital in the event of liquidation, dissolution or winding-up of the Corporation, or any other return of capital or distribution of assets of the Corporation among its shareholders for the purposes of winding-up its affairs. If any cumulative dividends or amounts payable on the return of capital in respect of a series of Preferred Shares are not paid in full, all series of Preferred Shares participate ratably in respect of accumulated dividends and return of capital.

Limitations on Ownership Imposed by the AGLC

No person, or group of persons acting jointly or in concert, shall acquire, agree to acquire, hold, beneficially own or control, either directly or indirectly, Shares or Preferred Shares to which are attached, in the aggregate, more than 5% of the votes that may be ordinarily cast to appoint directors of the Corporation at a meeting of the holders of Shares and Preferred Shares (referred to in this section as a “**Significant Interest**”), unless such parties obtain the prior written consent of, and if required, registration with, the AGLC.

Until such time as the prior written consent of the AGLC has been obtained, no person, or group of persons acting jointly or in concert, holding, acquiring or agreeing to acquire, beneficially own or control, a Significant Interest, either directly or indirectly shall:

- (a) acquire, in any manner whatsoever, any Shares or Preferred Shares or otherwise increase the holder’s Significant Interest; or
- (b) dispose, in any manner whatsoever, any portion of the Significant Interest, except where such disposition is by way of a redemption in accordance with the terms of the articles of the Corporation;

if such disposition or acquisition would result in a change of ownership of the Corporation within the meaning of the *Gaming and Liquor Act* (Alberta), and the *Gaming and Liquor Regulation* and AGLC policies promulgated thereunder.

In addition, any holder of Shares or Preferred Shares, regardless of the number of shares held by such holder, may be required to file an application, be investigated and have suitability as a holder determined if the AGLC has reason to believe such ownership would otherwise be inconsistent with its declared policies. The holder of Shares or Preferred Shares must pay all of the costs of the investigation incurred by the AGLC.

If, in the opinion of the board of directors of the Corporation, a person, or group of persons acting in concert, fails to comply with the foregoing constraints, the board of directors of the Corporation shall be entitled to take any of the following actions (each, referred to in this section as a “**Constraint Action**”):

- (a) place a stop transfer on all or any of the Shares or Preferred Shares of the person, or group of persons, the board of directors of the Corporation reasonably believes is violating such constraints;
- (b) suspend all voting and distribution rights on all or any of the Shares or Preferred Shares held by the person, or group of persons, the board of directors of the Corporation reasonable believes is violating such constraints;
- (c) apply to the Court of Queen’s Bench of Alberta or such other court of competent jurisdiction seeking an injunction to prevent a breach or continuing breach of such constraints; or
- (d) make application to the relevant securities commission, its successors or assigns or such other governmental regulatory agency having jurisdiction over the affairs of Gamehost or the Shares or Preferred Shares, or the person or group of persons, to effect a cease trading order or such similar restriction against such person or group of persons until such time as the person or group of persons complies with such constraints.

In addition, if the AGLC has determined that a holder’s ownership of Shares or Preferred Shares is inconsistent with its declared policies, the board of directors of the Corporation shall also be entitled to take one or more Constraint Actions against such holder.

MARKET FOR SECURITIES, TRADING PRICE AND VOLUME

The Shares trade on the TSX under the symbol “GH”. The following table sets forth the reported high and low sales prices and the trading volumes of the Shares on the TSX, as reported by the TSX, for the periods indicated:

	Price Range		Trading Volume
	High	Low	
2022			
January	\$7.88	\$6.98	83,439
February	\$8.87	\$7.75	106,943
March	\$9.57	\$7.51	98,337
April	\$9.21	\$8.28	67,252
May	\$8.30	\$7.55	73,936
June	\$8.88	\$7.87	88,994
July	\$8.49	\$7.94	452,122
August	\$8.60	\$8.16	103,213
September	\$8.26	\$7.75	1,014,833
October	\$8.06	\$7.75	245,930
November	\$8.03	\$7.38	87,692
December	\$8.19	\$7.39	118,118
Total for the Period			<u>2,540,809</u>

DIRECTORS AND OFFICERS

The following table and notes thereto sets forth the name, province or state and country of residence of each director and executive officer of the Corporation, their respective positions and offices held with the Corporation and their respective principal occupations during the five preceding financial years, and the number and percentage of shares beneficially owned or controlled by that person as at December 31, 2022. Directors of the Corporation will hold office until the next annual general meeting of the Shareholders unless re-elected at that meeting.

Name and Municipality of Residence	Current Office Held	Present Occupations for at least last 5 Years	Securities Beneficially Owned or Controlled ⁽³⁾
David J. Will Red Deer, Alberta Canada	Director, and President	Director, President and Chief Executive Officer of Gamehost, including predecessors, since 2003. Director, President and Chief Executive Officer of Gamehost Management Inc. since 2003. Director, President and Chief Executive Officer of Will Air Ltd. since December 17, 2004. President of DJ Wills Holdings Limited, a service and hospitality company operating hotels and retail leasing space, since December 20, 1977.	5,827,000 (26.1%)
Darcy J. Will Red Deer, Alberta Canada	Director, Vice President and Secretary	Director, Vice President and Secretary of Gamehost, including predecessors, since 2003. Vice President and Secretary of Gamehost Management Inc. since 2003. Vice President and Secretary of Will Air Ltd. since December 17, 2004. President of Winner's Gaming Inc., a private gaming and entertainment company, and its predecessors, since 1990.	1,631,569 (7.3%)

Name and Municipality of Residence	Current Office Held	Present Occupations for at least last 5 Years	Securities Beneficially Owned or Controlled⁽³⁾
James McPherson CFP CLU CHFC ^{(1) (2)} Red Deer, Alberta Canada	Director	A director of Gamehost, including its predecessors, since April 10, 2003. Senior partner in MLA Benefits Inc., an estate and financial planning business since 1978. An independent Licensed Life Insurance Broker since June 2, 1969.	314,956 (1.4%)
Timothy J. Sebastian ⁽²⁾ Calgary, Alberta Canada	Director	A director of Gamehost, including its predecessors, since July 22, 2004. CEO of Delta Oilfield Services Inc, a private oilfield services company since August 2020. CEO and General Counsel of Delta Rental Services Ltd, a private oilfield services company from June 2019 to February 2023. CEO and General Counsel of McClelland Oilfield Rentals Ltd., a private oilfield services company from July 2018 to July 2019. CEO and General Counsel of Delta Rental Services Corp, a private oilfield services company from September 2017 to July 2018. Vice President, General Counsel and Corporate Secretary of Western Energy Services Corp., an oil and gas services company, from May 2013 to August 2017.	4,200 (less than 1%)
Jerry Van Someren CPA ^{(1) (2)} Red Deer, Alberta Canada	Director	A director of Gamehost, including its predecessors, since August 4, 2005. Chief Financial Officer, Eagle Builders Group, precast concrete specialist companies, since May 2012.	300 (less than 1%)
Peter L. Miles ⁽¹⁾ Vancouver, BC Canada	Director	A director of Gamehost, including its predecessors, since May 17, 2006. Chief Executive Officer of Sanatana Resources Inc., an exploration and development company since 2006.	Nil (nil %)
Craig Thomas CPA Red Deer, Alberta Canada	Chief Financial Officer	Chief Financial Officer for Gamehost, including its predecessors, since November 2004.	30,200 (less than 1%)
Elston Noren Lethbridge, Alberta Canada	Chief Operating Officer	President and CEO of Noren Air Inc., a private charter air carrier since July 2014. President, a joint venture partner and operational manager of 1717317 Alberta Ltd o/a Best Western Plus, Service Inn and Suites Lethbridge, since January 2013. President of 1508956 Alberta Ltd., a management services company, providing services to Gamehost as a Chief Operations Officer, since December 2009. A joint venture partner, co-creator and co-operational manager for 13119902 Alberta Ltd. o/a Service Plus Inns & Suites – Calgary, since April 2009.	847,681 (3.8%)

Name and Municipality of Residence	Current Office Held	Present Occupations for at least last 5 Years	Securities Beneficially Owned or Controlled ⁽³⁾
		A joint venture partner and operational manager for Peace Country Hospitality Inc. a gaming entertainment operator since 2005. President of 669293 Alberta Ltd., a management services company, since November 1995. Partner and operations manager for Winners Gaming Inc., a gaming entertainment company since 1989.	

Notes:

- (1) Member of the Audit Committee.
- (2) Member of Joint Compensation and Governance Committee.
- (3) At December 31, 2022.

As at December 31, 2022, the directors and executive officers listed above, as a group, beneficially owned, or controlled or directed, directly or indirectly, 8,655,906 or 38.8% of the outstanding Shares.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Except as set out below, to the best of the knowledge of management of Gamehost:

- (a) no person who is a director or executive officer of Gamehost is, as at the date of this annual information form, or has been, within 10 years before the date of this annual information form, a director, chief executive officer or chief financial officer of any company (including Gamehost) that:
 - (i) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days and that was issued while such person was acting in the capacity as director, chief executive officer or chief financial officer; or
 - (ii) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days and that was issued after such person ceased to be a director, chief executive officer or chief financial officer but resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; and
- (b) no person who is a director or executive officer of Gamehost, or who is a person holding a sufficient number of Gamehost Shares to affect materially the control of Gamehost:
 - (i) is, as at the date of this annual information form, or has been within 10 years before the date of this annual information form, a director or executive officer of any company (including Gamehost) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
 - (ii) has, within the 10 years before the date of this annual information form, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director or trustee; and
- (c) no person who is a director or executive officer of Gamehost, or who is a person holding a sufficient number

of Gamehost Shares to affect materially the control of Gamehost, has been subject to:

- (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a security's regulatory authority; or
- (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

CONFLICTS OF INTEREST

Shareholders will be dependent upon the directors and officers of the Corporation for the administration of Gamehost. The directors of Gamehost own a large number of Shares. Certain of the directors and officers of the Corporation have interests in and are engaged, and will continue to be engaged, in other entities operating in the gaming and hospitality industry and may make additional investments or dispose of investments and situations may arise where such directors and officers will be in competition with Gamehost. Certain of the directors and officers of the Corporation have interests in and are engaged, and will continue to be engaged, in other entities providing services to Gamehost. These services are not, however, considered to be materially significant.

David Will, Darcy Will and Elston Noren hold a majority interest in a limited service hotel located one block north of the Deerfoot Inn & Casino. An entity beneficially owned and controlled by David Will and Darcy Will (Will Air Ltd. ("WAL")) provides management services to the Deerfoot Inn & Casino Joint Venture. An entity beneficially owned and controlled by Elston Noren (1508956 Alberta Ltd.) provides operational management services to Gamehost. For further information see "*Interest of Management and Others in Material Transactions*" and "*Competition – Deerfoot Inn & Casino*".

The ABCA contains "conflict of interest" provisions that serve to protect Shareholders by requiring each director and officer of the Corporation to disclose to the Corporation any interest in a material contract or transaction or proposed material contract or transaction with Gamehost or the fact that such person is a director or officer of or otherwise has a material interest in any person who is a party to a material contract or transaction or proposed material contract or transaction with Gamehost. Such disclosure is required to be made at the first meeting at which a proposed contract or transaction is considered. In the event that a material contract or transaction or proposed material contract or transaction is one that in the ordinary course would not require approval by the board of directors of the Corporation, the director or officer is required to disclose in writing to the Corporation or request to have entered into the minutes of the meeting of the board of directors the nature and extent of his or her interest forthwith after the director or officer becomes aware of the contract or transaction or proposed contract or transaction. In any case, a director or officer who has made disclosure to the foregoing effect is not entitled to vote on any resolution to approve the contract or transaction unless the contract or transaction is one relating primarily to his or her remuneration as a director, officer, employee or agent of Gamehost or one for indemnity under the provisions of the ABCA or liability insurance.

In the case of subsidiary corporations, the governing statutes contain similar "conflict of interest" provisions to those described in the preceding paragraph and the directors and executive officers of the subsidiaries of the Corporation are legally obligated to comply with such provisions.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as set forth in the paragraphs below, no person or company who is a director or executive officer of the Corporation, or a trustee, director or executive officer of a subsidiary of the Corporation, or a person or company that is the direct or indirect owner of, or who exercises control or direction over, more than 10% of the outstanding Shares, or an associate or affiliate of any of the aforementioned persons or companies, has had any material interest in any transaction with either the Corporation or any subsidiary or the Corporation within the three most recently completed financial years of the Corporation or any predecessor of the Corporation, as applicable, or during the current financial year of the Corporation, that has or will materially affect Gamehost.

On June 1, 2003, the Limited Partnership entered into a management services agreement (the "**Management Services Agreement**") with GMI, which agreement was amended and restated as of May 1, 2010, whereby GMI agreed to

assume responsibility for all aspects of the Business (as defined below) to the extent that the activities or actions, or both, related thereto are not in conflict with the terms and conditions of the Limited Partnership Agreement of the Limited Partnership. For the purposes of this paragraph, “**Business**” means all of the businesses and all of the assets related thereto acquired by, constructed by, or transferred directly and indirectly to the Limited Partnership from time to time. For the purposes of this Annual Information Form, the Business of the Limited Partnership shall also be deemed to include the business of the Corporation and any and all other entities consolidated from time to time for purposes of the Corporation’s financial reporting. For services rendered by GMI under the Management Services Agreement, the Limited Partnership will pay to GMI a fee equal to 1.5% of the gross operating profit of the Limited Partnership. GMI is a related party of the Corporation in that GMI is owned and controlled by David Will, a director and the President of the Corporation, and Darcy Will, a director and the Vice President and Secretary of the Corporation.

On January 1, 2007, a subsidiary of the Corporation entered into a verbal agreement for operational management services (the “**Operational Management Agreement**”) with 1508956 Alberta Ltd. This verbal agreement was replaced with a written agreement on January 1, 2014. The operations manager, 1508956 Alberta Ltd., is a related party of the Corporation in that it is owned and controlled by Elston Noren, the acting Chief Operating Officer of the Corporation. Elston Noren is also the sole director and an officer of 1508956 Alberta Ltd. Pursuant to the terms of the Operational Management Agreement, 1508956 Alberta Ltd. receives annual compensation equal to \$405,000 for services rendered thereunder. The original terms and conditions of the Operational Management Agreement continue to apply during each renewal term, except for the fees to be paid thereunder, which are re-negotiated at the time of each renewal, and from time to time as deemed necessary by the parties thereto. The fees under the Operational Management Agreement were increased from \$350,000 annually to \$405,000 annually effective January 1, 2019.

On November 22, 2010, Gamehost, through the Deerfoot Inn & Casino Joint Venture, entered into a management services agreement (the “**Deerfoot Management Services Agreement**”), as amended from time to time, between the Deerfoot Inn & Casino Inc. and WAL, an entity beneficially owned and controlled by David Will and Darcy Will. This agreement follows the termination of an earlier agreement with a related party (1016312 Alberta Ltd.) and contains essentially the same terms and conditions as the earlier agreement, including entitling WAL to 1.5% of the gross revenues plus 2.0% EBITDA of the Deerfoot Inn & Casino. For further information see “*Description of the Business – Deerfoot Inn & Casino, Calgary, Alberta*”.

On January 1, 2017, the Limited Partnership entered into an agreement for charter air services, with WAL, an entity beneficially owned and controlled by David Will and Darcy Will. This agreement replaces a verbal agreement in use prior to that date. The agreement is renewed annually following a review of commercial fair value rates for charter service for similar aircraft.

On January 1, 2017, the Limited Partnership entered into an agreement for charter air services, with Noren Air Inc, an entity beneficially owned and controlled by Elston Noren, the acting Chief Operating Officer of the Corporation. This agreement replaces a verbal agreement in use prior to that date. The agreement is renewed annually following a review of commercial fair value rates for charter service for similar aircraft.

The Limited Partnership has a verbal agreement with DJ Will Holdings Ltd., an entity beneficially owned and controlled by David Will, for the purpose of allocating expenses incurred by DJ Will Holdings Ltd..that are partially for the benefit of Deerfoot.

On January 1, 2022, the Limited Partnership entered into an agreement for shared expenses, with DarcyCo Holdings Ltd, an entity beneficially owned and controlled by Darcy Will. This agreement replaces a verbal agreement in use prior to that date. The agreement is renewed annually following a review of expenses incurred by DarcyCo Holdings Ltd and invoiced to Gamehost Limited Partnership.

LEGAL PROCEEDINGS OR REGULATORY ACTIONS

From time to time Gamehost is subject to claims and lawsuits arising in the ordinary course of operations. In the opinion of management of Gamehost, the ultimate resolution of such currently pending legal proceedings will not have a material adverse effect on Gamehost’s financial position.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar of Gamehost is Computershare Trust Company of Canada at their office in Calgary, Alberta at 600, 530 – 8th Avenue S.W. T2P 3S8.

MATERIAL CONTRACTS

Other than as set out in the list below, there are no contracts, other than contracts entered into in the ordinary course of business, that are material to Gamehost, that were entered into within the current financial year of Gamehost, or within or before the most recently completed financial year of Gamehost but that are still in effect:

1. The Limited Partnership Agreement of the Limited Partnership dated May 23, 2003 and amended as of December 31, 2010. The Limited Partnership, as subsidiary of the Corporation, is authorized to issue an unlimited number of Class A units of the Limited Partnership and an unlimited number of Class B Units. As at the date hereof, 100% of the Limited Partnership interest is held by the Corporation. See “*Corporate Structure – Inter-corporate Relationships*”.
2. The Management Services Agreement effective June 1, 2003, as amended and restated as of May 1, 2010, and as may be further amended from time to time between the Limited Partnership and GMI by which the Limited Partnership engaged GMI to provide management services to the Limited Partnership. See “*Interests of Management and Others in Material Transactions*”.
3. The Deerfoot Management Services Agreement effective November 22, 2010 as may be amended from time to time between Deerfoot Inn & Casino and WAL by which the Deerfoot Inn & Casino engaged WAL to provide management services to the Deerfoot Inn & Casino. See “*Interests of Management and Others in Material Transactions*”.
4. The Operational Management Agreement effective January 1, 2014, renewed annually for successive one year terms and re-negotiated at the time of each renewal, and from time to time as deemed necessary by the parties thereto, between a subsidiary of the Corporation and 1508956 Alberta Ltd., by which the subsidiary engaged 1508956 Alberta Ltd. to provide management services to the Corporation. See “*Interests of Management and Others in Material Transactions*”.
5. CF Licenses effective July 1, 2017 and for periods of six years for each of Deerfoot Inn & Casino Inc., Rivers Casino and Great Northern Casino, by which each casino is authorized to operate their premises for the purposes of conducting licensed casino events in accordance with the provisions of the Gaming and Liquor Act, the Gaming and Liquor Regulations, AGLC Policies and all other conditions prescribed by the Board of the AGLC.
6. Electronic Games – Casino Retailer Agreement May 27, 2021 for each of Deerfoot Inn & Casino Inc., Rivers Casino and Great Northern Casino, by which AGLC agrees to install gaming terminals and related equipment in each casino and each casino is obligated to perform certain promises and covenants.
7. On January 1, 2021, Gamehost entered into an agreement with D.J. Will Construction Inc. to supervise and construct renovation of the Rivers Casino. D.J Will Construction Inc is an entity beneficially owned and controlled by David Will. D. J. Will Construction Inc will earn a fee of ¼ of 1.0% of the cost of the work.
8. On January 1, 2021, Gamehost entered into an agreement with D.J. Will Construction Inc. to supervise and construct renovation of the Deerfoot Inn & Casino. D.J Will Construction Inc is an entity beneficially owned and controlled by David Will. D. J. Will Construction Inc will earn a fee of ¼ of 1.0% of the cost of the work.
9. The Limited Partnership has a verbal agreement with DJ Will Holdings Ltd., an entity beneficially owned and controlled by David Will, for the purpose of allocating expenses incurred by DJ Will Holdings Ltd..that are partially for the benefit of Deerfoot. See “*Interests of Management and Others in Material Transactions*”.
10. The DarcyCo Shared Expense Agreement effective January 1, 2022, renewed annually for successive one

year terms and re-negotiated at the time of each renewal, and from time to time as deemed necessary by the parties thereto, between a subsidiary of the Corporation and DarcyCo Holdings Ltd., by which the subsidiary agrees to reimburse DarcyCo Holdings Ltd. for costs incurred for the benefit of the Corporation. See “*Interests of Management and Others in Material Transactions*”.

INTERESTS OF EXPERTS

Gamehost’s auditor, Pivotal LLP (Formerly Heywood Holmes and Partners LLP), is independent in accordance with the Rules of Professional Conduct of CPA Alberta as of March 7, 2022, being the date of their audit report on the financial statements for the most recently completed financial year of Gamehost.

AUDIT COMMITTEE

General

Gamehost has established an audit committee (the “**Audit Committee**”) comprised of three members: Jerry Van Someren, James McPherson and Peter Miles, each of whom is considered “independent” and “financially literate” within the meaning of Multilateral Instrument 52-110 – Audit Committees.

Mandate of the Audit Committee

The mandate of the Audit Committee is to assist the board of directors of Gamehost in its oversight of the integrity of the financial and related information of Gamehost, including the financial statements, internal controls and procedures for financial reporting and the processes for monitoring compliance with legal and regulatory requirements. In doing so, the Audit Committee oversees the audit efforts of Gamehost’s external auditors and, in that regard, is empowered to take such actions as it may deem necessary to satisfy itself that the external auditors are independent of Gamehost. It is the objective of the Audit Committee to have direct, open and frank communications throughout the year with management, chairmen of other committees of the board of directors of Gamehost, the external auditors, and other key committee advisors or Gamehost employees, as applicable.

The Audit Committee’s function is oversight. Management of the Corporation is responsible for the preparation, presentation and integrity of the financial statements of Gamehost. Management is responsible for maintaining appropriate accounting and financial reporting principles and policy and internal controls and procedures that provide for compliance with accounting standards and applicable laws and regulations.

While the Audit Committee has the responsibilities and powers set forth above, it is not the duty of the Audit Committee to plan or conduct audits or to determine whether the financial statements of Gamehost are complete and accurate and are in accordance with generally accepted accounting principles. This is the responsibility of management and the external auditors, on whom the members of the Audit Committee are entitled to rely upon in good faith. The Audit Committee Charter is attached hereto as Appendix A.

Audit Committee Oversight

Since the commencement of the Corporation’s most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the board of directors.

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services. The policies and procedures adopted outline the list of non-permitted services and permitted services which require the pre-approval of the Audit Committee, as well as the pre-approval procedures to be followed prior to engagement in addition to reporting requirements from management to ensure compliance with the policy.

Reliance on Exemptions in NI 52-110

The Corporation is relying on the exemption contained in section 2.4 (*De Minimis Non-Audit Services*) of NI 52-110 (which exempts all non-audit services provided by the Corporation's auditor from the requirement to be pre-approved by the Audit Committee if such services are less than 5% of the auditor's annual fees charged to the Corporation, are not recognized as non-audit services at the time of engagement of the auditor to perform them and are subsequently approved by the Audit Committee prior to the completion of that year's audit). Since the commencement of the Corporation's most recently completed financial year ended December 31, 2022, the Corporation has not relied on an exemption from NI 52-110, in whole or in part, granted by a securities regulator under Part 8 (*Exemptions*) of NI 52-110.

Relevant Education and Experience of Audit Committee Members

The following is a brief summary of the education and/or experience of each member of the Audit Committee that is relevant to the performance of his responsibilities as a member of the Audit Committee, including any education or experience that has provided the member with an understanding of the accounting principles used by Gamehost to prepare annual and interim consolidated financial statements.

Name of Audit Committee Member	Relevant Education and Experience
Jerry Van Someren	CPA, Bachelor of Commerce Degree from the University of Alberta. Currently Chief Financial Officer of the Eagle Builders Group. Former Partner with Collins Barrow Chartered Accountants. Former Vice President, Business Operations and WHL League Governor for the Red Deer Rebels Hockey Club.
James R. McPherson	Certified Financial Planner (CFP), Chartered Life Underwriter (CLU), Chartered Financial Consultant (ChFC). Partner in MLA Benefits Inc. 46 years' experience in Employee Benefit Consulting, Business Succession Planning and Estate & Financial Consulting. A member of the Alberta Legislative Assembly for Red Deer from 1982 to 1986.
Peter Miles	B.Comm in accounting and management information systems from the University of British Columbia. Over 20 years' experience in investment banking and retail stock brokerage. Former Vice President of Midland Doherty Inc., Dean Witter Reynolds and CIBC World Markets. Founder, Chief Executive Officer of Sanatana Resources Inc. Former Director of Western Potash Corp.

Gamehost has adopted formal policies and procedures for the engagement of non-audit services. See "*Mandate of the Audit Committee – Pre-Approval Policies and Procedures*". In practice, Gamehost has not engaged its auditors for non-audit services of a material nature.

External Auditor Services Fees

The following chart sets out the fees billed by Gamehost's external auditors, Pivotal LLP, for the years ended December 31, 2022 and 2021:

Financial Year Ending	Audit Fees ⁽¹⁾	Audit Related Fees ⁽²⁾	Tax Compliance Fees ⁽³⁾	Tax Advisory/ Planning Fees ⁽⁴⁾	All Other Fees ⁽⁵⁾
December 31, 2022 (estimate)	\$124,000	\$25,000	\$20,000	\$nil	nil
December 31, 2021	\$124,000	\$37,827	\$18,500	\$nil	\$nil

Notes:

- (1) The aggregate fees billed for audit services.
- (2) The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of Gamehost's financial statements and are not disclosed in the 'Audit Fees' column.

- (3) The aggregate fees billed for tax compliance services.
- (4) The aggregate fees billed for tax advice and tax planning services.
- (5) The aggregate fees billed for professional services other than those listed in the other four columns. These include but are not limited to review engagement fees for Gamehost's interim reporting periods.

RISK FACTORS

An investment in securities of Gamehost involves a number of risks and uncertainties. This section describes the general material risks that management of Gamehost believes may impact security holders and/or Gamehost. If any of the following risks actually occur, Gamehost's business, results of operations and financial conditions, and the amount of cash available for distribution to Shareholders as dividends, could suffer. Further, the risks described below are not the only risks that Gamehost and its security holders may face. Additional risks not currently known to Gamehost's management or that are currently considered immaterial also may have a negative impact on Gamehost and its security holders.

Risks Relating to the Shares

Ability to Pay Dividends

The ability of Gamehost to pay dividends and the actual amount of such dividends will be dependent upon, among other things, the performance of the Gamehost Casinos and other assets, its working capital requirements, its future capital requirements, its debt covenants and obligations and its ability to refinance its debt obligations on similar terms and at similar interest rates. Dividend payments may be reviewed and adjusted from time to time by the board of directors of the Corporation to reflect current business conditions. The Shares are not a source of guaranteed income and Shareholders should be aware that they bear the risk that the frequency and amounts of dividends may fluctuate or be interrupted. See "Dividends".

It is important for a person making an investment in securities of Gamehost to consider the particular risk factors that may affect both Gamehost and the industry in which Gamehost and its subsidiaries operate. See other risk factors set out in this section which describes Gamehost's assessment of those risk factors, as well as potential consequences to a security holder if a risk should occur.

The Corporation May Issue Additional Shares Diluting Existing Shareholders' Interests

The articles of the Corporation authorize the Corporation to issue an unlimited number of Shares. The Corporation may issue additional Shares to raise funds. The Corporation cannot predict the number of Shares it may issue, or the effect, if any, that an issue will have on the market price of the Shares. However, additional Shares issued by the Corporation may be dilutive to Shareholders and such dilution could be significant.

Ability to Issue Preferred Shares

The articles of the Corporation authorize the Corporation to issue from time to time in one or more series an unlimited number of Preferred Shares. The Corporation may issue one or more series of Preferred Shares to raise funds. The Corporation cannot predict the number of Preferred Shares it may issue, or the effect, if any, that an issue will have on the market price of the Shares.

Control of Shares by Management

As at December 31, 2022, the directors and executive officers of Gamehost collectively held Shares representing approximately 38.8% of the total number of outstanding Shares. If the directors and executive officers of Gamehost sell substantial amounts of Shares in the public market, the market price of the Shares could fall. The perception among the public that these sales will occur could also produce such an effect.

As a result of their ownership interest in the Corporation, the directors and executive officers of Gamehost may be able to exert significant influence over matters that are to be determined by votes of the Shareholders. The timing and receipt of any takeover or control premium by Shareholders could depend on the determination of the directors and

executive officers of Gamehost as to when to sell Shares. This could delay or prevent a change of control that would be attractive to, and provide liquidity for, Shareholders and could limit the price that investors are willing to pay in the future for Shares.

Price Volatility of Shares

In recent years, the securities markets in Canada and the U.S. have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance continual fluctuations in price will not occur. Gamehost believes any quoted market for the Shares will, to a certain degree, be subject to market trends generally, notwithstanding the success of the Corporation in creating revenues, cash flows or earnings. The value of the Shares will be affected by such volatility.

Structural Subordination of the Shares

In the event of a bankruptcy, liquidation or reorganization of the Corporation or its subsidiaries, holders of certain of their indebtedness and certain trade creditors will generally be entitled to payment of their claims from the assets of the Corporation or its subsidiaries before any assets are made available for distribution to the Corporation and/or its shareholders. The Shares will be effectively subordinated to most of the indebtedness and other liabilities of the Corporation and its subsidiaries. Neither the Corporation nor its subsidiaries will be limited in their ability to incur secured or unsecured indebtedness.

Risks Related to the Business of Gamehost

Public Health Emergencies

The ability for Gamehost to carry on business as usual could be restricted entirely or in part by orders of government who may declare states of public health emergency from time to time to respond to community, national or global health risks.

The COVID-19 global pandemic continues to create uncertainty. Approaches in combatting the virus and balancing health and safety against the economic impact have been varied. Health authorities provide cautionary advice while politicians weigh the many other factors requiring consideration when forming ever evolving policy decisions. There is much disagreement amongst individuals and between local and higher levels of government resulting in a patchwork of actions taken. Governments have generally responded quickly and significantly and continue to do so. From time to time, the governments have ordered casinos and other enterprises to close or to operate at reduced capacity. Such measures have had a significant negative impact on the financial results of Gamehost. Federal and provincial relief programs have provided some support.

Casino Licenses for the Current Casinos

Each of the Gamehost Casinos can only be operated under licenses granted by the AGLC.

Currently, the CF Licenses issued to each of the Gamehost Casinos by the AGLC are for a period of six years and are generally reissued at the end of that period following approval by the board of the AGLC. Each of the CF Licenses currently issued to the Gamehost Casinos are scheduled for renewal on June 30, 2023. There can be no guarantee that the licenses under which any of the Gamehost Casinos operate will be reissued by the AGLC in the future or, if reissued, will be on the same or as favourable terms as the existing licenses.

In casinos operating slot machines, such as the Gamehost Casinos, the operator must enter into a CGT Agreement with the AGLC. The CGT Agreement relates to the operation of slot machines and contains covenants of each licensee. The CGT Agreement has an indefinite term and may be terminated upon seven days' notice by either party without cause or immediately by the AGLC with cause.

If Gamehost has any problem with obtaining and keeping licenses to operate any of the Gamehost Casinos, or with keeping the CGT Agreement in good standing, such event or events would have a material adverse effect on Gamehost

in that it would eliminate Gamehost's ability to do business at one or all of the Gamehost Casinos.

Casino Licenses for New Casinos

Any new casino to be developed by Gamehost in Alberta will require a license from the AGLC or, in provinces other than Alberta, from the applicable regulatory body. The process for obtaining a new license is complex and there is intense competition for new licenses. There can be no guarantee that the AGLC or any other applicable regulatory body will grant a new license for any new casino that Gamehost might propose to develop in the future. Failure to get these licenses would potentially limit the growth of Gamehost.

The AGLC Board lifted the moratorium that had been in place since 2018 for consideration of new casino and Racing Entertainment Centre (**REC**) licenses and replaced it with a four-step market based process designed to allow opportunity to explore underserved markets for expanded gaming.

AGLC Regulation

The casino gaming industry in Alberta is highly regulated by the AGLC. Such regulation can restrict the manner in which Gamehost may carry on its business or add to the cost of doing business. Gamehost has no control over the slot machines it offers in its casinos or over the percentage of payment it will receive out of the net revenue generated from the gaming activities conducted within its casinos. Failure of Gamehost to comply with applicable gaming regulations could jeopardize its ability to maintain and obtain the necessary casino licenses and future gaming licenses. Also, there is no assurance that current regulations concerning the gaming industry will not adversely change in the future.

Revenue Sharing

The provincial government, through the AGLC, sets revenue sharing agreements between charities, facility operators and governments. There can be no assurance that these revenue sharing agreements will not change.

Laws

There can be no assurance that governments will not pass legislation which will have a material adverse effect on gaming operations. While the Cities of Grande Prairie, Fort McMurray and Calgary currently allow the operations at the Great Northern Casino, the Rivers Casino and the Deerfoot Inn & Casino, respectively, there can be no assurance that the municipal governments will not enact by-laws restricting the operations at these facilities in the future. Also, the Alberta provincial government or the Canadian federal government (the "**Federal Government**") could make new laws or change existing laws concerning gaming in a way that would not be favourable to the gaming operations carried on by Gamehost at its casinos. Such new laws or changes to existing laws could materially adversely affect the results and financial condition of Gamehost.

The Federal Government has jurisdiction regarding First Nations lands. The Federal Government defers governmental authority to either provincial governments or First Nations Bands, at their discretion. The Federal Government, to date, has chosen not to become involved in the smoking-in-public-places debate on First Nations lands. Presently, all First Nations casinos in Alberta permit smoking and enjoy a competitive edge over traditional casino operators who are subject to provincial non-smoking legislation.

The Alberta and Canadian gaming industries are highly regulated by provincial governments resulting in high barriers of entry. Revenue sharing agreements between governments and operators are subject to change by unilateral government action. Revenue sharing and operator agreements are not the same from province to province. Neither are they the same for traditional casino operators and First Nations casino operators. Traditional casino operators in Alberta receive less favourable compensation when compared to competing Alberta First Nations operators and some of their provincial counterparts.

Special interest groups routinely lobby government on a host of matters. Gaming is a subject of high interest both for and against. Lobbying efforts can be effective in influencing government action. Next to the Alberta Government Department of Treasury, provincial charitable groups are the main benefactor to the gaming industry. An uneven

playing field between traditional casino operators and First Nations casino operators also creates compensation issues for charitable groups supported by traditional casino operators.

Competition

The Great Northern Casino and the Rivers Casino are currently the only casinos in the cities of Grande Prairie and Fort McMurray, respectively, meaning they are not currently in direct competition with other casinos. A small REC located at country fair grounds on the outskirts of city of Grande Prairie offers limited slot play. The Deerfoot Inn & Casino, however, is located in the city of Calgary where there are a number of other casinos with whom the Deerfoot Inn & Casino is in direct competition. Further, additional licenses to operate casinos in Calgary, and any of the other cities where the Gamehost Casinos are operated, may be granted in the future. An increased level of competition could adversely affect Gamehost's results and financial condition.

Gamehost also competes with online gambling sites which offer same or similar gaming services and opportunities as Gamehost. Online competition could negatively affect Gamehost's ability to grow or sustain its current revenue and profit levels in the future. See "*Description of the Business – Competition*".

General Economy

Disruptions in commodity fundamentals for oil that resulted in the 2014 collapse in world oil prices continue to have a direct impact on Gamehost despite significant recent recovery. While oil and gas prices are currently high and producing good cash flow to producers, there is still an abundance of caution on the capital investment front which drives the Alberta economy. Additionally, a greater focus on environmental, social, and governance issues in financial and investment circles has resulted in a pull-back from financing traditional oil and gas projects. Pipeline capacity constraints remain a problem limiting energy product production growth. These issues remain the most significant risks to short term profitability. Efforts to diversify the Alberta economy are getting more attention. Gamehost depends on discretionary consumer spending and the lasting effects of COVID-19 and a growing concern over inflation and their impact on spending in our industry cannot be estimated with certainty at this point in time.

Dependence on Oil and Gas Industry

All Gamehost operations are dependent to various extents on the oil and gas industry. As a result, Gamehost is susceptible to changes in the general economic conditions in this sector. A significant decline in the general oil and gas production could affect Gamehost's business and, subsequently, Gamehost's results and profit levels. Declines in this industry could be triggered by a number of events, including a decline in commodity prices for oil and gas, technological changes, regulatory changes, activism, and other changes in industry and worldwide economic and political conditions.

Management of Capital Projects

Returns on investment, dividends and profitability are dependent on the effective management of Gamehost's various capital projects. Gamehost's program of capital expenditures faces risk that financial and managerial resources may be insufficient to properly manage capital projects. In the event that Gamehost is unable to effectively manage its direct costs of construction and third-party procurement for construction returns on investment, dividends and profitability will suffer.

Future Capital Requirements

Gamehost may need to raise funds in the future through public or private financing in order to achieve objectives or act on opportunities as they present themselves. There can be no assurance that additional financing will be available in the future when needed or on terms favourable to Gamehost. The inability to access financing to support future growth opportunities could limit Gamehost's future growth and have a material adverse impact on Gamehost's liquidity position, including its ability to pay obligations as they come due.

Ability to Add Slot Machines

Municipalities currently have the right to prohibit the addition of new slot machines within their boundaries. Municipalities, through land use bylaws, could impede or block possible expansions for reasons of inadequate parking, traffic congestion or other such arguments of existing operations but not acquisition opportunities for Gamehost.

Failure to Realize on Anticipated Benefits from Acquisitions

Achieving the benefits of business acquisitions depends, in part, on successfully consolidating functions and integrating operations and procedures in a timely and efficient manner. Failure to successfully complete and integrate acquisitions in the future may have an adverse effect on Gamehost's earnings.

Indebtedness

There are risks related to indebtedness. Portions of Gamehost's debt, is exposed to fluctuations in variable prime lending rates at Gamehost's lending institutions.

Debt Covenants

The Corporation has a number of term loans secured by a collateral mortgage first charge on Gamehost's Grande Prairie real estate assets and lease agreement in Fort McMurray. Gamehost is making scheduled principal plus interest payments on the loans over an amortization period of 20 years, 3 months at 3.5%. The Corporation also has a revolving demand line of \$30.0 million requiring interest only payments. The Corporation is paying interest at the lender's prime lending rate on revolving debt. As at December 31, 2021, \$25.6 million is drawn on the revolving line. The Corporation must maintain certain cash flow coverage and debt to tangible net worth ratios. The Company is in compliance with all debt covenants.

The Deerfoot Inn & Casino Joint Venture has a term loan secured by its land and buildings. It is paying interest at 3.5% and making blended monthly principal and interest payments on the loan amortized over 20 years, 3 months. The Corporation must maintain certain cash flow coverage and debt to tangible net worth ratios.

Gamehost now has a 100% participating interest responsibility in the debt facilities of the Deerfoot Inn & Casino Joint Venture. The Deerfoot Inn & Casino Joint Venture has a loan secured by its land and building. The Deerfoot Inn & Casino Joint Venture loan is subject to the joint venture meeting certain financial covenants. Deerfoot Inn & Casino is in compliance with all debt covenants.

If the Corporation or any of its subsidiaries or joint ventures breaches standard or stated financial ratio covenants, Gamehost could be required to pay back outstanding loans on demand together with interest and any prepayment penalties.

Foreign Currency Risk

Gamehost foreign currency risk arises primarily from the purchases of specialized goods and services in US dollars. While not significant, fluctuations in the exchange rate between the Canadian and US dollars can increase costs. Gamehost mitigates foreign currency risk by purchasing US dollars when unfavourable exchange rates are expected. US currency is held in US dollar denominated bank accounts for this purpose.

Interest Rate Risk

Gamehost's interest rate risk arises primarily from its variable rate debt in the aggregate amount of \$36.4 million as of December 31, 2022. Gamehost is paying interest on traditional variable rate bank demand debt and revolving debt at the bank prime lending rate. A 1.0% increase in interest rates would have an unfavorable impact on earnings of \$0.4 million or \$0.02/common share on an annualized basis.

Credit Risk

Credit risk arises from cash and cash equivalents held with banks and credit exposure to customers. Gamehost's day to day commercial banking is primarily with a AAA rated Canadian financial institution, however, day to day

commercial banking is not concentrated with a single financial institution. Gamehost, in the normal course of operations, monitors the financial condition of its customers. Gamehost does not have significant exposure to any individual customer or counterparty.

Carrying amounts of accounts receivable are reduced on an account specific basis when appropriate. Gamehost does not currently carry an allowance for doubtful accounts. Carrying amounts of accounts receivable are reduced by direct write-off to earnings in the period of loss recognition. At the end of the year, past due accounts are insignificant.

Liquidity Risk

Liquidity risk arises from excess financial obligations over available financial assets due at any point in time. Gamehost's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet ongoing liquidity requirements. Gamehost achieves this by maintaining a conservative dividend policy.

Accounts payable, excluding accrued liabilities, are due in 90 days or less.

The maturity date on Gamehost's term debt is the earlier of the date the loan is paid out and December 2039. The maturity date on the Deerfoot Inn & Casino Joint Venture term debt is the earlier of the date the loan is paid out and December 2039.

The AGLC requires all casinos to maintain a Minimum Continuing Net Working Capital Position ("MCNWCP"). The MCNWCP is a requirement for casino operations only. Additional working capital from non-casino operations and available debt facilities can be used to satisfy the requirement. The calculation of MCNWCP includes cash floats, restricted cash, one month's operating expenses and one month's interest costs on debt facilities. Gamehost's internal working capital requirements typically exceed that of MCNWCP.

Information Security Risk

Gamehost relies on information technology systems for the efficient management and operation of its business. Reliability and security of these systems is essential to effective uninterrupted operations and information privacy. Gamehost relies significantly on AGLC systems and security protocols related to AGLC owned and controlled electronic games. Additional Gamehost owned and implemented technology systems are deployed. Although AGLC and Gamehost information technology systems contain safeguards against unauthorized access there is risk that safeguards could fail or be breached. Failure of, or malicious security breach, to any of AGLC or Gamehost systems could result in adverse consequences, including, but not limited to, unavailability, disrupted functionality, loss, corruption, ransom or unauthorized disclosure of sensitive Gamehost, customer, vendor or employee information. Gamehost attempts to prevent any such failures or breaches through the implementation of effective internal controls, processes, procedures and technology security measures. Gamehost contracts third party providers, skilled in the area of information systems to advise, implement and manage network and information security, but there can be no assurance that these measures will be fully effective. There have been no known or detected breaches in information security.

Changes in Tax Laws

Changes in tax and other laws may adversely affect Shareholders. Income tax laws may in the future be changed or interpreted in a manner that adversely affects Gamehost and its Shareholders. Tax authorities having jurisdiction over Gamehost or its Shareholders may disagree with the manner in which Gamehost calculates its income for tax purposes or could change their administrative practices to Gamehost's detriment or the detriment of the Shareholders.

Key Personnel

The success of Gamehost and its affiliates will depend upon the abilities, expertise and knowledge of its senior management, including their ability to retain and attract other management staff. While certain members of senior management have entered into employment arrangements, the loss of any key personnel could have a material adverse effect on the operations of Gamehost and its affiliates.

Workforce Availability

The gaming and hotel industries are very labour intensive. The success of Gamehost will depend in part on its ability to attract and retain qualified, well-trained, experienced employees at competitive rates. There are currently no unionized employees at the Gamehost Casinos. However, there are no assurances that unionization of Gamehost Casino employees may not happen in the future. If unionization does occur, it may result in increased labour costs to Gamehost and reduced flexibility, thereby creating the potential to have an adverse impact on Gamehost. Further, Gamehost needs to attract and retain quality employees, or its long-term success and ability to take advantage of growth opportunities could be threatened.

Opposition to the Gaming Industry

With the expansion of gaming in North America, gaming has become a more mainstream form of acceptable entertainment. There are, however, some protest groups, newspaper columnists and others who have vocally denounced gaming in general or specifically with regard to gaming activities such as online gaming, VLTs and slot machines. Vocal opposition to government plans to expand gaming can have an impact on a government's political willingness to introduce and pursue any such plans. Also, a negative public perception of gaming within any demographic area decreases the likelihood that a new casino can be successfully established in that area or that an existing casino will be financially viable. Such perceptions could have a negative impact on Gamehost's results and financial condition.

Natural or Other Disasters

Catastrophic events caused by climate change or any other random naturally occurring or man-made cause could limit entirely or in part, the ability of Gamehost to carry on business as usual.

NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this Annual Information Form constitute “**forward-looking statements**”. These statements relate to future events or Gamehost's future performance. All statements other than statements of historical fact may be forward-looking statements. Examples of such forward-looking statements in this Annual Information Form include, but are not limited to:

- Gamehost's expectation that it will participate in the growth of casino gaming and hotel rooming through a combined strategy of internal growth and highly scrutinized targeted acquisitions.

By its nature, forward-looking statements are typically based on certain assumptions. The forward-looking statements contained herein reflect Gamehost's current beliefs and assumptions and are based on its understanding of the industry in which it operates and the markets in which it serves, current and anticipated trends within that industry and those markets, and both its financial strength and its historical financial performance. These statements also involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. For example, the statements related to both anticipated future dividends and anticipated participation in the growth of casino gaming and hotel rooming are subject to, among other factors, the risk factors set out under the section of this Annual Information Form entitled “Risk Factors”. The statements related to growth are also subject to Gamehost's ability to successfully implement its growth strategy. The statements related to potential purchases being made under Gamehost's current normal course issuer bid are subject to the risk that Gamehost may in fact not make any such purchases for any reason including, but not limited to, Gamehost deciding to use its available resources for other purposes it deems more appropriate or Gamehost not have sufficient resources to make such purchases which again is subject to the risks set forth under “Risk Factors”. Gamehost believes that the expectations reflected in these forward-looking statements are reasonable; however, no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this Annual Information Form should not be unduly relied upon. In addition, these forward-looking statements relate to the date on which they are made and Gamehost disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

ADDITIONAL INFORMATION

Additional information concerning the Corporation is available on SEDAR at www.sedar.com.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Corporation's securities, options to purchase securities and securities authorized for issuance under equity compensation plans, where applicable, is contained in the management information circular of the Corporation for its most recent annual meeting of Shareholders which involved the election of directors.

Additional financial information is provided in the Corporation's consolidated financial statements and management's discussion and analysis for the financial year ended December 31, 2022.

APPENDIX A

AUDIT COMMITTEE CHARTER

Purpose

The purpose of the Audit Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of Gamehost Inc. (the “**Company**”) is to:

- Assist the Board in fulfilling its responsibility to oversee the Company’s accounting and financial reporting processes and the audits of the Company’s financial statements and management discussion and analysis (“**MD&A**”);
- Review the financial reports and other financial information provided by the Company, the Company’s disclosure controls and procedures, and its internal accounting and financial controls;
- Assume direct responsibility for the appointment, compensation, retention (and where appropriate, replacement), and oversight of the work of the outside auditor in preparing or issuing an audit report or related work;
- Oversee the independence of the outside auditor and approve all auditing services and permitted non-audit services provided by the outside auditor;
- Receive direct reports from the outside auditor and resolve any disagreements between management and the outside auditor regarding financial reporting;
- Review risk management with management and the outside auditor, as well as any purposed changes in major accounting policies and the presentation and impact of significant risks and uncertainties; and
- Carry out the specific responsibilities set forth below in furtherance of this stated purpose.

Committee Membership and Procedures

The Committee shall consist of at least three directors and may from time to time be comprised of the entire Board. The Board shall appoint the members of the Committee. Every member of the Committee must be a director of the Company. The Board shall appoint one member of the Committee to be the Chair of the Committee.

Except for such times as when the entire Board assumes the responsibilities of the Committee and in circumstances where there is an exemption from the following requirement available to the Company in National Instrument 52-110 entitled “Audit Committees” (“**NI 52-110**”), each director appointed to the Committee by the Board shall be “independent” (as such term is defined in Section 1.4 of NI 52-110).

Unless there is an exemption from the following requirement available to the Company in NI 52-110, each member of the Committee shall be “financially literate” (as such term is defined in Section 1.6 of NI 52-110).

A director appointed by the Board to the Committee shall be a member of the Committee until replaced by the Board or until his or her resignation.

The Committee shall meet not less often than quarterly and shall conduct its meetings in accordance with this Charter, the procedures of the Board set forth in the by-laws for the Board’s meetings, and such other procedures as the Committee may adopt.

Responsibilities, Resources and Authority

In discharging its oversight role, the Committee is granted all responsibilities and authority required by NI 52-110, including without limitation the authority to investigate any matter brought to its attention with full access to all books, records, facilities and personnel of the Company and the authority to engage independent legal, accounting or other

advisors to obtain such advice and assistance as the Committee determines necessary to carry out its duties. The Committee may request any officer or employee of the Company or the Company's outside counsel to attend a meeting of the Committee or to meet with any member of, or consultants to, the Committee.

The Company shall provide the Committee with all appropriate funding, as determined by the Committee, for payment of compensation to any such advisors and any outside auditor, as well as for any ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its responsibilities.

Key Responsibilities

The Committee's role is one of oversight, and it is recognized that the Company's management is responsible for preparing the Company's financial statements and that the outside auditor is ultimately accountable to the Board and the Committee, as representatives of the stockholders, and is responsible for auditing those financial statements and MD&A.

The following functions shall be the common recurring activities of the Committee in carrying out its oversight role. The functions are set forth as a guide and may be varied and supplemented from time to time as appropriate under the circumstances:

Appointment of Outside Auditor

The Committee shall have direct responsibility for the appointment, compensation, retention (and where appropriate, replacement), and oversight of the work of any registered public accounting firm selected to be the Company's outside auditor for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company.

Appointment and Performance Evaluation of Chief Financial Officer and Internal Auditor

The Chair of the Committee shall participate in the identification of candidates for the positions of Chief Financial Officer and lead of the Company's internal auditing function, if any, and shall advise management with respect to the decision to hire a particular candidate.

Disclosure Controls and Procedures

The Committee shall review periodically with management the Company's disclosure controls and procedures.

Internal Controls

The Committee shall discuss periodically with management and the outside auditor the quality and adequacy of the Company's internal controls and internal auditing procedures, if any, including any significant deficiencies in the design or operation of those controls which could adversely affect the Company's ability to record, process, summarize and report financial data and any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls, and discuss with the outside auditor how the Company's financial systems and controls compare with industry practices.

Accounting Policies

The Committee shall review periodically with management and the outside auditor the quality, as well as acceptability, of the Company's accounting policies, and discuss with the outside auditor how the Company's accounting policies compare with those in the industry and all alternative treatments of financial information within Canadian generally accepted accounting principles and International Financial Reporting Standards (IFRS) that have been discussed with management, the ramifications of use of such alternative disclosures and treatments and the treatment preferred by the outside auditor.

Pre-approval of All Audit Services and Permitted Non-Audit Services

The Committee shall approve, in advance, all audit services and permitted non-audit services to be provided to the Company by the outside auditor; provided that any non-audit services performed pursuant to an exception to the pre-approval requirement permitted under applicable laws shall not be deemed unauthorized.

Annual Audit

In connection with the annual audit of the Company's financial statements, the Committee shall:

- request from the outside auditor a formal written statement delineating all relationships between the auditor and the Company, discuss with the outside auditor any such disclosed relationships and their impact on the outside auditor's objectivity and independence, and take appropriate action to oversee the independence of the outside auditor.
- approve the selection and the terms of the engagement of the outside auditor.
- review with management and the outside auditor the audited financial statements and MD&A to be included in the Company's Annual Report filed on the System for Electronic Document Analysis and Retrieval ("SEDAR").
- perform the procedures set forth below in "Financial Reporting Procedures" with respect to the annual financial statement to be reported.
- Review with management and the outside auditor the Company's critical accounting policies and practices.
- Recommend to the Board whether, based on the reviews and discussions referred to above, the annual financial statements and MD&A should be included in the Company's Annual Report to be filed on SEDAR.

Interim Reports

In connection with the Company's preparation of its interim financial information to be included in the Company's Quarterly Reports filed on SEDAR, the Committee shall:

- review with management the Company's critical account policy practices;
- recommend to the Board whether, based on their reviews and discussions referred to above the interim financial statements and interim MD&A should be included in the Company's Quarterly Report to be filed on SEDAR.

Financial Reporting Procedures

In connection with the Committee's review of each reporting of the Company's annual or interim financial information, the Committee shall:

- discuss with the outside auditor whether all material correcting adjustments identified by the outside auditor in accordance with Canadian generally accepted accounting principles, IFRS and the rules of the CSA are reflected in the Company's financial statements.
- review with the outside auditor all material communications between the outside auditor and management, such as any management letter or schedule of unadjusted differences.
- review with management and the outside auditor any material financial or other arrangements of the Company which do not appear on the Company's financial statements and any transactions or courses of dealing with third parties that are significant in size or involve terms or other aspects that differ from those that would likely be negotiated with independent parties, and which arrangements or transactions are relevant

to an understanding of the Company's financial statements.

- resolve any disagreements between management and the outside auditor regarding financial reporting.

Charter

The Committee shall review and reassess at least annually the adequacy of this Charter and recommend any proposed changes to the Board for approval.

Complaint Procedures

Any issue of significant financial misconduct shall be brought to the attention of the Committee for its consideration. In this connection, the Committee shall establish procedures for (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.