GAME HOST
Income Fund

2009 Annual Financial Statements
for the twelve months ended December 31, 2009

Auditor's Report

To the Unit Holders of
Gamehost Income Fund

We have audited the Consolidated Balance Sheets of Gamehost Income Fund ("the Fund") as at December 31, 2009 and 2008 and the Consolidated Statements of Unit Holders' Equity, Consolidated Statements of Earnings and Comprehensive Income and Consolidated Statements of Cash Flows for the years then ended. These consolidated financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2009 and 2008 and the results of its changes in operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Heywood Holmes & Partners LLP

Red Deer, Alberta
February 10, 2010

Chartered Accountants

Consolidated Balance Sheets
(audited)

		December 31, 2009		December 31, 2008
Assets				
Current assets:				
Cash and cash equivalents	$	9,973,895	$	12,045,414
Restricted cash (note 8)		67,700		58,962
Accounts receivable		827,504		1,215,303
Inventories		305,488		304,239
Prepaid expenses		175,278		261,108
Due from related parties (note 12)		-		28,149
Current assets of discontinued operations (note 18)		-		1,044,105
		11,349,865		14,957,280
Property, plant and equipment (note 9)		31,007,914		33,201,893
Goodwill (note 3)		42,579,216		42,579,216
Long term assets of discontinued operations (note 18)		-		11,473,837
	$	84,936,995	$	102,212,226
Liabilities and unit holder equity				
Current liabilities:				
Accounts payable and accrued liabilities	$	2,198,254	$	2,208,544
Revolving credit lines (note 11)		6,000,000		4,000,000
Demand loans (note 11 and note 12)		17,250,076		15,332,924
Unit holder distributions payable		1,547,184		5,080,588
Current liabilities of discontinued operations (note 18)		-		8,762,217
		26,995,514		35,384,273
Future income taxes (note 10)		1,523,866		1,800,682
Long term liabilities of discontinued operations (note 18)		-		52,922
		28,519,380		37,237,877
Minority interest (note 14)		25,977,980		32,955,463
		54,497,360		70,193,340
Unit holders' equity (note 13)		30,439,635		32,018,886
	$	84,936,995	$	102,212,226

Commitments and contingent liability (note 15)
Guarantees (note 16)
Subsequent events (note 19)

See accompanying notes to consolidated financial statements

On behalf of the Board:

David J. Will, Trustee

Darcy, J. Will, Trustee

Consolidated Statements of Income and Comprehensive Income

	(audited)		*(unaudited)*	
	twelve months ended December 31		**three months ended December 31**	
	2009	**2008**	**2009**	**2008**
Revenue				
Hotel - rooming	$ 6,453,573	$ 8,388,061	$ 1,443,061	$ 2,063,365
Table games	7,961,953	7,135,835	1,775,752	1,540,550
Slot machines	18,779,089	21,178,041	4,516,247	5,232,044
Food and beverage services	10,722,477	11,724,337	3,029,545	3,341,769
Lease and rental	372,865	327,623	101,511	84,326
Other	3,792,262	4,594,401	922,269	1,063,579
	48,082,219	53,348,298	11,788,385	13,325,633
Operating Expenses				
Cost of goods sold	3,332,268	3,714,922	933,370	1,045,521
Human resources	12,740,229	13,601,912	3,103,832	3,414,339
Marketing and promotions	2,119,726	2,361,189	576,964	595,698
Operating	5,972,307	6,362,272	1,599,577	1,613,673
Corporate and general administration	2,301,981	1,993,564	652,218	513,978
Amortization of property, plant and equipment	1,890,581	2,076,431	468,250	555,925
	28,357,092	30,110,290	7,334,211	7,739,134
Operating income	19,725,127	23,238,008	4,454,174	5,586,499
Other income and (expenses)				
Interest charges	(813,899)	(1,231,587)	(229,201)	(264,310)
Guarantee payments	(4,551,000)	-	449,000	-
	14,360,228	22,006,421	4,673,973	5,322,189
Future income tax recovery (expense) (note 10)	276,816	434,140	(39,882)	380,005
	14,637,044	22,440,561	4,634,091	5,702,194
Minority interest	(6,472,945)	(10,987,050)	(2,049,336)	(2,791,832)
Net and comprehensive income (loss)				
Continuing operations	$ 8,164,099	$ 11,453,511	$ 2,584,756	$ 2,910,362
Discontinued operations	(2,581,120)	(503,003)	-	(250,310)
	$ 5,582,979	$ 10,950,508	$ 2,584,756	$ 2,660,052
Net Income/unit and comprehensive income/unit [1]				
Continuing operations	$ 0.693	$ 1.063	$ 0.220	$ 0.270
Discontinued operations	(0.219)	(0.047)	-	(0.023)
	$ 0.474	$ 1.016	$ 0.220	$ 0.247

[1] Weighted average and fully diluted

See accompanying notes to financial statements

Consolidated Statements of Fund Unit Holders' Equity

	(audited)		*(unaudited)*	
	twelve months ended December 31		**three months ended December 31**	
	2009	**2008**	**2009**	**2008**
Balance at beginning of Year	$ 32,018,886	$ 32,133,482	$ 30,443,794	$ 33,531,274
Unit class conversions	3,193,434	-	-	-
Net earnings	8,164,099	11,453,511	2,584,756	2,910,362
Net earnings - discontinued operations	(2,581,120)	(503,003)	-	(250,310)
Distributions to Fund unit holders	(10,355,664)	(11,065,104)	(2,588,915)	(4,172,440)
Balance at end of Year	$ 30,439,635	$ 32,018,886	$ 30,439,635	$ 32,018,886

Consolidated Cash Flows

	(audited)		*(unaudited)*	
	twelve months ended December 31		**three months ended December 31**	
	2009	**2008**	**2009**	**2008**
Cash provided by (used for) operating activities				
Net earnings	$ 8,164,099	$ 11,453,511	$ 2,584,756	$ 2,910,362
Add non-cash items:				
Future income tax expense	(276,816)	(434,140)	39,882	(380,005)
Amortization of property, plant & equipment	1,890,581	2,076,431	468,250	555,925
Allocation to minority interest	6,472,945	10,987,050	2,049,336	2,791,832
	16,250,809	24,082,852	5,142,224	5,878,114
Decrease (increase) in working capital:				
Accounts receivable	387,799	(132,062)	(156,225)	(213,858)
Inventories	(1,249)	(20,529)	(18,964)	(36,806)
Prepaid expenses	85,830	204,827	173,504	287,070
Accounts payable and accrued liabilities	(18,219)	101,798	(186,768)	573,475
Continuing operations	16,704,970	24,236,886	4,953,771	6,487,995
Discontinued operations	(232,236)	(473,941)	-	32,903
	16,472,734	23,762,945	4,953,771	6,520,898
Cash provided by (used for) financing activities				
Advances (to) from related parties	(28,461)	(23,770)	(59,036)	27,326
Net advanced on revolving loans	2,000,000	4,000,000	-	300,000
Net advanced (repaid) on demand debt	1,917,152	(2,458,922)	(494,385)	(1,787,258)
Distributions to minority unit holders	(9,773,117)	(12,761,551)	(2,052,634)	(2,199,087)
Fund unit holder distributions	(12,326,491)	(13,124,752)	(2,588,916)	(2,442,464)
Continuing operations	(18,210,917)	(24,368,995)	(5,194,971)	(6,101,483)
Discontinued operations	(647,020)	12,930,618	-	(94,061)
	(18,857,937)	(11,438,377)	(5,194,971)	(6,195,544)
Cash provided by (used for) investing activities				
Contributed capital to Stampede Joint Venture	(176,680)	-	(176,680)	-
Purchase property, plant and equipment	(388,893)	-	(90,100)	-
Continuing operations	(565,573)	(947,146)	(266,780)	(39,326)
Discontinued operations	(11,058)	(11,566,362)	-	(42,360)
	(576,631)	(12,513,508)	(266,780)	(81,686)
Increase (decrease) in cash and cash equivalents	(2,961,834)	(188,940)	(507,979)	243,669
Opening cash and cash equivalents				
Continuing operations	12,045,414	13,124,669	10,481,874	11,698,227
Discontinued operations	890,315	-	-	993,833
	12,935,729	13,124,669	10,481,874	12,692,060
Closing cash and cash equivalents	$ 9,973,895	$ 12,935,729	$ 9,973,895	$ 12,935,729
Cash and cash equivalents related to:				
Continuing operations	$ 9,973,895	$ 12,045,414	$ 9,973,895	$ 12,045,414
Discontinued operations	-	890,315	-	890,315
	$ 9,973,895	$ 12,935,729	$ 9,973,895	$ 12,935,729
Supplemental cash flow information:				
Interest earned	$ 23,866	$ 190,538	$ 1,996	$ 30,351

See accompanying notes to financial statements

Notes to Consolidated Financial Statements

twelve months ended December 31, 2009

1. Organization Structure

Fund

Gamehost Income Fund (the "Fund") is an unincorporated open-ended limited purpose trust established under the laws of the Province of Alberta and is governed by a trust agreement dated April 9, 2003 (the "Fund Agreement").

Trust

Gamehost Trust (the "Trust") is an unincorporated open-ended limited purpose trust established under the laws of the Province of Alberta and is governed by a trust agreement dated April 10, 2003 (the "Trust Agreement"). All of the issued and outstanding units of the Trust are owned by the Fund. The Trustees of the Trust are the Trustees of the Fund.

Limited Partnership

Gamehost Limited Partnership (the "Limited Partnership") is a limited partnership formed under the laws of the Province of Alberta. The Limited Partnership owns the assets and business operations of the Fund. The Limited Partnership began operations of the Fund effective June 1, 2003.

Manager

The general partner of the Limited Partnership is Gamehost Management Inc. (the "Manager"). Pursuant to a management agreement (the "Management Agreement") between the Fund and the Manager, the administration and management of the Fund was delegated to the Manager.

Units

An unlimited number of Fund Units and Special Voting Units may be created and issued pursuant to the Fund Agreement. The Limited Partnership is authorized to issue unlimited numbers of both Class A Limited Partnership Units ("A Units") and Class B Limited Partnership Units ("B Units"). All of the issued and outstanding A Units of the Limited Partnership are owned by the Trust. The Trustees of the Trust are the Trustees of the Fund. There are 11,773,153 Fund Units which trade on the Toronto Stock Exchange ("TSX") under the symbol GH.UN. There are 9,334,400 B Units of the Limited Partnership issued and outstanding. B Units are exchangeable, on a one-for-one basis, for Fund Units. Holders of Fund Units and holders of B Units have equal voting rights. 1,000,000 B Units were exchanged for Fund Units during the Year. There were no other changes in the number of units issued or outstanding during the Year.

2. Nature of Operations

The Fund's activities are currently confined to the Province of Alberta, Canada. Operations include the Boomtown Casino in Ft. McMurray, the Great Northern Casino in Grande Prairie and Service Plus Inns & Suites ("Service Plus"), a limited service hotel, also located in Grande Prairie. As a complement to the hotel, the Fund owns a retail complex (the "Strip Mall") that leases space to pub and full service restaurant operations. The Fund is a 40% joint venture partner in Deerfoot Inn & Casino Inc., (the "Deerfoot Joint Venture"), in Calgary and a 20% joint venture partner in Calgary West Hospitality Inc., (the "Stampede Joint Venture"). The Stampede Joint Venture opened for business on June 19, 2008 in Calgary and was placed into voluntary receivership on August 17, 2009. Results for the Stampede Joint Venture are reported as discontinued operations.

Notes to Consolidated Financial Statements

twelve months ended December 31, 2009

2. Nature of Operations (cont.)

Gaming operations of the Fund are controlled by the Alberta Gaming and Liquor Commission. Operations include Fund owned table games and the government owned slot machines and lottery ticket outlets. Hotel operations of the Fund include full and limited service hotels and banquet and convention services. Food, beverages and entertainment are offered at each of the Fund's casino locations.

It is the intent and practice of the Fund to distribute taxable income of the Fund to unit holders by way of regular monthly cash distributions.

3. Significant Accounting Policies

Basis of Preparation

These consolidated financial statements ("Financial Statements") of the Fund have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). The Fund's reporting currency is in Canadian dollars.

These Financial Statements include the activities of the Fund, the Trust, the Limited Partnership with all its operating divisions, subsidiaries and the Fund's proportionate share of its joint ventures.

Certain prior year figures have been reclassified to conform to the current method of presentation.

Principles of Consolidation

These Financial Statements include the accounts of wholly owned subsidiaries, partnerships and trusts and its proportionate share of joint ventures. All significant accounts and transactions between consolidated entities are eliminated.

Joint ventures

The Fund's investment in the Deerfoot Joint Venture is accounted for using the proportionate consolidation method. The Fund's investment in the Stampede Joint Venture is reported as discontinued operations.

Estimates

Preparation of these Financial Statements requires management to make estimates and assumptions that affect the reported amounts and disclosure of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Financial Statements and the reported amount of revenues and expenses during the reported Year. Actual results could differ from these estimates. Estimates are used when accounting for such items and matters as long-term contracts, allowance for doubtful accounts, inventory obsolescence, amortization, employee benefits, impairment of long-lived assets, accrued liabilities, intangibles, future income taxes and contingencies.

Cash and cash equivalents

Cash and cash equivalents consist of floats, bank balances and credit card accounts. Bank balances are all in current accounts and earn interest at a rate of bank prime less 2%. US dollar balances have been converted to Canadian equivalents using exchange rates at the end of the Year.

Notes to Consolidated Financial Statements
twelve months ended December 31, 2009

3. Significant Accounting Policies (cont.)

Inventories

Inventories are recorded at the lower of cost or net realizable value, cost being determined by using the first-in first-out method. Inventories are limited to high turnover food, beverage and concession items, uniforms and playing cards. During the Year there were no reversals of write-downs or provisions recognized in prior periods.

Property, plant and equipment

Property, plant and equipment are recorded at cost. Amortization is based on their estimated useful life using the following rates and methods:

Land improvements	- 2% straight line
Buildings	- 4% - 5% reducing balance
Leaseholds	- 5 to 10 years straight line
Furniture, fixtures and equipment	- 20% - 45% reducing balance

License Amortization

Gaming licenses are amortized over the initial term of the license. All current licenses are fully amortized.

Goodwill and intangible assets

Goodwill represents the excess of the purchase of acquired assets over the estimated fair value of the tangible and intangible net assets.

Goodwill is tested for impairment at least annually and whenever events or circumstances indicate that its carrying value may not be fully recoverable. The impairment test requires comparing the carrying values of the reporting units, including goodwill, to their fair values. The Fund determines fair value using price-to-earnings multiples or discounted cash flows whichever is most appropriate in the circumstances. Any excess of carrying value over the fair value of goodwill is charged to operations in the period the impairment occurred.

The Fund has not developed any internal intangible assets.

Long-lived assets

Long-lived assets, such as property, plant and equipment and tangible assets with finite lives, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If such assets are considered to be impaired, the impairment is charged to operations in the period the impairment occurred. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell.

Notes to Consolidated Financial Statements
twelve months ended December 31, 2009

3. Significant Accounting Policies (cont.)

Revenue recognition

Revenues from gaming operations consist of the Fund's share of the gaming wins pursuant to its operating agreement with Alberta Gaming and Liquor Commission and are recognized on a daily basis.

Revenues from hotel operations and food and beverage sales are recognized when services are rendered.

Revenues from rental operations are recognized in accordance with the lease agreements.

Financial Instruments

Canadian GAAP requires that financial instruments be classified into one of the five categories; held for trading, held to maturity, loans and receivables, available for sale financial assets or other financial liabilities.

Financial assets and liabilities classified as held-for-trading are measured at fair value with gains and losses recognized in net income. Financial assets classified as held-to-maturity, loans and receivables, and other financial liabilities are measured at amortized cost using the effective interest method. Financial instruments classified as available-for-sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss) and reported in shareholders' equity. Any financial instrument may be designated as held-for-trading upon initial recognition. When a decline in the fair value of an available-for-sale financial asset has been recognized in comprehensive income, and there is objective evidence that the impairment is other than temporary, the cumulative loss that had been previously recognized in accumulated other comprehensive income is removed from accumulated other comprehensive income and recognized in net income.

Transaction costs that are directly attributable to the acquisition or issue of financial instruments that are classified as other than held-for-trading, which are expensed as incurred, are included in the initial carrying value of such instruments.

Comprehensive income or loss is the overall change in equity for a period, other than changes attributable to transactions with shareholders. It is made up of net income and other comprehensive income. Other comprehensive income includes gains and losses that GAAP requires to be recognized in a period but are excluded from net income for that period. The Company does not have any items of comprehensive income in any period presented and accordingly net income equals comprehensive income.

Earnings per Unit

Earnings per unit are expressed as the weighted average of fully diluted units. Fully diluted units include the publically traded units of the Fund ("Fund Units") and convertible B units of the Limited Partnership ("LP B Units").

Notes to Consolidated Financial Statements
twelve months ended December 31, 2009

4. Adoption of New Accounting Standards

Goodwill and Intangible Assets, section 3064

This section replaces Goodwill and other Intangible Assets, section 3062 and Research and Development Costs, section 3450. The standard addresses when internally developed intangible assets meets the criteria for recognition as an asset. These changes are effective for fiscal years beginning on or after October 1, 2008 with earlier adoption permitted and were adopted by the Fund on January 1, 2009. Adoption of the new standard has had no impact on the financial results of the Fund.

Future Accounting Changes

International Financial Reporting Standards ("IFRS")

All publically accountable enterprises will be required to report under IFRS for interim and annual periods beginning on or after January 1, 2011. The Fund will fully adopt IFRS effective January 1, 2011. Comparative figures for the year ending December 31, 2010 will be restated to conform to the new provision.

Business Combinations

In January 2009, the CICA issued Section 1582, "Business Combinations", Section 1601, "Consolidated Financial Statements", and Section 1602, "Non-Controlling Interests". These sections replace the former Section 1581, "Business Combinations", and Section 1600, "Consolidated Financial Statements", and establish a new section for accounting for a non-controlling interest in a subsidiary.

Sections 1582 and 1602 will require net assets, non-controlling interests and goodwill acquired in a business combination to be recorded at fair value and non-controlling interests will be reported as a component of equity. In addition, the definition of a business is expanded and is described as an integrated set of activities and assets that are capable of being managed to provide a return to investors or economic benefits to owners. Acquisition costs are not part of the consideration and are to be expensed when incurred. Section 1601 establishes standards for the preparation of consolidated financial statements.

These new sections apply to interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. Earlier adoption of these sections is permitted as of the beginning of a fiscal year. All three sections must be adopted concurrently. The Company is currently evaluating the impact of the adoption of these sections.

5. Capital Disclosure

The Fund defines managed capital as term debt and unit holders' equity. The Fund's objectives in managing capital are primarily to (i) provide a consistent, secure and growing source of cash for distribution to unit holders, (ii) maintain the productive capacity of the Fund, (iii) meet all debt servicing obligations and (iv) fund future expansions and acquisitions. The Fund may raise additional capital from time to time to pursue these objectives by issuing units or incurring additional debt.

Notes to Consolidated Financial Statements

twelve months ended December 31, 2009

5. Capital Disclosure (cont.)

	December 31, 2009	December 31, 2008
Managed debt		
Term debt	13,249,076	15,332,924
Equity		
Capital contributions	70,358,510	70,364,115
Cumulative earnings and comprehensive income	104,652,748	94,643,278
Total Equity	175,011,258	165,007,393
Total managed capital	188,260,334	180,340,317

The Fund's term debt facilities include demand clauses but are not considered to be short term debt by the lender. Term debt facilities are subject to certain covenants and interest rates as described in Note 11. Throughout the Year, with the exception of the Stampede Joint Venture, all covenants had been met.

There were no changes to the Fund's overall capital management strategy during the Year.

6. Financial Instruments

The Fund's activities expose it to certain financial risks. The Fund's risk management program focuses on the unpredictability of financial markets and endeavors to minimize the potential adverse effects on the Funds financial performance. The Fund does not purchase derivative financial instruments for speculative purposes. Material risks are monitored by management.

The Fund's financial instruments and the nature of the risks to which they are, or may be, subject to are set out in the following table

	Risks				
			Market Risks		
Financial asset / liability	Credit	Liquidity	Currency	Interest Rate	Other Price
Cash and cash equivalents	✓		✓		
Restricted cash	✓		✓		
Accounts receivable	✓				
Due to/from related parties	✓				
Revolving credit lines				✓	
Accrued and accounts payable		✓			
Unit holder distributions payable		✓			
Demand loans		✓		✓	

Notes to Consolidated Financial Statements

twelve months ended December 31, 2009

6. Financial Instruments (cont.)

Fair value

The fair value of cash and cash equivalents, restricted cash, accounts receivable, revolving credit lines, accounts payable and accrued liabilities, demand loan, due to/from related parties and unit holders distributions payable approximate their carrying value due to the short-term maturities of these instruments.

Foreign Exchange Risk

The Fund has no material foreign currency risk.

Interest Rate Risk

The Fund's interest rate risk arises primarily from its variable rate debt in the aggregate amount of $19.2 million. This debt has a floor rate of 4.0% which has been reached. A 1% increase in interest rates would have an unfavourable impact on earnings of $48,000 or $0.002/unit.

Credit Risk

Credit risk arises from cash and cash equivalents held with banks and credit exposure to customers. The Fund's day to day commercial banking is primarily with a AAA rated Canadian financial institution. Day to day commercial banking is not concentrated with a single financial institution. The Fund, in the normal course of operations, monitors the financial condition of its customers. The Fund 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. The Fund 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, all aged receivables are current within stated credit terms and customer historical payment practices.

Liquidity Risk

Liquidity risk arises from excess financial obligations over available financial assets due at any point in time. The Fund's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet ongoing liquidity requirements. The Fund achieves this by maintaining a conservative distribution policy. Current availability on committed credit facilities is $0.8 million.

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

The maturity date on the Fund's term debt held by the Limited Partnership is the earlier of the date the loan is paid out and February, 2017. The maturity date on the Deerfoot Joint Venture term debt is the earlier of the date the loan is paid out and January, 2021.

Alberta Gaming and Liquor Commission 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 months operating expenses and one month's interest costs on debt facilities. The Funds internal working capital requirements typically exceed that of MCNWCP.

Notes to Consolidated Financial Statements
twelve months ended December 31, 2009

6. Financial Instruments (cont.)

During the Year, the Stampede Joint Venture, elected to place itself into voluntary receivership. Unable to negotiate concessions from its lender and landlord, Management of the Joint Venture determined that continuing to subsidize the operation was not in the best interest of joint venturers. The Fund provided a guarantee to the lender of the Stampede Joint Venture. The Fund made payments on this guarantee of $4.6 million during the Year which has been charged to income on the Financial Statements. The Fund has been formally released from any further liability under the guarantee by the Stampede Joint Venture's lender. Bridge financing from a related party was secured to honour guarantee payments (Note 12).

Contractual commitments of the Fund are reported in Note 15.

7. Letters of Credit

The Fund's gaming operations are subject to regulations imposed by the Alberta Gaming and Liquor commission. The Fund has provided letters of credit in favour of Alberta Gaming and Liquor Commission in the amount of $48,000 for the purpose of maintaining liquor licenses.

8. Restricted Cash

Restricted cash consists of progressive jackpot funds. Progressive jackpots are divided into two pots. The first and larger of the two is reserved for the eventual winner of the jackpot. The second is used to seed the next pot after a jackpot is won. The progressive jackpot funds are not available for use in general operations. Included in accounts payable is $67,700 (2008 - $58,962) relating to progressive jackpots.

9. Property, Plant and Equipment

December 31, 2009	Cost	Accumulated Amortization	Net Book Value
Land	$ 4,396,206	$ -	$ 4,396,206
Land Improvements	1,944,327	204,100	1,740,227
Buildings	25,891,080	5,438,578	20,452,502
Buildings for lease or rent	863,326	241,395	621,931
Leaseholds	2,491,968	999,974	1,491,994
Furniture, fixtures and equipment	6,710,514	4,467,686	2,242,828
Work in progress	62,226	-	62,226
	$ 42,359,647	$ 11,351,733	$ 31,007,914
December 31, 2008			
Land	$ 4,396,206	$ -	$ 4,396,206
Land Improvements	1,944,327	165,213	1,779,114
Buildings	26,556,050	4,500,164	22,055,886
Buildings for lease or rent	851,709	209,148	642,561
Leaseholds	2,491,968	733,876	1,758,092
Furniture, fixtures and equipment	6,422,786	3,852,752	2,570,034
	$ 42,663,046	$ 9,461,153	$ 33,201,893

Certain equipment and machines housed on premises of the Fund are provided by and owned by Alberta Gaming and Liquor Commission and have not been included in these financial statements.

Notes to Consolidated Financial Statements
twelve months ended December 31, 2009

10. Income Taxes

Income taxes

Income earned by the Trust as a limited partner of the Limited Partnership is subject to income taxes. The Trust has established a policy to distribute all of its taxable income to unit holders of the Trust so that the Trust will not have any liability for tax under Part I of the Tax Act in any taxation year.

Income earned by the Fund as the sole unit holder of the Trust is subject to income taxes. The Fund has established a policy to distribute all of its taxable income to the unit holders of the Fund so that the Fund will not have any liability for tax under Part I of the Tax Act in any taxation year.

The Fund has not recorded a liability for current income taxes as the Fund does not anticipate taxable income for the year.

Future income taxes

Beginning January 1, 2011, distributions of income trusts will not be deductible in calculating taxable income of the trust; thereby requiring the trust to pay income taxes. Future income tax assets and liabilities are based on temporary differences between the tax treatment of assets and liabilities of the Fund and the accounting treatment of assets and liabilities reported on the Fund's financial statements to the extent that these differences will exist at 2011. Future tax is estimated based on assets and liabilities at the end of the Year and the expected combined Federal and Alberta tax rate of 25.0% for 2011.

The Fund's income tax expense is as follows:

	$ of Taxes December 31, 2009	Taxes Rates December 31, 2009	$ of Taxes December 31, 2008	Tax Rates December 31, 2008
Income taxes at statutory rates	$4,931,281	25.0%	$5,809,502	25.0%
Income distributed to unit holders	(4,660,606)	(23.6%)	(5,306,505)	(22.8%)
Deduction of CEC and other additions	6,141	0.0%	(68,857)	(0.3%)
	$276,816	1.40%	$434,140	1.9%

Temporary differences and carry-forwards which give rise to future income tax assets and liabilities at December 31 are as follows:

	December 31, 2009	December 31, 2008
Future income tax asset (liability) arising from:		
Property, plant and equipment	$(1,523,866)	$(1,800,682)

Notes to Consolidated Financial Statements
twelve months ended December 31, 2009

11. Loans

The Fund has a $15.0 million demand loan with the Canadian Western Bank ("CWB"). On June 25, 2009 amendments were made to the original commitment letter resulting in an interest rate floor of 4.0%, otherwise, the interest on this loan remains at 1.0% above the CWB Prime Lending Rate. The Fund is making blended monthly principal and interest payments on a $9.0 million segment of the loan amortized over 10 years. $6.0 million of this loan is advanced on a revolving basis. There are no specific debt covenants attached to this loan. Security for the loan includes:

- General security agreement for first charge on Service Plus, Great Northern Casino and the Strip Mall. The Net Book Value of these assets at the end of the Year is $13.0 million
- Demand collateral mortgage first charge on the total loan amount
- Assignment of rents and leases
- Assignment of all risk casualty and liability insurance

The Fund issued an unsecured demand promissory note to a related party (note 12) in the amount of $4.1 million. The note bears interest at a fixed rate of 3.25% with interest only payments to be made monthly.

The Fund has a 40% Participating Interest Responsibility in the debt facilities of the Deerfoot Joint Venture. The Deerfoot Joint Venture has a demand loan secured by its land and buildings. On June 25, 2009 amendments were made to the original commitment letter resulting in an interest rate floor of 4.0%, otherwise, the interest on this loan remains at 1.0% above the CWB Prime Lending Rate. A segment of this loan is revolving. The Fund's portion of the total outstanding balance of this loan is $5.7 million. The Deerfoot Joint Venture loan has the following financial covenants:

1. Maximum debt to equity ratio of 3.00:1
2. Minimum debt service coverage of 1.25:1

Deerfoot is in compliance with all covenants.

Notes to Consolidated Financial Statements
twelve months ended December 31, 2009

11. Loans (cont.)

Credit Facilities	December 31, 2009	December 31, 2008
Authorized Maximum Loan amounts		
Demand loan	9,000,000	9,000,000
Revolving credit lines	6,000,000	6,000,000
Deerfoot Joint Venture - demand loan	8,800,000	8,800,000
Deerfoot Joint Venture - demand loan, revolving	800,000	800,000
Demand promissory note	4,100,000	-
Continuing Operations	28,700,000	24,600,000
Discontinued Operations [1]	-	9,000,000
	28,700,000	33,600,000
Outstanding balance		
Demand loan	7,500,793	8,384,641
Revolving credit lines	6,000,000	4,000,000
Deerfoot Joint Venture - demand loan	5,748,283	6,948,283
Deerfoot Joint Venture - demand loan, revolving	-	-
Demand promissory note	4,001,000	-
Continuing Operations	23,250,076	19,332,924
Discontinued Operations [1]	-	8,250,404
	23,250,076	27,583,328
Advances (payments) during the calendar year		
Demand loan	(883,848)	3,084,641
Revolving credit lines	2,000,000	4,000,000
Deerfoot Joint Venture - demand loan	(1,200,000)	(855,243)
Demand promissory note	4,001,000	-
Continuing Operations	3,917,152	6,229,398
Discontinued Operations [1]	(8,250,404)	8,250,404
	(4,333,252)	14,479,802
Interest rate		
Demand loan	4.00% floor (P +1.00%)	4.00% (P +1.00%)
Revolving credit lines	4.00% floor (P +1.00%)	4.00% (P +1.00%)
Deerfoot Joint Venture - demand loan	4.00% floor (P +1.00%)	4.00% (P +1.00%)
Deerfoot Joint Venture - demand loan, revolving	4.00% floor (P +1.00%)	4.00% (P +1.00%)
Demand promissory note	3.25%	-

[1] The Stampede Joint Venture was placed into voluntary receivership during the Year. As a result, the Fund has no further responsibility for the debt facilities of the Stampede Joint Venture.

Notes to Consolidated Financial Statements
twelve months ended December 31, 2009

12. Related Party Transactions

Related party transactions are measured at the exchange amount which is the amount agreed to by related parties. Related party balances are unsecured and non-interest bearing with no specific terms of repayment with one exception noted below.

The Fund had related party transactions with the persons of David Will and Darcy Will and/or companies owned or controlled by David Will and/or Darcy Will collectively (the "Wills"). Both David Will and Darcy Will are Trustees of the Fund. Together, the Wills control 43.9% of the outstanding units of all unit classes of the Fund. Transactions with the Wills include the following:

- The Fund recorded $910,434 ($922,582) of management services expenses during the Year which are included in Human resources expenses. Management fees stipulated in management services agreements are based on a percentage of revenues and/or earnings before interest, taxes depreciation and amortization. At the end of the Year $87,956 ($nil - 2008) remained in Accounts payable and $nil ($16,469 – 2008) remained in Due to related party accounts. As Chief Executive Officer and Vice President, David Will and Darcy Will, respectively do not take any salary for their management of the Fund, but are compensated through management services agreements.

- The Fund recorded $30,678 ($54,533 – 2008) of charter aircraft rental expenses during the Year which are included in Operating expenses. At the end of the Year $11,548 ($nil – 2008) remained in accounts payable. Travel to the Fund's operational centers of Grande Prairie and Ft. McMurray is made more efficient via charter air services than can be accomplished through commercial carriers.

- The Fund recorded $47,500 ($49,000 – 2008) in Trustee fees during the Year which are included in Human resources expenses. At the end of the Year $5,000 ($1,525 – 2008) remained in accounts payable.

- The Fund recorded $43,089 ($nil – 2008) in interest charges during the Year which are included in Interest expense. At the end of the Year $11,044 ($nil – 2008) remained in accounts payable. Interest charges arose from receipt of $4,100,000 in loans during the Year. At the end of the Year $4,001,000 ($nil – 2008) remained in Demand loans. The loan is unsecured and has a fixed interest rate of 3.25%. Loan proceeds were used to honour obligations under a guarantee the Fund provided to the lender to the Stampede Joint Venture.

The Fund recorded $114,500 ($112,373 – 2008) in Trustee fees during the Year paid to other Trustees or companies controlled by other Trustees of the Fund which are included under Human resources expenses. At the end of the Year $29,000 ($8,972 – 2008) remained in accounts payable.

The Fund recorded $21,825 ($30,230 – 2008) in professional and administrative fees during the Year paid to companies controlled by other Trustees of the Fund. At the end of the Year $nil ($2,625 – 2008) remained in accounts payable.

The Fund recorded $210,400 ($210,138 – 2008) of management services expenses during the Year to other officers which are included under Human resources expenses. Management fees stipulated in management services agreements are based on a flat monthly amount.

Notes to Consolidated Financial Statements
twelve months ended December 31, 2009

13. Fund Unit Holders Equity

The Fund is authorized to issue an unlimited number of Fund Units. 1,000,000 B Units of the Fund were exchanged into Fund Units during the Year. Otherwise, there were no changes in the number of issued or outstanding Fund Units during the Year. The weighted average of equivalent units outstanding for the Year is equal to the units issued. The Fund did not have any options, warrants, rights or convertible instruments that would be potentially dilutive during the Year.

Fund Unit holder Equity						
	December 31, 2009			**December 31, 2008**		
	Units		**$'s**	**Units**		**$'s**
Balance at beginning of Year	10,773,153	$	32,018,886	10,773,153		32,133,482
Unit class conversions	1,000,000		3,193,434	-		-
Net earnings			8,164,099			11,453,511
Net loss - discontinued operations			(2,581,120)			(503,003)
Distributions to Fund Unit holders			(10,355,664)			(11,065,104)
Balance at end of Year	11,773,153	$	30,439,635	10,773,153	$	32,018,886

14. Minority Unit Holders Equity

The Limited Partnership is authorized to issue an unlimited number of Class B Limited Partnership Units. 1,000,000 B Units of the Fund were exchanged into Fund Units during the Year. Otherwise, there were no changes in the number of Class B Limited Partnership Units issued or outstanding during the Year.

Minority interest					
	December 31, 2009			**December 31, 2008**	
	Units		**$'s**	**Units**	**$'s**
Balance at beginning of Year	10,334,400	$	32,955,463	10,334,400	33,065,390
Unit class conversions	(1,000,000)		(3,193,434)	-	-
Minority interest earnings allocation			6,472,945		10,987,050
Net loss - discontinued operations			(2,046,454)		(482,516)
Distributions to minority interest			(8,210,540)		(10,614,461)
Balance at end of Year	9,334,400	$	25,977,980	10,334,400	32,955,463

Notes to Consolidated Financial Statements
twelve months ended December 31, 2009

15. Commitments and Contingent Liability

Deerfoot Joint Venture

The Fund has a 47.75% Contributing Interest Responsibility to the Deerfoot Joint Venture for any capital requirements. All current capital requirements of the Deerfoot Joint Venture have been satisfied. There were no requests for capital made by the Deerfoot Joint Venture during the Year.

Management Agreements

On June 1, 2003 the Fund entered into a management services agreement with Gamehost Management Inc. The management agreement stipulates that Gamehost Management Inc. is entitled to 2.0% of operational earnings before interest, taxes, depreciation and amortization of the Fund.

On April 26, 2005 the Deerfoot Joint Venture entered into a management services agreement with 1016312 Alberta Ltd. The management agreement stipulates that 1016312 Alberta Ltd is entitled to 1.5% of the gross revenues plus 2.0% of any operational earnings before interest, taxes, depreciation and amortization of the Deerfoot Joint Venture.

On January 1, 2007, the Fund entered into a management services agreement with 1068802 Alberta Ltd. (amalgamated to 1508956 Alberta Ltd.) The management agreement stipulates a fixed monthly fee of $17,700 for site operational management for the Fund's Chief Operating Officer.

Other Commitments

The Fund has certain commitments for equipment, services and premises rent including the Funds Participating Interest Responsibility in commitments of joint ventures. At the end of the Year these commitments were:

Operating Leases and service contracts	2010	2011	2012	2013	2014	Thereafter
	1,691,051	1,541,768	979,348	803,358	813,736	4,800,365

Contingent liability

The interpretation of Contributing Interest Responsibility in the Deerfoot Joint Venture agreement is in some dispute. There is question as to further contributing interest responsibility for debt principal reductions since inception of the agreement. The maximum exposure for additional contributions from the Fund arising from this dispute total $2.2 million. No amounts for further contributions have been accrued to these Financial Statements.

Notes to Consolidated Financial Statements

twelve months ended December 31, 2009

16. Guarantees

The Fund has entered into indemnification agreements with current Trustees to indemnify them, to the extent permitted by law, against any and all charges, costs, expenses, amounts paid in settlement and damages incurred by the Trustees and officers as a result of any lawsuit, or any judicial, administrative or investigative proceeding in which the Trustees and officers are sued as a result of their service. These indemnification claims will be subject to any statutory or other legal limitation period. The nature of the indemnification agreements prevents management from making a reasonable estimate of the maximum potential amount the Fund could be required to pay counterparties. The Fund has purchased directors' and officers' liability insurance.

The Fund provided an $11.5 million unsecured limited liability guarantee to the lender to the Deerfoot Joint Venture to indemnify it in the event the Deerfoot Joint Venture does not perform its contractual obligations. At the end of the Year, the maximum potential liability under this guarantee was $5.7 million. The Fund has not recorded a liability with respect to this guarantee, as the Fund does not expect to make any payments in excess of what is recorded on the Financial Statements for the aforementioned items. The Fund has not charged a fee to the Deerfoot Joint Venture in regards to this guarantee. No specific assets have been provided as security.

The Fund provided a $5.0 million unsecured limited liability guarantee to the lender of the Stampede Joint Venture to indemnify it in the event the Stampede Joint Venture did not perform its contractual obligations. The Stampede defaulted on their contractual obligations under loan agreements. Stampede Joint Venture management successfully negotiated a reduction to the settlement amount under the guarantee to $4.6 million which has been paid and charged to income during the Year. The Fund did not charge a fee to the Stampede Joint Venture in regards to this guarantee.

17. Investment in Joint Venture

The following financial statements report the Fund's proportionate share (Participating Interest) in the Deerfoot Joint Venture assets, liabilities, revenues and expenses and net income, and cash flows resulting from operating, financing and investing activities.

<u>Deerfoot Joint Venture</u>

The Fund has a 40% Participating Interest Responsibility and a 47.75% Contributing Interest Responsibility in Deerfoot Inn & Casino Inc., a Joint Venture, which operates Deerfoot Inn & Casino in Calgary, Alberta.

The Fund is severally liable for all obligations of the Deerfoot Joint Venture in proportion to its Participating Interest Responsibility or Contributing Interest Responsibility as the case may be. All Deerfoot Joint Venture partners are contingently liable for obligations of the Deerfoot Joint Venture in situations where other Deerfoot Joint Venture partners are in default as defined by the Deerfoot Joint Venture Agreement.

All of the assets of the Deerfoot Joint Venture are available for the purpose of satisfying any such obligation. No provision for any contingent amount payable has been reflected in these financial statements.

Notes to Consolidated Financial Statements

twelve months ended December 31, 2009

17. Investment in Joint Venture (cont.)

Participating Interest of the Fund in Joint Venture Balance Sheets

	(audited) December 31, 2009	*(audited)* December 31, 2008
Assets		
Current assets:		
Cash and cash equivalents	$ 3,182,590	$ 4,628,775
Other current assets	609,778	593,605
Property, plant & equipment	14,100,767	14,757,962
	$ 17,893,135	$ 19,980,342
Liabilities and unit holder equity		
Current liabilities:	$ 6,407,351	$ 7,723,765
Joint venture equity	11,485,784	12,256,577
	$ 17,893,135	$ 19,980,342

Participating Interest of the Fund in Joint Venture Statements of Operations and Cash Flow

	(audited) twelve months ended December 31		*(unaudited)* three months ended December 31	
	2009	2008	2009	2008
Revenue	$ 15,469,334	$ 17,164,758	$ 3,765,761	$ 4,172,206
Operating expenses	10,477,180	11,632,709	2,666,081	2,935,265
Other income and (expenses)				
Interest charges	(244,865)	(437,938)	(60,494)	(90,453)
Net earnings	$ 2,647,894	$ 2,841,340	$ 579,627	$ 639,476
Cash provided by (used for) operating activities	5,299,039	5,802,467	869,983	1,512,182
Cash provided by (used for) financing activities	(6,680,000)	(6,815,243)	(1,240,000)	(700,035)
Cash provided by (used for) investing activities	(65,224)	(63,572)	(8,641)	(10,734)
Increase (decrease) in cash and cash equivalents	(1,446,185)	(1,076,348)	(378,658)	801,413
Opening cash and cash equivalents	4,628,775	5,705,123	3,561,248	3,827,361
Closing cash and cash equivalents	$ 3,182,590	$ 4,628,775	$ 3,182,590	$ 4,628,774

Stampede Joint Venture

The Stampede Joint Venture is reported as discontinued operations (note 18)

Notes to Consolidated Financial Statements
twelve months ended December 31, 2009

18. Discontinued Operations

The Fund's investment in the Stampede Joint Venture was made through 1363840 Alberta Ltd (the "Subsidiary"). The Subsidiary was created for the sole purpose of investing in the Stampede Joint Venture. The Subsidiary pledged as security to the lender of the Stampede Joint Venture its participating interest, being 20%, in the Stampede Joint Venture as collateral.

Management of the Stampede Joint Venture elected for a voluntary receivership on August 17, 2009. On that date assets and operations of the Stampede Joint Venture were taken over by a court appointed receiver. A loss arising from receivership of $4.2 million was charged against net income.

The Fund's 20% participating interest in the Stampede Joint Venture resulted in accumulated operating losses since opening of $1.4 million including $0.7 million during the Year.

The Fund recorded aggregate losses and charges related to the Stampede Joint Venture of $10.2 million including guarantee payments of $4.6 million made from continuing operations. The Stampede Joint Venture is identified in Financial Statements as discontinued operations and reported separately from the Fund's other operating assets.

Discontinued Operations

	(unaudited) December 31, 2009	*(audited)* December 31, 2008
Assets		
Cash and cash equivalents	$ -	$ 890,315
Other current assets	-	153,790
Property, plant & equipment	-	11,473,837
	$ -	$ 12,517,942
Liabilities and equity		
Current liabilities	$ -	$ 8,762,217
Capital Leases	-	52,922
Joint venture equity	-	3,702,803
	$ -	$ 12,517,942

Notes to Consolidated Financial Statements

twelve months ended December 31, 2009

18. Discontinued Operations

Statements of Operations and Cash Flow

	(unaudited)	*(audited)*	*(unaudited)*	
	twelve months ended December 31		**three months ended December 31**	
	2009	**2008**	**2009**	**2008**
Revenue	$ 2,422,418	$ 2,216,665	$ -	$ 983,441
Operating expenses	2,893,899	2,811,494	-	1,158,247
	(471,481)	(594,829)	-	(174,806)
Other income and (expenses):				
Loss due to receivership	(3,965,696)	-	-	-
Interest charges	(190,397)	(201,195)	-	(126,124)
Unrealized loss on fair valuation of financial assets and liabilities	-	(189,495)	-	(189,495)
Income allocation to minority interest	2,046,454	482,516	-	240,115
Net income	$ (2,581,120)	$ (503,003)	$ -	$ (250,310)
Cash provided by (used for) operating activities				
Net earnings	(2,581,120)	(503,003)	-	(250,310)
Loss due to receivership	3,965,696	-	-	
Amortization of property, plant & equipment	392,132	223,756	-	123,080
Allocation to minority interest	(2,046,454)	(482,516)	-	(240,115)
	(269,746)	(761,763)	-	(367,345)
Net changes in non-cash working capital:				
Accounts receivable	15,868	(49,972)	-	104,189
Inventories	(3,084)	(53,270)	-	(3,311)
Prepaid expenses	11,214	(50,547)	-	92,759
Accounts payable and accrued liabilities	13,512	441,611	-	206,611
	(232,236)	(473,941)	-	32,903
Cash provided by (used for) financing activities	(647,020)	12,930,618	-	(94,061)
Cash provided by (used for) investing activities	(11,058)	(11,566,362)	-	(42,360)
Increase (decrease) in cash and cash equivalents	(890,315)	890,315	-	(103,518)
Opening cash and cash equivalents	890,315	-	-	993,833
Closing cash and cash equivalents	$ -	$ 890,315	$ -	$ 890,315

Notes to Consolidated Financial Statements
twelve months ended December 31, 2009

19. Subsequent Events

Regular monthly distributions

The Fund declared regular monthly distributions of $0.0733 per unit for January 2010 and February 2010 payable February 19, 2010 and March 26, 2010 respectively.

Corporate Restructuring

On February 17, 2010, the Fund announced it had entered into an arrangement agreement (the “Arrangement Agreement”) with Oncothyreon Inc. and certain of its subsidiaries (collectively, "Oncothyreon") pursuant to which the Fund will convert from an income trust structure to a corporate structure pursuant to a Plan of Arrangement (the "Arrangement") under the *Business Corporations Act* (Alberta).

The Arrangement is subject to various commercial conditions including, but not limited to, the consent to the Arrangement of Gamehost’s lenders and the receipt of regulatory approvals including, but not limited to, the approval of the Toronto Stock Exchange. The Arrangement is also subject to the approval of the Court of Queen’s Bench of Alberta and the approval of 66⅔% of the votes cast by the holders of units of Gamehost (the “Gamehost Unit holders”) and the holders of class B limited partnership units of Gamehost Limited Partnership (the “Gamehost LP Unit holders” and collectively with the Gamehost Unit holders the “Gamehost Security holders”) voting together as a single class in person or by proxy at the security holder meeting called to approve the transaction (the "Gamehost Meeting"). The mailing of an information circular to the Gamehost Security holders providing further details on the Arrangement is expected to occur in the middle of March 2010 with the Gamehost Meeting expected to be held in the middle of April 2010. The effective date of the Arrangement is expected to occur shortly following the Gamehost Meeting.

The estimated costs to be incurred by Gamehost with respect to the Arrangement and related matters including, without limitation, accounting, legal fees and costs for the preparation, printing and mailing of the required information circular and other related documents and agreements, are expected to aggregate approximately $9.0 million, including $600,000 via the issuance of Gamehost Units to Oncothyreon Inc.

Complete details of the terms and conditions of the Arrangement are set out in the Arrangement Agreement that will be filed by Gamehost on SEDAR (www.sedar.com).

To the unitholders of Gamehost Income Fund

RE: AMENDMENT TO 2009 ANNUAL MD&A FOR CLERICAL ERRORS

Gamehost Income Fund's 2009 management's discussion and analysis has been refiled in order to correct certain clerical errors.

For additional information, please contact Investor Relations.

April 14, 2010

Investor Relations
Gamehost Income Fund
(403) 346-4545
info@gamehost.ca

Further Amended and Restated 2009 Annual Management Discussion & Analysis

for the three and twelve months ended December 31, 2009

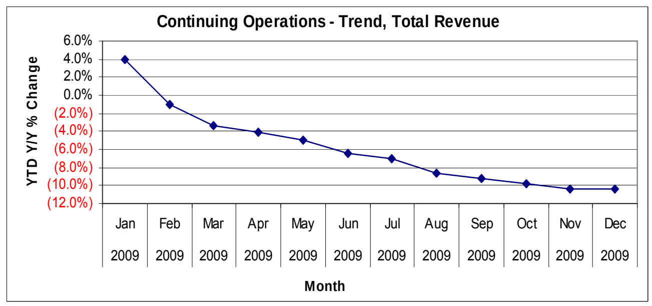
To Our Unit Holders

Management and Trustees of Gamehost Income Fund (the "Fund") present results for the three months ended December 31, 2009 (the "Quarter") and twelve months ended December 31, 2009 (the "Year").

Readers should note the financial reporting of the Stampede Joint Venture as discontinued operations. Detailed discussion and reporting is focused on our continuing Alberta operations of Boomtown Casino in Fort McMurray, Great Northern Casino, Service Plus Inns & Suites and strip mall all located in Grande Prairie and the Fund's joint venture interest in Deerfoot Inn & Casino in Calgary.

Landing Gear Down

The rate of descent is slowing as results for the Year indicate. Quarterly revenues for continuing operations totaled $11.8 million, down 11.50% from $13.3 million posted in Q4 2008. Q4 being a cyclically stronger quarter than Q3, revenues for the Quarter were up 4.2% from the previous quarter's revenue of $11.3 million. Annual revenues for continuing operations totaled $48.1 million down 9.9% from $53.3 million posted in 2008. We look finally to be leveling out for a smooth landing.



Management has been very successful in reducing costs. Economies of scale, however, are working counter to these efforts which is apparent in reported earnings before interest, taxes, depreciation and amortization ("EBITDA"). EBITDA from continuing operations for the Quarter totaled $5.4 million down 13% from $6.1 million for the same quarter in 2008. Annual EBITDA totaled $17.1 million down 33% from $25.3 million recorded in 2008. EBITDA margins for the Quarter were flat to the previous year at 46% and for the Year lower by 12 percentage points to 36% from 48%. Included in EBITDA for the Year and Quarter are legal expenses related to corporate restructuring options and tax management for the Fund post 2011. Also included in EBITDA for the Year are guarantee payments of $4.6 million related to the Stampede Joint Venture. Excluding these non-recurring charges, EBITDA for continuing operations for the Year in year over year comparison is down 12.2% more inline with revenue decline. EBITDA margins, with these costs removed, were down 1.2 percentage points to 46.2%.

Open for Business

Lower operating results were the story for all of the Fund's properties during 2009. Management has trimmed costs where possible without adversely impacting service levels. Many of these costs will be permanent reductions setting the stage for even higher margins than recorded in the past when revenues return.

A number of shelved oil sands projects have recently received the green light from owners and regulators. Fort McMurray will again begin to experience an inflow of workers to support these projects. This should translate to additional foot traffic at our Boomtown Casino.

Interest in conventional oil and gas as well as shale gas recovery has also improved with improved commodity prices and a period of declining production. We are seeing optimism in Grande Prairie rise accordingly.

The Deerfoot Joint Venture is firmly established with Calgary's south east business and residential communities. The area continues to grow at Calgary's fastest pace. The nearby construction of Alberta's newest and largest hospital is poised to add thousands of jobs and spin off development in the area. All of this stages the property for a bright future.

Didn't make the Horn

Management of the Stampede Joint Venture elected for a voluntary receivership and on August 17, 2009 assets of the Stampede Joint Venture were transferred to a court appointed receiver. All transactions to conclude the Fund's investment in the failed Stampede Casino Joint Venture are included in the Fund's Consolidated Financial Statements. During the Quarter, we received formal release from any further liability under a guarantee provided by the Fund to the Stampede Joint Venture's lender. Negotiations to reduce the total payment under the guarantee from $5.0 million to $4.6 million were successful and all payments have been made. Combined losses over fourteen months from the Fund's interest in the Stampede Joint Venture total $10.2 million. In the Fund's financial statements and MD&A the Stampede Joint Venture is identified as discontinued operations and reported separately from the Fund's other operating assets. The Fund's history extends back to 2003 and we intend to have a long and successful future. Years from now we will look back on the failed Stampede Joint Venture as one short and bumpy ride. We've brushed off the dirt and are back in the saddle for the full count.

Keep it Coming

Throughout the Year, the Fund maintained regular cash distributions of $0.0733 per unit. In previous years, the Fund has had surplus cash and Trustees have declared special cash distributions in December to eliminate the year end taxable position of the Fund. 2009, being what it was, did not produce any surplus cash. The payout ratio for continuing operations on distributable cash from regular monthly distributions was 130.5% for the Year. The shortfall on distributable cash was made up by way of a bridge loan from a related party. With the impact of discontinued operations and non-recurring guarantee payments excluded, the payout ratio falls to 98.8%. We are confident the payout ratio will return to more historical levels in 2010. Strategic measures to address the current deficiency in distributable cash are in the works.

A New Era

Management has been busy over the past months working on plans in preparation for the change in the tax status of income trusts effective January 2011. The Fund intends to convert to a corporation ("Gamehost Inc.") through a plan of arrangement (the "Arrangement") under the Business Corporations Act of Alberta. Canadian taxable shareholders should benefit from lower income taxes paid on dividends from taxes previously paid on distributed income. We expect a continuation of current rates of distribution. Conversion to a corporation should also result in greater access to capital markets and the removal of undue expansion restrictions in current SIFT regulations under which we operate as an income trust. Furthermore, Gamehost Inc. will be able to access certain tax free roll-over provisions under the Canadian Income Tax Act that will assist in the structuring of acquisitions. Greater detail on the Arrangement can be found in the Business Risks, Opportunities and Outlook sections toward the end of this MD&A. The mailing of an information circular to unit holders in early April 2010 provides further details on the Arrangement. A meeting of the Fund's unit holders will be held on April 30, 2010. The effective date of the Arrangement is expected to occur shortly following the meeting. Our days as a high yield income trust are winding down. Gamehost Inc. will become a high yield, dividend paying corporation with an eye on growth.

2009 was a difficult year for the Fund as it was for many organizations the world over. We are happy to be putting the year behind us. We are cautiously optimistic for improved operating results in the later part of 2010 and excited about the possibilities under a new corporate structure. Investors have already benefited from a partial recovery of unit trading prices. Management and Trustees are committed to further improvement in investor returns in 2010.

Thank you for your loyalty.

April 14, 2010

On behalf of all management and Trustees, sincerely,

David J. Will President and Chief Executive Officer Gamehost Management Inc.	Darcy J. Will Vice President Gamehost Management Inc.

Management's Discussion and Analysis for the twelve and three months ended December 31, 2009

This Management's Discussion and Analysis ("MD&A") of the business, operating results, liquidity and capital resources and other financial information of Gamehost Income Fund (the Fund") is dated April 14, 2010.

Consolidated Financial Statements of the Fund for the twelve months ended December 31, 2009 (the "Year") and three months ended December 31, 2009 (the "Quarter") have been prepared by management in accordance with Canadian Generally Accepted Accounting Principles ("GAAP") and include the operating results of the Fund, its subsidiaries and proportionate share of joint ventures.

Certain prior year figures have been reclassified to conform to the current year presentation. All figures are reported in Canadian dollars.

This MD&A focuses on year over year comparative results for the Year. When significant, this MD&A will elaborate on year over year results for the Quarter and results compared to the immediately preceding quarter. Readers are directed to prior MD&A for specific discussion of results of previous quarters. Earlier financial statements and management discussion and other disclosures of the Fund can be found on SEDAR at www.sedar.com.

Caution to the Reader

Use of Non-GAAP Financial Measures

This MD&A makes reference to financial measures that do not have any standardized meaning prescribed by GAAP. Specifically, the MD&A may reference earnings before interest, taxes, depreciation and amortization ("EBITDA") or "distributable cash from operations" which are both non-GAAP financial measures.

EBITDA is a commonly used measure of financial performance by the broader financial community. Management believes that EBITDA provides information to the reader on the Fund's performance in generating cash from normal operations before any financing costs associated with generating those earnings. The Fund's means of financing can change over time at the discretion of management. As such, EBITDA can assist the reader in assessing not only the Fund's performance in generating cash, but also the Fund's ability to meet current or future financing obligations. There is no standardized meaning prescribed by GAAP for EBITDA. Comparing EBITDA of the Fund to EBITDA reported by other issuers can be misleading. EBITDA should not be relied upon as a sole measure of performance. A reconciliation between EBITDA and net earnings as defined by GAAP can be found on page 20 of this MD&A.

This MD&A is in all material respects in accordance with the recommendations provided in Canadian Institute of Chartered Accountants (CICA) publication *Standardized Distributable Cash in Income Trusts and Other Flow-Through Entities: Guidance on Preparation and Disclosure.* A reconciliation of standardized distributable cash to cash from operating activities as reported on the Consolidated Statements of Cash Flow can be found on page 27 of this MD&A.

Industry specific terms relating to the operations of the Fund are used throughout this MD&A and defined when they first appear and capitalized throughout this MD&A.

Forward-looking Statements

This MD&A contains forward-looking information. Forward-looking information contained in this MD&A will be limited to statements rather than figures and may contain words such as “anticipates”, “believes”, “could”, “expects”, “indicates”, “plans” or other similar expressions that suggest future outcomes or events. Forward looking information contains risks and uncertainties of varying significance. Management attempts to minimize the use of forward-looking information. Any use of forward-looking information reflect reasonable assumptions made on the basis of management’s current beliefs with information known by management at the time of writing. Factors that may affect results include, but are not limited to, governmental legislation and regulation at the national, provincial or municipal level, general or local business and economic conditions, financial market volatility, the good standing of business, gaming and liquor licenses, competition, consumer preferences and disposable incomes, demographic shifts and weather patterns. Any number of these factors, or others, could cause actual results to differ from forward-looking information. Additional discussion about the inherent risks in forward-looking information and any management assumptions of risk can be found in the Business Risks and Opportunities section at the end of this MD&A.

These factors and other risks and uncertainties are discussed in the Fund’s continuous disclosure documents filed with the Canadian securities regulatory authorities from time to time, including in the “Risk Factors” section of the Fund’s Annual Information Form for fiscal 2009. Continuous disclosure documents are on record through SEDAR at www.sedar.com.

Forward-looking information contained in this MD&A or documents incorporated by reference are relevant only at the date of the MD&A or document date. Readers should not place undue reliance on forward-looking information as there can be no assurances that the plans, intensions or expectations upon which they are based will occur. The Fund undertakes no obligation to publically revise forward-looking information to reflect subsequent events or circumstances.

Internal Control over Financial Reporting (ICFR) and Disclosure Controls & Procedures (DC&P)

Management is responsible for establishing and maintaining adequate ICFR for the Fund including adequate DC&P. ICFR includes policies and procedures that (1) pertain to the maintenance of records that reasonably, accurately and fairly represent transactions of the Fund, (2) provide reasonable assurance that transactions are recorded as required to permit the preparation of Financial Statements in accordance with Canadian GAAP and that receipts and expenditures are made with appropriate authorization of the Fund’s management and directors and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Fund’s assets that could have a material effect on the Financial Statements.

There has been no change in the Fund’s ICFR that occurred during the Quarter that has materially affected, or is reasonably likely to materially affect, the Fund’s ICFR. The effectiveness of ICFR has been evaluated and management has concluded that the Fund’s ICFR is effective. There is no "material weakness" relating to the design of the Fund’s ICFR (a "material weakness" is defined to mean a deficiency or combination of deficiencies in ICFR such that there is a reasonable possibility that a material misstatement of the reporting issuer's annual or interim financial statements will not be prevented or detected on a timely basis).

The effectiveness of DC&P has been evaluated. Management has concluded that the Fund’s DC&P are operating effectively.

Organizational Structure

The Fund

Gamehost Income Fund (the "Fund") is an unincorporated open-ended limited purpose trust established under the laws of the Province of Alberta and is governed by a trust agreement dated April 9, 2003 (the "Fund Agreement").

The Trust

Gamehost Trust (the "Trust") is an unincorporated open-ended limited purpose trust established under the laws of the Province of Alberta and is governed by a trust agreement dated April 10, 2003 (the "Trust Agreement"). All of the issued and outstanding units of the Trust are owned by the Fund. The Trustees of the Trust are the Trustees of the Fund.

The Limited Partnership

Gamehost Limited Partnership (the "Limited Partnership") is a limited partnership formed under the laws of the Province of Alberta. The Limited Partnership owns the assets and business operations of the Fund. The Limited Partnership began operations of the Fund effective June 1, 2003.

The Manager

The general partner of the Limited Partnership is Gamehost Management Inc. (the "Manager"). Pursuant to a management agreement (the "Management Agreement") between the Fund and the Manager, the administration and management of the Fund was delegated to the Manager.

Units

An unlimited number of Fund Units and Special Voting Units may be created and issued pursuant to the Fund Agreement. The Limited Partnership is authorized to issue unlimited numbers of both Class A Limited Partnership Units ("A Units") and Class B Limited Partnership Units ("B Units"). All of the issued and outstanding A Units of the Limited Partnership are owned by the Trust. The Trustees of the Trust are the Trustees of the Fund. There are 11,773,153 Fund Units which trade on the Toronto Stock Exchange ("TSX") under the symbol GH.UN. There are 9,334,400 B Units of the Limited Partnership issued and outstanding. B Units are exchangeable, on a one-for-one basis, for Fund Units. Holders of Fund Units and holders of B Units have equal voting rights. 1,000,000 B Units were exchanged for Fund Units during the Year. There were no other changes in the number of units issued or outstanding during the Year.

Overview of the Fund

The Fund's activities are currently confined to the Province of Alberta, Canada. Operations include the Boomtown Casino in Ft. McMurray, the Great Northern Casino in Grande Prairie and Service Plus Inns & Suites ("Service Plus"), a limited service hotel, also located in Grande Prairie. As a complement to the hotel, the Fund owns a retail complex (the "Strip Mall") that leases space to pub and full service restaurant operations. The Fund is a 40% joint venture partner in Deerfoot Inn & Casino Inc., (the "Deerfoot Joint Venture"), in Calgary. The Fund was also a 20% joint venture partner in Calgary West Hospitality Inc., (the "Stampede Joint Venture"). The Stampede Joint Venture opened for business on June 19, 2008 in Calgary and was placed into voluntary receivership on August 17, 2009.

Unless otherwise stated, all figures and results presented in this MD&A include only the Fund's 40% in the assets, liabilities, equity and operating results of the Deerfoot Joint Venture. The Fund's 20% interest in the Stampede Joint Venture is discussed separately as discontinued operations.

Gaming operations of the Fund include Fund owned and operated table games and the operation of government owned slot machines, video lottery terminals and lottery ticket outlets. Hotel operations of the Fund include full and limited service hotels and banquet and convention services. Food, beverages and entertainment are offered at each of the Fund's casino locations.

Management believes in a combined entertainment and hospitality model. Our model targets the entertainment seeker and social occasional gamer. Clean, inviting venues that deliver live entertainment, lounging and dining, rest and relaxation together with gaming are situated in community based locales.

It is the intent and practice of the Fund to distribute taxable income of the Fund to unit holders by way of regular monthly cash distributions.

Selected Annual Information

	Select Annual Information	**2009**	**2008**	**2007**	**2006**	**2005**
	Before Minority Interest					
	Revenue – Continuing Operations	48,082	53,349	57,620	49,294	31,086
	Expenses- Continuing Operations	33,445	30,908	38,348	29,283	15,746
	Net Income - Continuing Operations	14,637	22,441	19,272	20,010	15,340
	Net Income (Loss) - Discontinued Operations	(4,628)	(986)	-	-	-
	Net Income (Loss)	10,010	21,455	19,272	20,010	15,340
2	Net Income/Unit - Continuing Operations	$ 0.693	$ 1.063	$ 0.913	$ 0.948	$ 0.727
2	Net Income (Loss)/Unit - Discontinued Operations	$ (0.219)	$ (0.047)	$ -	$ -	$ -
2	Net Income (Loss)/Unit	$ 0.474	$ 1.016	$ 0.913	$ 0.948	$ 0.727
1	EBITDA - Continuing Operations	17,065	25,314	28,350	23,661	16,429
	EBITDA - Margin	35.5%	47.5%	49.2%	48.0%	52.8%
1	EBITDA (Loss) - Discontinued Operations	(79)	(371)	-	-	-
1	EBITDA (Loss)	16,985	24,943	28,350	23,661	16,429
1, 2	EBITDA/Unit - Continuing Operations	$ 0.808	$ 1.199	$ 1.343	$ 1.121	$ 0.778
1, 2	EBITDA (Loss)/Unit – Discontinued Operations	$ (0.004)	$ (0.018)	$ -	$ -	$ -
1, 2	EBITDA (Loss)/Unit	$ 0.805	$ 1.182	$ 1.343	$ 1.121	$ 0.778
	Assets - Continuing Operations	84,937	89,694	92,285	91,682	92,403
	Assets - Discontinued Operations	-	12,518	-	-	-
	Assets	84,939	102,212	92,285	91,682	92,403
	Debt - Continuing Operations	23,250	19,333	13,104	10,397	14,092
	Debt - Discontinued Operations	-	8,250	-	-	-
	Debt	23,250	27,583	13,104	10,397	14,092

(in thousands of dollars unless stated otherwise)

1 EBITDA is not a defined measure under Canadian GAAP. See Caution to Reader under MD&A

2 Weighted average and fully diluted

At inception of the Fund in June 2003, the Fund wholly owned and operated two casinos, a hotel and a strip mall. In 2005, the Deerfoot Joint Venture, a casino hotel conference centre opened. The Fund is a 40% joint venture owner of Deerfoot Inn & Casino. In early 2006, the Fund completed an expansion of Boomtown Casino effectively doubling its size. The Fund became a 20% joint venture partner in the Stampede Joint Venture which opened its doors in June of 2008. Together with organic growth, these expansions and joint ventures allowed the Fund's interest in slot machines to increase from 420 machines to 1,217 machines and gaming tables to increase from 32 tables to 53 tables. Hotel rooms increased from 123 to 198 over the same period and food, beverage and entertainment services grew in relation to these expansions. Until recently, the Fund enjoyed great success assisted by a strong Alberta economy, a growing population and higher than average disposable incomes. The timing of the startup Stampede Joint Venture in the eye of a massive global recession was misfortunate resulting in operations ceasing in August of 2009.

Overall Financial Results and Condition of the Fund

With the voluntary receivership of the Stampede Joint Venture effective August 17, 2009, comparative Year and Quarter financial results of the Fund will report continuing operations separately from the discontinued operations of the Stampede Joint Venture.

At the end of the Year, continuing operations of the Fund had $84.9 million in total assets down from $89.7 million at the start of the year. Cash and cash equivalent balances of $10.0 million were $2.0 million less than the start of 2009. Capital expenditures and lower earnings combined to push the Fund's payout ratio for continuing operations on Standardized Distributable Cash to 106.1% for the Quarter. The payout ratio on Standardized Distributable Cash for continuing operations was 130.5% for the Year. The shortfall on distributable cash was made up by way of a bridge loan from a related party. With the impact of discontinued operations and non-recurring guarantee payments excluded, the payout ratio falls to 98.8%. Since inception of the Fund, the total payout ratio from combined continuing and discontinued operations totals 93.0%.

The write off of the Fund's investment in the Stampede Joint Venture resulted in a reduction to overall Fund assets of $12.5 million. This amount is reported separately as discontinued operations. The additional impact of these discontinued operations on the Fund's payout ratio is significant. For the Year and Quarter, the addition of discontinued operations pushes the funds payout ratio to 134.5% and 106.1% respectively.

Each of the Fund's properties recorded year over year declines in gross revenue for the Year and Quarter. Consumer spending appears to be leveling out. Trends certainly suggest we are at or near the bottom of the revenue deterioration. Diligent cost controls have kept erosion of operating margins to a minimum.

During the Year, management of the Stampede Joint Venture placed the operation into voluntary receivership. Despite a significant management effort and regular cash infusions, the startup Stampede Joint Venture could not overcome the forces of economic recession. On August 17, 2009, the assets and operation were turned over to a court appointed receiver. The Fund has no further obligations to the Stampede Joint Venture. The Fund has made payments of $4.6 million to honour a $5.0 million guarantee provided to the Stampede Joint Venture's lender. The remaining $449,000 represents a negotiated reduction to the Fund's obligation under the guarantee. The Fund has received a formal release from the Stampede Joint Venture Lender for any further liability under the guarantee.

The Fund has announced its intention to convert to a corporation (“Gamehost Inc.”) through a plan of arrangement (the “Arrangement”). The Arrangement is management’s response to the impending Federal government tax on distributions from specified investment flow-though (“SIFT”) entities by which income trusts are treated. These new taxes become effective in January 2011.

Quarterly Performance Summary

	Quarterly Performance	**2009**				**2008**			
	Before minority interest	**Q4**	Q3	Q2	Q1	Q4	Q3	Q2	Q1
	Revenue - Continuing	**11,788**	11,316	12,105	12,873	13,326	13,309	13,381	13,333
	Expenses- Continuing	**7,154**	13,532	5,619	7,140	7,623	7,804	7,635	7,845
	Income - Continuing	**4,634**	(2,216)	6,486	5,734	5,702	5,505	5,746	5,488
	Income (Loss) - Discontinued	**-**	1,543	(5,863)	(308)	(490)	(319)	(160)	(17)
	Income (Loss)	**4,634**	(673)	623	5,425	5,212	5,186	5,586	5,471
2	Income/Unit - Continuing	**$ 0.220**	$ (0.105)	$ 0.307	$ 0.272	$ 0.270	$ 0.261	$ 0.272	$ 0.260
2	Income (Loss)/Unit - Discontinued	**$ -**	$ 0.073	$ (0.278)	$(0.015)	$ (0.023)	$ (0,015)	$(0.008)	$(0.001)
2	Income (Loss)/Unit	**$ 0.220**	$ (0.032)	$ 0.030	$ 0.257	$ 0.247	$ 0.246	$ 0.265	$ 0.259
	Before minority interest								
1	EBITDA - Continuing	**5,371**	(77)	5,387	6,383	6,142	6,372	6,484	6,316
	EBITDA % - Continuing	**45.6%**	(0.7%)	44.5%	49.6%	46.1%	47.9%	48.5%	47.4%
1	EBITDA (Loss) - Discontinued	**-**	15	(52)	(43)	(52)	(143)	(160)	(17)
1	EBITDA (Loss)	**5,371**	(62)	5,335	6,340	6,091	6,229	6,324	6,300
1, 2	EBITDA/Unit - Continuing	**$ 0.254**	$ (0.004)	$ 0.255	$ 0.302	$ 0.291	$ 0.302	$ 0.307	$ 0.299
1, 2	EBITDA (Loss)/Unit - Discontinued	**$ -**	$ 0.001	$ (0.002)	$(0.002)	$ (0.002)	$ (0.007)	$(0.008)	$(0.001)
1, 2	EBITDA (Loss)/Unit	**$ 0.254**	$ (0.003)	$ 0.253	$ 0.300	$ 0.289	$ 0.295	$ 0.300	$ 0.298

1 EBITDA is not a defined measure under Canadian GAAP. See Caution to Reader under MD&A

2 Weighted average and fully diluted

General operating results for the Quarter reflect continued softening in consumer spending.

Legal expenses related to corporate restructuring options and tax management for the Fund post 2011 adversely impacted overall performance during Q4 and Q3.

Revenues

Total Revenue

Total Revenue (Continuing Operations)	Q4 (twelve months)			Q4 (three months)			vs. previous quarter	
	2009	2008	+(-)	**2009**	2008	+(-)	Q3 2009	+(-)
Total Revenue	**48,082.2**	53,348.3	(9.9%)	**11,788.4**	13,325.6	(11.5%)	11,315.6	4.2%

(in thousands of dollars unless stated otherwise)

Revenues declined steadily over the course of the year. The rate of descent being steepest at the outset of the year as businesses and consumers made dramatic changes to their buying patterns. Latter months in the year indicate a definite trend to leveling out and clear signs we are at or near bottom.

Hotel Rooming Revenue

Hotel Rooming includes both guest and meeting room sales at hotels. Occupancy includes sold and complimentary rooms while Average Daily Rate ("ADR") is calculated on guest room sales only.

Hotel - Rooming (Continuing Operations)	Q4 (twelve months)			Q4 (three months)			vs. previous quarter	
	2009	2008	+(-)	**2009**	2008	+(-)	Q3 2009	+(-)
Rooming	**6,453.6**	8,388.1	(23.1%)	**1,443.1**	2,063.4	(30.1%)	1,531.5	(5.8%)
Occupancy	**63.1%**	77.2%	(14.1%)	**59.3%**	78.4%	(19.1%)	60.9%	(1.6%)
ADR	**$146.60**	$149.91	(2.2%)	**$142.96**	$147.46	(3.1%)	$146.94	(2.7%)

(in thousands of dollars unless stated otherwise)

Following a strong Q1, room sales declined sharply and have remained stubbornly depressed since that point. Year over year occupancies and ADR continued to edge lower over the balance of the year. During the final Quarter, however, deterioration was negligible providing further indication declines are bottoming out.

Service Plus has been especially hard hit by the economic down turn. The region's economy, heavily dependant on the natural gas sector, has been weakened by low commodity prices which fell steadily from the summer of 2008. Only since September of this year has there been any sustained rally in natural gas prices. Occupancy levels declined 17 percentage points from 75% in 2008 to 58% for the Year. Management has resisted competitive pressure to substantially lower room rates instead relying on our reputation for superior service in a superior location. ADR's were lower by 4% from 2008 levels falling to $133 from $139. Management has stepped up sales and marketing efforts in particular with existing clientele to ensure relationships are maintained. Informal surveys put the Service Plus consistently in the top three for accommodations in Grande Prairie. Room sales into the new year have picked up considerably with drilling contractors indicating optimism through spring breakup.

The Deerfoot Joint Venture opened the year with improved room sales for Q1 before feeling the impact of the recession. Significant pressure on occupancy over the final three quarters of the year resulted in a year over year reduction in occupancy of 11 percentage points from 78% in 2008 to 67% for the Year. ADR's were 4% lower than 2008 levels falling to $164 from $171. Corporate bookings have fallen sharply and leisure travelers are scrutinizing offerings for the best perceived value. Continued development of the surrounding area, however, including the construction of Alberta's largest hospital will add thousand's of jobs to the area and additional foot traffic to the Deerfoot Joint Venture in the months and years to come.

Table Game Revenue

Table play and table revenue sharing is regulated in Alberta by the Alberta Gaming and Liquor Commission. In general terms, 'Drop' is the total amount of money bet by players at most table games. 'Hold' is the amount won from the drop at each table. Hold as a percentage of the drop will fluctuate. The hold is shared in varying percentages between charities and the casino operator dependant on the size and location of the casino. The operator's percentage of the hold is the 'Net'. The game of Poker has a 'Pot' rather than a drop. The pot is the total amount anted and bet by players at a poker table. 'Rake' is the total amount of the pot that is retained by the table and is usually a flat fee for each hand played. Rake is shared in varying percentages between the charity and casino operator dependant on agreements with the Alberta Gaming and Liquor Commission. The operator's percentage of the rake is the 'Net'. Financial statements of the Fund report only the net of the hold or rake.

Table Revenue (Continuing Operations)	**Q4 (twelve months)**			**Q4 (three months)**			vs. previous quarter	
	2009	2008	+(-)	**2009**	2008	+(-)	Q3 2009	+(-)
General and High Limit	**6,619.6**	5,779.7	14.5%	**1,453.4**	1,197.8	21.3%	1,542.3	(5.8%)
Poker	**1,278.1**	1,253.3	2.0%	**311.1**	321.3	(3.2%)	303.4	2.6%
Caribbean Stud	**64.3**	102.9	(37.5%)	**11.2**	21.4	(47.5%)	17.3	(35.1%)
	7,962.0	7,135.8	11.6%	**1,775.8**	1,540.6	15.3%	1,863.0	(4.7%)

(in thousands of dollars unless stated otherwise)

Table Drop and Hold (Continuing Operations)	**Q4 (twelve months)**			**Q4 (three months)**			vs. previous quarter	
	2009	2008	+(-)	**2009**	2008	+(-)	Q3 2009	+(-)
Drop	**57,663.2**	58,312.0	(1.1%)	**14,398.1**	15,437.2	(6.7%)	14,691.6	(2.0%)
Hold %	**19.7%**	17.4%	2.3%	**17.1%**	13.5%	3.6%	18.1%	(1.0%)

(in thousands of dollars unless stated otherwise)

# of Tables (Continuing Operations)	**end of Year**			vs. previous quarter	
	2009	2008	+(-)	Q3 2009	+(-)
All Others	**34.4**	34.8	(0.4)	34.8	(0.4)
Poker	**9.2**	9.2	0.0	9.2	0.0
Caribbean Stud	**1.0**	1.0	0.0	1.0	0.0
	44.6	45.0	(0.4)	45.0	(0.4)

Tables have been the bright spot in otherwise grey financial results. Despite an overall year over year decline, Drops have been steadily improving from the outset of the year. A corresponding year over year improvement in Hold resulted in improved revenues in 2009.

Boomtown table Drop is up 10% in year over year comparisons. Hold percentage climbed 2.6 percentage points to 19.3% from 16.7% on the Year. The net results provided a $257,000 increase in table revenue over 2008. Poker revenues climbed by 38% over 2008 levels contributing an additional $113,000 over 2008 revenues. Favourable results are largely attributable to improved dealer staffing and a shift in customer demographics.

Great Northern table Drop fell 5% in year over year comparisons. Hold percentage climbed 2.7 percentage points to 21.0% from 18.3% recorded in 2008. The net results provided a $145,000 increase in table revenue over 2008. Poker revenues climbed by 19% contributing an additional $63,000 over 2008 levels.

Deerfoot Joint Venture table Drop fell 7% in year over year comparisons. Hold percentage moved higher by 2.0 percentage points to 19.4% from 17.4% recorded in 2008. The net results provided a $110,222 increase in table revenue over 2008. Poker revenues fell sharply by 23.9% causing a reduction of $151,859 in poker revenue from 2008 levels.

Slot Machine Revenue

In Alberta, slot machine odds are regulated by the Alberta Gaming and Liquor Commission (the "AGLC"). The revenue sharing arrangement for amounts won by the slot machines is also set by the AGLC. Under the current arrangement casino operators, charities and the provincial government share the machine win on a 15/15/70 split respectively. Slot machine revenue, therefore, is determined by the above arrangements as well as the number of hours each machine operates and how much money is played on a machine ('Cash Play') during hours of operation.

Slot Revenue (Continuing Operations)	Q4 (twelve months)			Q4 (three months)			vs. previous quarter	
	2009	2008	+(-)	**2009**	2008	+(-)	Q3 2009	+(-)
Revenue	**18,779.1**	21,178.0	(11.3%)	**4,516.2**	5,232.0	(13.7%)	4,604.8	(1.9%)

(in thousands of dollars unless stated otherwise)

Slot Statistics (Continuing Operations)	Q4 (twelve months)			Q4 (three months)			vs. previous quarter	
	2009	2008	+(-)	**2009**	2008	+(-)	Q3 2009	+(-)
Cash Play	**1,648.6**	1,847.4	(10.8%)	**394.8**	449.7	(12.2%)	400.2	(1.4%)
Machines [1]	**1,096.8**	1,088.8	8.0	**1,096.8**	1,088.8	8.0	1,092.8	4.0

(in millions of dollars unless stated otherwise)

[1] At the end of the Year or Quarter

Cash Play, while lower on a year over year basis, trended toward flat over the final Quarter of the year, another sign that perhaps we are nearing the bottom of the trough in this recession.

Boomtown Cash Play is down 14% in year over year comparisons. Year over year comparisons, by quarter, show a significant narrowing of the Cash Play gap in the final Quarter of the year which is a positive sign. A slightly higher 15% reduction in revenues is the result of some significant jackpot wins during the Year.

Great Northern Cash Play is down 9% in year over year comparisons with a corresponding 9% reduction in revenues. Year over year comparisons by quarter again show a significant narrowing of the gap in the final Quarter of the year indicating we are nearing the bottom of the impact of the recession.

Deerfoot Joint Venture Cash Play is down 5% in year over year comparisons with a corresponding 5% reduction in revenues. Year over year comparisons by quarter also show a narrowing of the Cash Play gap in the final Quarter of the year suggesting economic confidence is improving in Calgary as well.

Food & Beverage ("F&B") Revenue

Food service operating arrangements differ by property from 100% owner operations to combinations of owner and 3rd party operating agreements. Only beverage service is consistently delivered directly by the Fund. Where food operations are run by a 3rd party, the Fund earns a commission on those sales.

F&B Revenue (Continuing Operations)	Q4 (twelve months)			Q4 (three months)			vs. previous quarter	
	2009	2008	+(-)	**2009**	2008	+(-)	Q3 2009	+(-)
Food & mix	**3,558.1**	3,739.7	(4.9%)	**1,052.8**	1,133.8	(7.1%)	771.5	36.5%
Liquor	**7,164.4**	7,984.6	(10.3%)	**1,976.7**	2,208.0	(10.5%)	1,567.8	26.1%
	10,722.5	11,724.3	(8.5%)	**3,029.5**	3,341.8	(9.3%)	2,339.2	29.5%

(in thousands of dollars unless stated otherwise)

Year over year comparisons of F&B sales show a steady decline from the outset of the year to September after which results are generally flat to the previous year. This may suggest that F&B is the first area which consumers are willing to begin spending again.

Boomtown earns commissions from on site premises leased to a third party. F&B sales, therefore, are heavily weighted to liquor. Year over year liquor sales report declines of 9% for the Year and 10% for the Quarter. Seasonal Christmas shutdowns at oil sands facilities result in significant population emigration to homes outside the region during the Quarter thereby reducing foot traffic through the casino.

Great Northern earns commissions from on site premises leased to a third party. Food sales at the facility are far more significant than at Boomtown. Still, F&B sales are weighted strongly to liquor. Year over year food sales declined 5% for the Year and only 4% for the Quarter on the strength of the Christmas banquet season. Year over year liquor sales report declines of 12% for the Year and 13% for the Quarter.

Deerfoot Joint Venture owns and operates all F&B operations on premises. Here, the sales mix is strongly shifted to food versus liquor. Year over year food sales report declines of 4% and 8% for the Year and Quarter respectively. Corporate Calgary significantly cut back on Christmas banquet expenses in 2009. Year over year liquor sales were down 12% for the Year and 8% for the Quarter.

Lease and Rental Revenue

Lease and rental revenue is derived predominantly from two leases in the Strip Mall as well as lease and rental revenues generated within the casinos from 3rd party providers of on-premise food services.

Lease & Rental (Continuing Operations)	Q4 (twelve months)			Q4 (three months)			vs. previous quarter	
	2009	2008	+(-)	2009	2008	+(-)	Q3 2009	+(-)
Total	372.9	327.6	13.8%	101.5	84.3	20.4%	96.3	5.5%

(in thousands of dollars unless stated otherwise)

Leases in the Strip Mall have all been renewed with rate increases.

Other Revenue

Other revenue includes the more significant items of automated teller (ATM) fees, ticket sales, interest on bank balances, cigarette sales, equipment rentals, movie rentals and other room charges to hotel guests.

Other Revenue (Continuing Operations)	Q4 (twelve months)			Q4 (three months)			vs. previous quarter	
	2009	2008	+(-)	2009	2008	+(-)	Q3 2009	+(-)
Total	3,792.3	4,594.4	(17.5%)	922.3	1,063.6	(13.3%)	880.9	4.7%

(in thousands of dollars unless stated otherwise)

Year over year declines in Other Revenue are largely attributable interest revenue and ticket sales. Interest revenue is lower on reductions to interest rates and declining bank balances. Ticket sales are lower on fewer entertainment offerings in line with declining demand.

Expenses

Total Expenses

Total Expenses (Continuing Operations)	Q4 (twelve months)			Q4 (three months)			vs. previous quarter	
	2009	2008	+(-)	**2009**	2008	+(-)	Q3 2009	+(-)
Total	**33,445.2**	30,907.7	8.2%	**7,154.3**	7,623.4	(6.2%)	8,531.9	(16.1%)
% of Revenues	**69.6%**	57.9%	11.6%	**60.7%**	57.2%	3.5%	75.4%	(14.7%)

(in thousands of dollars unless stated otherwise)

Management has made significant strides in reducing operating expenses. Declining economies of scale, however, work counter to these efforts to minimize their benefits. The Fund also incurred $0.6 million in one time expenses during the Year and Quarter planning for and researching options to respond to the impending change in tax status for income trusts in January 2011 for the purpose of improving unit holder value. One time guarantee payments of $4.6 million made during the Year to the lender of the Stampede Joint Venture pushed expenses out of our normal range for the Year.

Cost of Sales

Cost of sales, will for the most part, follow the performance of F&B revenue. Other cost of sales are made up of mostly room service charges in the hotel for such items as long distance telephone, movie rentals, laundry etc. Their corresponding revenues are included in Other Revenue. Cost of sales as a percentage of corresponding revenues will fluctuate moderately for Food & Mix and Liquor categories depending on the sales mix of individual products. More significant variations in the cost of sales percentage will be experienced for sales falling into the Other category due to the dissimilar nature of the products included.

Cost of Sales (Continuing Operations)	Q4 (twelve months)			Q4 (three months)			vs. previous quarter	
	2009	2008	+(-)	**2009**	2008	+(-)	Q3 2009	+(-)
Food & Mix	**1,697.0**	1,810.4	(6.3%)	**499.4**	527.0	(5.2%)	374.9	33.2%
Liquor	**1,517.3**	1,753.9	(13.5%)	**407.8**	482.0	(15.4%)	332.5	22.7%
Other	**117.9**	150.6	(21.7%)	**26.1**	36.6	(28.6%)	27.6	(5.4%)
Total	**3,332.3**	3,714.9	(10.3%)	**933.4**	1,045.5	(10.7%)	735.0	27.0%

(in thousands of dollars unless stated otherwise)

Cost of Sales % (Continuing Operations)	Q4 (twelve months)			Q4 (three months)			vs. previous quarter	
	2009	2008	+(-)	**2009**	2008	+(-)	Q3 2009	+(-)
Food & Mix	**47.7%**	48.4%	(0.7%)	**47.4%**	46.5%	1.0%	48.6%	(1.2%)
Liquor	**21.2%**	22.0%	(0.8%)	**20.6%**	21.8%	(1.2%)	21.2%	(0.6%)
Other	**53.0%**	52.3%	0.6%	**47.3%**	49.9%	(2.6%)	65.9%	(18.6%)

(in thousands of dollars unless stated otherwise)

Cost of sales are lower on lower sales. Improved cost of sales percentages for food and beverages are the result of tighter controls. Liquor tax increases imposed in the Alberta Government April 2009 Budget were rescinded in July which has also assisted lowering cost of sales percentages for all alcoholic beverages.

Human Resources

General administrative salaries and bonuses, Trustee and management fees, benefit costs, payroll taxes and other miscellaneous human resource costs are all combined under this heading.

Human Resources (Continuing Operations)	Q4 (twelve months)			Q4 (three months)			vs. previous quarter	
	2009	2008	+(-)	**2009**	2008	+(-)	Q3 2009	+(-)
Operations	**11,101.1**	11,851.4	(6.3%)	**2,725.2**	2,963.6	(8.0%)	2,729.3	(0.1%)
% of Revenues	*23.1%*	*22.2%*	*0.9%*	*23.1%*	*22.2%*	*0.9%*	*24.1%*	*(1.0%)*
General admin	**468.8**	479.8	(2.3%)	**116.0**	141.2	(17.8%)	117.2	(1.0%)
Trustee fees	**162.0**	161.4	0.4%	**45.0**	38.5	16.9%	45.5	(1.1%)
General & admin	**630.8**	641.2	(1.6%)	**161.0**	179.7	(10.4%)	162.7	(1.0%)
% of Revenues	*1.3%*	*1.2%*	*0.1%*	*1.4%*	*1.3%*	*0.0%*	*1.4%*	*(0.1%)*
Management fees	**1,008.3**	1,109.3	(9.1%)	**217.6**	271.0	(19.7%)	260.1	(16.3%)
% of Revenues	*2.1%*	*2.1%*	*0.0%*	*1.8%*	*2.0%*	*(0.2%)*	*2.3%*	*(0.5%)*
Total	**12,740.2**	13,601.9	(6.3%)	**3,103.8**	3,414.3	(9.1%)	3,152.1	(1.5%)
% of Revenues	**26.5%**	25.5%	1.0%	**26.3%**	25.6%	0.7%	27.9%	(1.5%)

(in thousands of dollars unless stated otherwise)

Human resource costs are the single largest expense category for the Fund. Efforts to reduce labour costs instep with falling revenue have been successful to the extent possible. Again, economies of scale are working counter to these efforts resulting in a Year over year increase in total human resource expenses as a percentage of total revenue.

Operational wages are being tightly managed to fit business volumes without compromising service. Salary based managers often fill in on otherwise hourly shifts to reduce costs.

Management fees are based on a percentage of revenue and/or EBITDA and are correspondingly lower.

Marketing and Promotions

Marketing and promotions include all donations, sponsorships and complimentary services offered at properties in addition to sales and advertising expenses. Staff promotions including discounted meal vouchers are also included under this heading.

Marketing (Continuing Operations)	Q4 (twelve months)			Q4 (three months)			vs. previous quarter	
	2009	2008	+(-)	**2009**	2008	+(-)	Q3 2009	+(-)
Total	**2,119.7**	2,361.2	(10.2%)	**577.0**	595.7	(3.1%)	541.6	6.5%
% of Revenues	**4.4%**	4.4%	0.0%	**4.9%**	4.5%	0.4%	4.8%	0.1%

(in thousands of dollars unless stated otherwise)

Radio and general promotions have been slashed in favour of news print advertising. Printed media is currently offering more attractive rates. Otherwise, promotions have been limited to loyalty customers with a focus on maintaining our core customer base with promotions that encourage visits and extended stays.

Operating Costs

Some of the more significant expenditures in this classification include entertainment, premises leases, repairs & maintenance, utilities and operating supplies.

Operating Costs (Continuing Operations)	Q4 (twelve months)			Q4 (three months)			vs. previous quarter	
	2009	2008	+(-)	2009	2008	+(-)	Q3 2009	+(-)
Total	**5,972.3**	6,362.3	(6.1%)	**1,599.6**	1,613.7	(0.9%)	1,416.6	12.9%
% of Revenues	**12.4%**	11.9%	0.5%	**13.6%**	12.1%	1.5%	12.5%	1.0%

(in thousands of dollars unless stated otherwise)

Variable rate expenses have fallen in step with lower revenues. In addition, the frequency of entertainment offerings has been reduced to meet reduced demand and the Fund has benefited from reduced commodity prices for utilities.

General and Administrative

General and administrative expenditures include professional fees, insurance, property and business taxes, corporate travel and other less significant expenses.

General & Administration (Continuing Operations)	Q4 (twelve months)			Q4 (three months)			vs. previous quarter	
	2009	2008	+(-)	2009	2008	+(-)	Q3 2009	+(-)
Total	**2,302.0**	1,993.6	15.5%	**652.2**	514.0	26.9%	547.3	19.2%
% of Revenues	**4.8%**	3.7%	1.1%	**5.5%**	3.9%	1.7%	4.8%	0.7%

(in thousands of dollars unless stated otherwise)

Strategic initiatives related to the impending change in tax status for income trusts including legal and professional expenses explain the rise in general and administrative spending for the Year and Quarter.

Interest

Interest is incurred on term debt held by Gamehost Limited Partnership and joint ventures of the Fund.

Interest (Continuing Operations)	Q4 (twelve months)			Q4 (three months)			vs. previous quarter	
	2009	2008	+(-)	2009	2008	+(-)	Q3 2009	+(-)
Total	**813.9**	1,231.6	(33.9%)	**229.2**	264.3	(13.3%)	204.3	12.2%
% of Revenues	**1.7%**	2.3%	(0.6%)	**1.9%**	2.0%	(0.0%)	1.8%	0.1%

(in thousands of dollars unless stated otherwise)

Reduced loan balances by scheduled and extra payments on the Fund's debt facilities together with falling prime rates have resulted in lower interest expenses. All of the debt facilities of the Fund are tied to prime rate fluctuations.

Future Tax

Bill C-52, which passed into Law in June 2007, will effectively tax the distributions of certain income trusts including the Fund effective January 1, 2011. As a result of the new tax legislation, any future tax assets or liabilities that are not expected to reverse themselves by the time the tax comes into effect are recorded during the Year. Future tax expenses are a non-cash charge.

Future Tax	Q4 (twelve months)			Q4 (three months)			vs. previous quarter	
	2009	2008	+(-)	**2009**	2008	+(-)	Q3 2009	+(-)
Total	**(276.8)**	(434.1)	(36.2%)	**39.9**	(380.0)	(110.5%)	1,459.2	(97.3%)
% of Revenues	**(0.6%)**	(0.8%)	0.2%	**0.3%**	(2.9%)	3.2%	12.9%	(12.6%)

(in thousands of dollars unless stated otherwise)

Future taxes were recalculated as a result of the disposal of the Stampede Joint Venture assets and a revision to the estimated combined federal and provincial tax rate on income trusts from 31.5% to 25% when the tax comes into effect. Future taxes are estimates only. Estimates will be impacted by the outcome of the Arrangement to convert to a corporation.

Guarantee Payments

Guarantee Payments	Q4 (twelve months)			Q4 (three months)			vs. previous quarter	
	2009	2008	+(-)	**2009**	2008	+(-)	Q3 2009	+(-)
Total	**4,551.0**	0.0	n/a	**(449.0)**	0.0	n/a	5,000.0	(109.0%)
% of Revenues	**9.5%**	0.0%	n/a	**(3.8%)**	0.0%	n/a	44.2%	(48.0%)

(in thousands of dollars unless stated otherwise)

The Fund had also provided a guarantee to the Stampede Joint Venture lender of $5.0 million. Following the receivership, management was able to negotiate a discount to the guarantee in exchange for expeditious payment. The Fund paid a total of $4.6 million on the guarantee during the Year. The Stampede Joint Venture's lender has given formal release from any further liability under the guarantee.

Discontinued Operations

The Fund's investment in the Stampede Joint Venture was made through 1363840 Alberta Ltd (the "Subsidiary"). The Subsidiary was created for the sole purpose of investing in the Stampede Joint Venture. The Subsidiary pledged its participating interest, being 20%, in the Stampede Joint Venture as collateral. The Fund's invested capital was made under the Subsidiary's Contributing Interest Responsibility.

The Fund's 20% participating interest in the Stampede Joint Venture resulted in normal course operating losses since opening of $1.4 million including $0.7 million in the Year.

Management of the Stampede Joint Venture elected for a voluntary receivership and on August 17, 2009, assets of the Stampede Joint Venture were transferred to the receiver. Losses resulting from the receivership totaled $4.2 million and were charged against net income.

All tolled, including guarantee payments made from continuing operations, the Fund recorded losses and charges related to the Stampede Joint Venture of $10.2 million during the fourteen months it was operated. The Fund has no further responsibilities in connection with the Joint Venture. All applicable obligations have been recorded to the financial statements at the end of the Year. In the Fund's interim financial statements and MD&A the Stampede Joint Venture is identified as discontinued operations and reported separately from the Fund's other operating assets.

Discontinued Operations
Statements of Operations

	twelve months ended December 31		three months ended December 31	
	2009	2008	2009	2008
Revenue	$ 2,422,418	$ 2,216,665	$ -	$ 983,441
Operating expenses	2,893,899	2,811,494	-	1,158,247
	(471,481)	(594,829)	-	(174,806)
Other income and (expenses):				
Loss due to receivership	(3,965,696)	-	-	-
Interest charges	(190,397)	(201,195)	-	(126,124)
Unrealized loss on fair valuation of financial assets and liabilities	-	(189,495)	-	(189,495)
Income allocation to minority interest	2,046,454	482,516	-	240,115
Net income	$ (2,581,120)	$ (503,003)	$ -	$ (250,310)

Reconciliation of EBITDA to Net Earnings

EBITDA to Net Earnings	Q4 (twelve months)			Q4 (three months)			vs. previous quarter	
	2009	2008	+(-)	**2009**	2008	+(-)	Q3 2009	+(-)
[1] EBITDA	**17,064.7**	25,314.4	(32.6%)	**5,371.4**	6,142.4	(12.6%)	(76.9)	(7,080%)
Less:								
Amortization on property, plant and equipment	**1,890.6**	2,076.4	(9.0%)	**468.3**	555.9	(15.8%)	475.9	(1.6%)
Interest charges	**813.9**	1,231.6	(33.9%)	**229.2**	264.3	(13.3%)	204.3	12.2%
Future income tax expense	**(276.8)**	(434.1)	(36.2%)	**39.9**	(380.0)	(110.5%)	1,459.2	(97.3%)
Allocation to minority interest	**6,472.9**	10,987.1	(41.1%)	**2,049.3**	2,791.8	(26.6%)	652.1	214.2%
Net Income (Loss) - Continuing	**8,164.1**	11,453.5	(28.7%)	**2,584.8**	2,910.4	(11.2%)	(2,868.4)	(190.1%)
Net Income (Loss) - Discontinued	**(2,581.1)**	(503.0)	413.1%	**-**	(250.3)	(n/a)	2,779.6	n/a
Net Income (Loss)	**5,583.0**	10,950.5	(49.0%)	**2,584,8**	2,660.1	(2.8%)	(88.8)	3,000.9%
[2] Net Income (Loss)/Unit - Continuing	**$ 0.693**	$ 1.063	$ (0.370)	**$ 0.220**	$ 0.270	$ (0.051)	$ (0.244)	$ 0.463
[2] Net Income (Loss)/Unit - Discontinued	**$ (0.219)**	$(0.047)	$ (0.173)	**$ -**	$(0.023)	0.023	$ 0.236	$ (0.236)
[2] Net Income (Loss)/Unit	**$ 0.474**	$ 1.016	$ (0.542)	**$ 0.220**	$ 0.247	$ (0.027)	$(0.008)	$ 0.227

[1] EBITDA is not a defined measure under Canadian GAAP. See Caution to Reader under MD&A

[2] Basic and fully diluted

Facilities

Capital Expenditures	Q4 (twelve months)			Q4 (three months)			vs. previous quarter	
	2009	2008	+(-)	**2009**	2008	+(-)	Q3 2009	+(-)
Maintenance	**400.0**	360.1	11.1%	**86.6**	153.5	(43.6%)	55.8	55.1%
Dispositions	**(11.9)**	0.0	n/a	**0.0**	0.0	n/a	(11.9)	n/a
	388.1	360.1	7.8%	**86.6**	153.5	(43.6%)	43.9	97.2%
Discontinued operations	**(12,388.9)**	12,284.6	(200.8%)	**0.0**	1.5	n/a	(7,528.2)	n/a
	(12,000.8)	12,644.8	(194.9%)	**86.6**	155.0	(44.1%)	(7,484.3)	(101.2%)

(in thousands of dollars unless stated otherwise)

Capital maintenance spending is in line with expectations. Maintenance and Dispositions represent cash transactions. Discontinued operations report the deemed sale of the assets of the Stampede Joint Venture following the transfer of the assets and operation to the receiver in bankruptcy which are non-cash transactions

Financial Condition

Liquidity

The Fund has expensed $4.6 million related to guarantee given to the Stampede Joint Venture's lender. The Fund has no further liabilities or obligations to the Stampede Joint Venture other than those recorded in the Financial Statements.

Cash provided by operating activities of continuing operations for the Year totaled $16.7 million compared to $24.2 million in 2008. At the end of the Year cash and cash equivalent balances totaled $10.0 million. Factors affecting the Fund's ability to generate cash in the near and longer terms were listed in the section 'Forward Looking Statements'. These factors are discussed in more specific terms in the section 'Business Risks and Outlook'. Management is closely monitoring the Fund's ability to sustain current cash distributions with cash flow from operations for the foreseeable future.

The change in tax status for income trusts brought on by the passing of Bill C-52 will reduce the amount of cash available for distribution to unit holders effective January 1, 2011.

The Fund's cash and cash equivalent balances are made up of cash and traditional bank balances only. The Fund has no exposure to asset backed commercial paper ("ABCP").

Working capital, by definition, is current assets minus current liabilities. The Fund's term debt held by Gamehost Limited Partnership and the Deerfoot Joint Venture includes a demand clause in the event certain performance covenants are not met. Term loans are presented as current liabilities for financial reporting purposes to recognize demand clauses in the loans. The Fund's lender does not consider the loans to be repayable within 12 months.

Internal working capital requirements for the Fund consists of cash floats for the operation of gaming tables, slot machines, ATM machines, POS terminals, progressive jackpots and petty cash as well as one months operating expenses, one month's debt service and one month's regular distribution to the holders of Fund Units less amounts due to related parties. Float amounts are set by management and will fluctuate based on activity levels in the casinos. Alberta Gaming and Liquor Commission require all casinos to maintain a Minimum Continuing Net Working Capital Position ("MCNWCP").

The Fund has a 40% Participating Interest in the operating activities of the Deerfoot Joint Venture. During the Year the Fund received $5.48 million in cash distributions from the Deerfoot Joint Venture.

Commitments

The Fund has a 47.75% Contributing Interest Responsibility to the Deerfoot Joint Venture for any capital funding requirements. All current capital requirements of the Deerfoot Joint Venture have been satisfied. There were no requests for capital made by the Deerfoot Joint Venture during the Quarter. No capital was contributed during the Quarter.

On June 1, 2003 the Fund entered into a management services agreement with Gamehost Management Inc. The management agreement stipulates that Gamehost Management Inc. is entitled to 2.0% of operational earnings before interest, taxes, depreciation and amortization of the Fund.

On January 1, 2007 the Fund entered into a management services agreement with 1068802 Alberta Ltd. The management agreement stipulates that 1068802 Alberta Ltd. is entitled to a fixed monthly fee of $17,700 for overseeing site operations of the Fund.

On April 26, 2005 the Deerfoot Joint Venture entered into a management services agreement with 1016312 Alberta Ltd. The management agreement stipulates that 1016312 Alberta Ltd is entitled to 1.5% of the gross revenues plus 2.0% of any operational earnings before interest, taxes, depreciation and amortization of the Deerfoot Joint Venture.

The Fund has certain other commitments for equipment, services and premises rent including the Funds Participating Interest Responsibility in commitments of the Deerfoot Joint Venture. At the end of the Year these commitments were;

Operating Leases and service contracts	2010	2011	2012	2013	2014	Thereafter
	1,691,051	1,541,768	979,348	803,358	813,736	4,800,365

Contingent liability

The interpretation of Contributing Interest Responsibility in the Deerfoot Joint Venture agreement is in some dispute. There is question as to further contributing interest responsibility for debt principal reductions since inception of the agreement. The maximum exposure for additional contributions from the Fund arising from this dispute total $2.2 million. No amounts for further contributions have been accrued to these Financial Statements.

Distributable Cash from Operations

Distributable cash from operations is not a defined term under Canadian GAAP, and its application and interpretation vary widely from issuer to issuer. The Fund originally defined a calculation of distributable cash in its information circular dated April 22, 2003. In this document, distributable cash is calculated as net income determined in accordance with Canadian GAAP, subject to certain adjustments as set out in the Declaration of Trust, including:

a) Adding the following items: amortization on property, plant & equipment, future income tax expense and losses on dispositions of assets; and

b) Deducting the following items: future income tax credits, gains on dispositions of assets and capital maintenance expenditures.

Other adjustments may be made to distributable cash as determined by a majority of the Trustees at their discretion.

The Canadian Standards Association (the "CSA") proposed amendments to National Policy 41-201 regarding the disclosure of distributable cash. Similarly, the Canadian Institute of Chartered Accountants (the "CICA") in July 2007 issued an interpretive release titled Standardized Distributable Cash in Income Trusts and Other Flow-Through Entities. For both of these governing bodies, the intent is to improve on current and varied industry reporting practices. The Fund has adopted the reporting methodology outlined in the CICA's July 2007 interpretive release for reporting distributable cash from operations.

Distribution policy and practice

It is the intention of the Fund Trustees to distribute sufficient income from the Fund so that the Fund will not have any liability for tax under Part I of the Income Tax Act. The Fund's mandate is to make consistent monthly cash payments to unit holders based on management's projections of the year's distributable cash.

The intention of the Fund is to be conservative in the monthly payout ratio of cash distributions to distributable cash from operations throughout the year. This allows the Fund to absorb smaller capital expenditures during the year without additional financing, provides for a reserve in the event funds are required for other purposes during the year and allows for the reduction of revolving loan balances and their associated interest costs. These practices may result in the build up of surplus cash for distribution. In mid December each year management makes earning projections to determine the taxable position of the Fund at December 31. Based on this projection, management will calculate a special distribution recommendation for the approval of Trustees to eliminate any potential for taxes in the Fund. Trustees evaluate the special distribution recommendation with special consideration of other factors such as strategic plans of the Fund and Fund unit trading performance.

The outcome of the Fund's Arrangement to convert to a corporation from income trust status will result in a change to the Fund's distribution policy. The effect of any change in policy can not be fully determined at the present time.

Productive capacity

The Fund's assets are in land, land improvements, buildings, leasehold improvements, and furniture fixtures and equipment. As of December 31, 2009, productive capacity of the Fund consisted of 123 guest rooms and 1 meeting room at Service Plus, the Fund's 40% Participating Interest in 188 guest rooms, 10 meeting/banquet rooms, 1 showroom, 3 restaurants and a lounge at the Deerfoot Joint Venture and ancillary amenities for all facilities. Also included in productive capacity are the Fund's interests in three gaming licenses, one each for Boomtown Casino, Great Northern Casino and the Deerfoot Joint Venture. Together these licenses provide a revenue stream for the Fund from an equivalent 1,097 slot machines and 45 table games. The table below summarizes changes in productive capacity since inception of the Fund.

Year	Event	Gaming/ Entertainment Sq ft	Banquet/ Convention Sq ft	Guest Rooms	F&B Seating	Electronic Gaming Devices	Tables	Lease Retail Sq ft
2003	Inception of Fund	31,864	-	123	165	420	32	10,530
2003	Great Northern Casino Expansion	9,800	1,200		45	59		
	AGLC adds slot machines					20		
2004	AGLC adds slot machines					83		
2005	Deerfoot Joint Venture opening	24,000	8,000	75	140	252	13	
2006	Boomtown Casino Expansion	11,000			40	193		
	AGLC adds slot machines					20		
2007	Deerfoot Joint Venture renovation	480			(20)	23		
2008	AGLC adds slot machines					16		
	Stampede Joint Venture	19,200	480		60	120	8	
	AGLC adds slot machines					3		
2009	AGLC adds slot machines					8		
	Stampede Joint Venture Receivership	(19,200)	(480)		(60)	(120)	(8)	
	Year ended Dec. 31, 2009	77,144	9,200	198	370	1,097	45	10,530

Productive capacity maintenance

Productive capacity maintenance costs for rooming and food and beverage facilities of the Fund are minimal. Maintaining the shine on our properties so that they continue to attract guests is largely one of regular refurbishment such as paint or new carpets and beds. For the most part, maintenance costs are treated as operational expenses at the time they are incurred and as such are already included in the periodic cash provided by (used for) operating activities as reported in financial statements. Management may, however, undertake smaller capital projects to be paid from cash generated from operating activities. Examples of these costs include, but are not limited to such things as converting to keyless entry on guest room access doors or the installation of digital security. These capital costs, when funded from operating cash flow, would fall into the category of productive capacity maintenance for the purpose of determining distributable cash from operations.

Liquor sales require the Fund to hold a valid liquor license issued by the Alberta Gaming and Liquor Commission. Productive capacity maintenance of liquor sales is most significantly related to keeping this license in good standing, and requires the Fund to provide letters of guarantee in favour of Alberta Gaming and Liquor Commission in the event of default of payment for the supply of liquor.

Gaming operations of the Fund require minimal capital outlay by the Fund. Slot machines are owned and maintained by the Alberta Gaming and Liquor Commission. Tables are owned and maintained by the Fund. Productive capacity maintenance of both tables and slot machines is more significantly measured in terms of maintenance of the Fund's charitable gaming operator licenses issued by the Alberta Gaming and Liquor Commission. Holders of these licenses must adhere to a strict set of terms and conditions. Furthermore, the three year licenses are subject to annual due diligence audits by the Alberta Liquor and Gaming Commission. Maintaining these licenses requires a nominal fee to cover the cost of Alberta Gaming and Liquor Commission's due diligence investigation which is expensed. The Fund's charitable gaming operator licenses have consistently received favourable results from these audits.

Annual capitalized costs for productive capacity maintenance should approximate $400,000 per year for the Fund based on a historical review of these costs and vintage of facilities.

Discretionary and other items

From time to time, at their discretion, management or Trustees may elect to use or reserve cash for other purposes. Capital expansions that were paid out of operating cash flow and increased floats necessitated by the implementation of TITO are two recent discretionary uses for cash. Discretionary uses of cash reduce the availability of cash for distribution to unit holders.

Long-term unfunded contractual obligations

The Fund has no long-term unfunded contractual obligations. The Fund does not have a pension plan or stock based compensation plan. The benign nature of the Fund's operations does not require that reserves be set up for environmental cleanup, asset retirement or other real or potential liabilities.

Debt Strategy

The current strategy of the Fund is to minimize debt. Current debt instruments will be maintained or eliminated to the extent they allow for repayment. All of the Fund's present debt instruments allow for additional payments without penalty. Debt maintenance includes regular amortized monthly principal payments, extra payments when surplus cash is available and intermittent payments/advances on revolving debt instruments. Surplus cash is routinely used to reduce revolving balances for the purpose of minimizing interest expenses throughout the year. Amounts are re-advanced to meet special distribution obligations if and when they are declared by Trustees of the Fund.

Larger scale expansions or acquisitions would be funded by debt or equity to the extent that the mix of debt to equity would be accretive to distributions of the Fund.

The Fund intends to repay existing non-revolving debt obligations over a period of time which will allow it to continue to pay distributions in the manner described in our Distribution policy and practice. Current interest rates allow for scheduled amortization periods of between 10 and 15 years in meeting distribution objectives.

Financing restrictions on distributions caused by debt covenants

The Limited Partnership has a term loan secured by assets owned by the Fund. The loan has two segments, the first requires blended principal and interest payments and is scheduled to term out over 10 years and the second is advanced on a revolving basis. This loan has no financial ratio debt covenants.

Debt facilities of the Deerfoot Joint Venture require the maintenance of certain financial covenants:

1. Debt to equity ratio not greater than 3.00:1.00
2. Debt service coverage of not less than 1.25:1.00

The Deerfoot Joint Venture is in compliance will all covenants

Alberta Gaming and Liquor Commission 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. The Funds internal working capital requirements typically exceed that of MCNWCP.

Working Capital

Working capital, by definition, is current assets minus current liabilities. The Fund's term debt held by Gamehost Limited Partnership and the Deerfoot Joint Venture includes a demand clause in the event certain performance covenants are not met. Term loans are presented as current liabilities for financial reporting purposes to recognize demand clauses in the loans. The Fund's and the Deerfoot Joint Venture's lender does not consider the loans to be repayable within 12 months.

Internal working capital requirements for the Fund consists of cash floats for the operation of gaming tables, slot machines, ATM machines, TITO Kiosks, POS terminals, progressive jackpots and petty cash. Float amounts are set by management and will fluctuate based on activity levels in the casinos. Management works to minimize float balances on premises to a maximum 4% of combined slot cash play and table drop activity levels with cash surplus to this held in bank accounts.

In addition to cash floats on premises, the Fund maintains one month's operating expenses, one month's debt service and one month's regular distribution to the holders of Fund Units less amounts due to related parties. Unused portions of revolving debt are considered working capital in the Funds determination of internal working capital. Working capital will typically be at its lowest level immediately following payment of any special year end distribution in January of each year.

Inventory levels and receivable targets vary by operation. Minimum targets include turning combined liquor and food inventories three times per month. Receivables are limited to hotel and banquet operations. Operations are expected to maintain a days sales outstanding (DSO) of not greater than 45 days. The Funds objective is to maintain the highest relationship with suppliers and remits all payables within stated terms, typically 30 days, but will take advantage of all early payment discounts offered.

Alberta Gaming and Liquor Commission require 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 months operating expenses and one month's interest costs on debt facilities. The Funds internal working capital requirements typically exceed that of MCNWCP.

Standardized Distributable Cash

Standardized Distributable Cash is defined as periodic cash flows from operating activities as reported in the GAAP financial statements, including the effect of changes in non-cash working capital and any operating cash flows provided from or used in discontinued operations , less adjustments for: total GAAP reported capital expenditures; and restrictions on distributions arising from compliance with financial covenants restrictive at the date of calculation of Standardized Distributable Cash.

Standardized Distributable Cash	Q4 (twelve months)		Q4 (three months)		
	2009	2008	**2009**	2008	Since Inception
Cash provided by (used by) operations					
Continuing operations	**16,705**	24,237	**4,954**	6,488	134,927
Discontinued operations	**(232)**	(474)	**-**	33	(706)
	16,473	23,763	**4,954**	6,521	134,221
Adjustment for capital expenditures from operating cash flow:					
Continuing operations	**(389)**	(268)	**(87)**	(62)	(4,396)
Discontinued operations	**(10)**	-	**-**	-	(10)
	(399)	(268)	**(87)**	(62)	(4.406)
Financing (restrictions) caused by debt covenants:					
Continuing operations	**(2,084)**	(1,471)	**(494)**	(499)	(4,551)
Discontinued operations	**(181)**	(117)	**-**	(117)	(298)
	(2,265)	(1,587)	**(494)**	(616)	(4,849)
Standardized Distributable Cash					
Continuing operations	**14,232**	22,498	**4,373**	5,927	125,980
Discontinued operations	**(424)**	(591)	**-**	(84)	(1,015)
	13,808	21,908	**4,373**	5,844	124,965
Standardized Distributable Cash/unit [1]					
Continuing operations	**$ 0.6743**	$ 1.0659	**$ 0.2072**	$ 0.2808	$ 5.9685
Discontinued operations	**$ (0.0201)**	$ (0.0280)	**$ -**	$ (0.0040)	$ (0.0481)
	$ 0.6542	$ 1.0379	**$ 0.2072**	$ 0.2769	$ 5.9204
Cash distributions paid	**$ 18,566**	$ 21,960	**$ 4,642**	$ 8,175	$ 116,268
Cash distributions paid/unit [1]	**$ 0.8796**	$ 1.0404	**$ 0.2199**	$ 0.3873	$ 5.5084
Payout ratio					
Continuing operations	**130.5%**	97.6%	**106.1%**	137.9%	92.3%
Total operations	**134.5%**	100.2%	**106.1%**	139.9%	93.0%

1 Weighted average and fully diluted

(in thousands of dollars unless stated otherwise)

The Fund adjusts Standardized Distributable Cash for entity specific needs when and if required.

Adjusted Distribution Base (formerly Distributable Cash from Operations)	Q4 (twelve months)				Q4 (three months)					
		2009		2008		**2009**		2008		Since Inception
Standardized Distributable Cash		**13,808**		21,908		**4,373**		5,844		124,965
Adjustments for:										
Change in floats		**150**		(546)		**150**		-		(2,676)
Adjusted Distribution Base		**13,958**		21,362		**4,523**		5,844		122,289
Adjusted Distribution Base/unit [1]	**$**	**0.6613**	$	1.0120	**$**	**0.2143**	$	0.2769	$	5.7936
Cash distributions paid		**18,566**		21,960		**4,642**		8,175		116,268
Cash distributions paid/unit [1]	**$**	**0.8796**	$	1.0404	**$**	**0.2199**	$	0.3873	$	5.5084
Payout ratio		**133.0%**		102.8%		**102.6%**		139.9%		95.1%

[1] Weighted average and fully diluted

(in thousands of dollars unless stated otherwise)

Distributions

2009 Distribution Summary				
Month	Date Declared	Record Date	Payment Date	Distribution per Unit
January	15-Jan-09	31-Jan-09	13-Feb-09	$0.0733
February	10-Feb-09	28-Feb-09	13-Mar-09	$0.0733
March	12-Mar-09	31-Mar-09	15-Apr-09	$0.0733
April	8-Apr-09	30-Apr-09	15-May-09	$0.0733
May	14-May-09	31-May-09	15-Jun-09	$0.0733
June	11-Jun-09	30-Jun-09	15-Jul-09	$0.0733
July	16-Jul-09	31-Jul-09	14-Aug-09	$0.0733
August	14-Aug-09	31-Aug-09	15-Sep-09	$0.0733
September	25-Sep-09	2-Oct-09	15-Oct-09	$0.0733
October	21-Oct-09	31-Oct-09	16-Nov-09	$0.0733
November	25-Nov-09	30-Nov-09	4-Dec-09	$0.0733
December	18-Dec-09	31-Dec-09	21-Jan-10	$0.0733
Total				$0.8796

2008 Distribution Summary				
Month	Date Declared	Record Date	Payment Date	Distribution per Unit
January	17-Jan-08	31-Jan-08	15-Feb-08	$0.0667
February	12-Feb-08	29-Feb-08	14-Mar-08	$0.0667
March	24-Mar-08	2-Apr-08	15-Apr-08	$0.0667
April	17-Apr-08	30-Apr-08	15-May-08	$0.0733
May	16-May-08	31-May-08	13-Jun-08	$0.0733
June	13-Jun-08	30-Jun-08	15-Jul-08	$0.0733
July	7-Jul-08	31-Jul-08	15-Aug-08	$0.0733
August	11-Aug-08	31-Aug-08	15-Sep-08	$0.0733
September	10-Sep-08	30-Sep-08	15-Oct-08	$0.0733
October	15-Oct-08	31-Oct-08	14-Nov-08	$0.0733
November	13-Nov-08	30-Nov-08	15-Dec-08	$0.0733
December	17-Dec-08	31-Dec-08	15-Jan-09	$0.2407
Total				$1.0271

Tax attributes of cash distributions to unit holders

Unit holders can expect their distributions to be mostly taxable as income. A small percentage of the unit holder's distributions may be return of capital for tax purposes. Any return of capital reported represents the excess of distributions from the Fund over that required to eliminate the taxable position of the Fund. Return of capital is considered a partial return of the unit holder's original investment and reduces the cost base of their investment. Tax implications manifest on the return of capital portion when a unit holder sells their investment in the Fund and capital gains or losses are realized on the sale of the investment.

Tax Attributes	Income	Return of Capital	Total
2008	93.17%	6.83%	100.00%
2007	98.04%	1.96%	100.00%
2006	97.25%	2.75%	100.00%
2005	89.61%	10.39%	100.00%
2004	95.25%	4.75%	100.00%
2003	73.12%	26.88%	100.00%

Tax on Income Trusts

Beginning January 1, 2011, distributions of income trusts will not be deductible in calculating taxable income of the trust; thereby requiring the trust to pay income taxes. Future income tax assets and liabilities are based on temporary differences between the tax treatment of assets and liabilities of the Fund and the accounting treatment of assets and liabilities reported on the Fund's financial statements to the extent that these differences will exist at 2011. Future tax is estimated based on assets and liabilities at the end of the Year and the expected combined Federal and Alberta tax rate of 25.0% for 2011. The Fund's income tax expense is as follows:

	$ of Taxes December 31, 2009	Taxes Rates December 31, 2009	$ of Taxes December 31, 2008	Tax Rates December 31, 2008
Income taxes at statutory rates	$4,931,281	25.0%	$5,809,502	25.0%
Income distributed to unit holders	(4,660,606)	(23.6%)	(5,306,505)	(22.8%)
Deduction of CEC and other additions	6,141	0.0%	(68,857)	(0.3%)
	$276,816	1.40%	$434,140	1.9%

Temporary differences and carry-forwards which give rise to future income tax assets and liabilities at December 31 are as follows:

	December 31, 2009	December 31, 2008
Future income tax asset (liability) arising from:		
Property, plant and equipment	$(1,523,866)	$(1,800,682)

Capital Resources

Limited Partnership

The Limited Partnership has a $15.0 million demand term loan secured by its land and buildings with the Canadian Western Bank ("CWB"). Interest on this loan is 1.0% above the CWB Prime Lending Rate. In June 2009 a floor rate of 4.0% was fixed to the loan as a result of an annual bank review. The Fund is making blended monthly principal and interest payments on a $9.0 million segment of the loan amortized over 10 years. $6.0 million of this loan is available on a revolving basis and is fully extended at the end of the Year.

The Limited Partnership has issued a demand promissory note in the amount of $4.1 million to a related party. The note is unsecured and was obtained as bridge financing to honour guarantee obligations to the Stampede Joint Venture's lender. The note carries interest at 3.25% per annum, paid monthly. During the Year the Fund repaid $99,000 on the note.

Deerfoot Joint Venture

The Deerfoot Joint Venture has a demand term loan secured by its land and buildings. Interest on the loan floats at 1.0% above the CWB Prime Lending Rate. In June 2009 a floor rate of 4.0% was fixed to the loan as a result of an annual bank review. The Fund's portion of the combined total authorized facility is $9.6 amortized over 15 years. The loan includes a $0.8 million revolver which has a zero outstanding balance at the end of the Year. The Fund's portion of scheduled monthly principal payments is $78,800, but has been accelerated to $100,000.

Credit Facilities

	December 31, 2009	December 31, 2008
Authorized Maximum Loan amounts		
Demand loan	9,000,000	9,000,000
Revolving credit lines	6,000,000	6,000,000
Deerfoot Joint Venture - demand loan	8,800,000	8,800,000
Deerfoot Joint Venture - demand loan, revolving	800,000	800,000
Demand promissory note	4,100,000	-
Continuing Operations	28,700,000	24,600,000
Discontinued Operations [1]	-	9,000,000
	28,700,000	33,600,000
Outstanding balance		
Demand loan	7,500,793	8,384,641
Revolving credit lines	6,000,000	4,000,000
Deerfoot Joint Venture - demand loan	5,748,283	6,948,283
Deerfoot Joint Venture - demand loan, revolving	-	-
Demand promissory note	4,001,000	-
Continuing Operations	23,250,076	19,332,924
Discontinued Operations [1]	-	8,250,404
	23,250,076	27,583,328
Advances (payments) during the calendar year		
Demand loan	(883,848)	3,084,641
Revolving credit lines	2,000,000	4,000,000
Deerfoot Joint Venture - demand loan	(1,200,000)	(855,243)
Demand promissory note	4,001,000	-
Continuing Operations	3,917,152	6,229,398
Discontinued Operations [1]	(8,250,404)	8,250,404
	(4,333,252)	14,479,802
Interest rate		
Demand loan	4.00% floor (P +1.00%)	4.00% (P +1.00%)
Revolving credit lines	4.00% floor (P +1.00%)	4.00% (P +1.00%)
Deerfoot Joint Venture - demand loan	4.00% floor (P +1.00%)	4.00% (P +1.00%)
Deerfoot Joint Venture - demand loan, revolving	4.00% floor (P +1.00%)	4.00% (P +1.00%)
Demand promissory note	3.25%	-

[1] The Stampede Joint Venture was placed into voluntary receivership during the Year. As a result, the Fund has no further responsibility for the debt facilities of the Stampede Joint Venture.

The Fund provided an $11.46 million unsecured limited liability guarantee to the lender of the Deerfoot Joint Venture to indemnify it in the event the Deerfoot Joint Venture does not perform its contractual obligations. The maximum potential liability under this guarantee is $5.7 million. The Fund has not recorded a liability with respect to this guarantee, as the Fund does not expect to make any payments in excess of what is recorded on the Financial Statements for the aforementioned items. The Fund has not charged a fee to the Deerfoot Joint Venture in regards to this guarantee. No specific assets have been provided as security.

The Fund provided a $5.0 million unsecured limited liability guarantee to the lender of the Stampede Joint Venture to indemnify it in the event the Stampede Joint Venture did not perform its contractual obligations. The Stampede defaulted on their contractual obligations under loan agreements. Stampede Joint Venture management successfully negotiated a reduction to the settlement amount under the guarantee to $4.6 million which has been paid and charged to income during the Year. The Fund did not charge a fee to the Stampede Joint Venture in regards to this guarantee.

The Limited Partnership may cause to be issued unlimited numbers of units or other securities provided they do not rank ahead of minority Class B Units or Fund Units as to cash distributions, voting rights and other rights protected by the Limited Partnership Agreement.

The Fund is evaluating options and developing strategic plans in response to the government's Bill C-52. The bill effectively provides for the taxation of income trusts beginning January 2011. The new tax has not had any impact on the Funds access to financing.

Financial Instruments

Fair value

The fair value of cash and cash equivalents, restricted cash, accounts receivable, revolving credit lines, accounts payable and accrued liabilities, capital leases, demand loan, due to/from related parties and unit holders distributions payable approximate their carrying value due to the short-term maturities of these instruments.

The fair value of the Class B Partnership units has not been determined as it is not practical to estimate the fair value of these financial instruments with sufficient reliability.

Foreign Exchange Risk

The Fund has no material foreign currency risk.

Interest Rate Risk

The Fund's interest rate risk arises primarily from its variable rate debt in the aggregate amount of $19.2 million. This debt has a floor rate of 4.0% which has been reached. A 1% increase in interest rates would have an unfavourable impact on earnings of $48,000 or $0.002/unit.

Credit Risk

Credit risk arises from cash and cash equivalents held with banks and credit exposure to customers. The Fund's day to day commercial banking is primarily with a AAA rated Canadian financial institution. Day to day commercial banking is not concentrated with a single financial institution. The Fund, in the normal course of operations, monitors the financial condition of its customers. The Fund 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. The Fund 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 minimal and those customers are making regular payments.

Liquidity Risk

Liquidity risk arises from excess financial obligations over available financial assets due at any point in time. The Fund's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet ongoing liquidity requirements. The Fund achieves this by maintaining a conservative distribution policy. The Funds payout ratio on Standardized Distributable Cash since inception is 93%. Losses from discontinued operations including the payment of a guarantee to the lender of the Stampede Joint Venture pushed the payout ratio for the Year to in 134.5%. The shortfall was covered by a related party loan to be replaced by longer term financing currently being negotiated. Excluding discontinued operations and payment of related guarantees, the Fund's payout ratio for the Year was 98.8%. This shortfall is expected to be short lived and covered by additional working capital financing currently being negotiated. Availability on committed credit facilities at December 31, 2009 is $0.8 million.

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

The maturity date on the Fund's term debt held by the Limited Partnership is the earlier of the date the loan is paid out and February, 2017. The maturity date on the Deerfoot Joint Venture term debt is the earlier of the date the loan is paid out and January, 2021.

Alberta Gaming and Liquor Commission require 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 months operating expenses and one month's interest costs on debt facilities. The Funds internal working capital requirements typically exceed that of MCNWCP.

During the Year, the Stampede Joint Venture, elected to place itself into voluntary receivership. Unable to negotiate the necessary concessions from its lender and landlord, Management of the Joint Venture determined that continuing to subsidize the operation was not in the best interest of joint venturers. The Fund provided a guarantee to the lender of the Stampede Joint Venture. During the Quarter, management of the Stampede Joint Venture reached a settlement with the lender to the Stampede Joint Venture reducing the amounts payable under the guarantee to $4.6 million which at the end of the Year had been paid by the Fund. The Stampede Joint Venture's lender has issued a formal release from any remaining amounts payable under the guarantee. Financing from a related party was secured to honour payments made under the guarantee (Related Party Transactions).

Industry risk

Service Plus in Grande Prairie derives 55% of its business from the energy sector. As a result, the Fund is exposed to industry risk at this operation.

It is management's opinion that the Fund is not exposed to significant other industry risk at the present time.

Related Party Transactions

Related party transactions are measured at the exchange amount which is the amount agreed to by related parties. Related party balances are unsecured and non-interest bearing with no specific terms of repayment with one exception noted below.

The Fund had related party transactions with the persons of David Will and Darcy Will and/or companies owned or controlled by David Will and/or Darcy Will collectively (the "Wills"). Both David Will and Darcy Will are Trustees of the Fund. Together, the Wills control 43.9% of the outstanding units of all unit classes of the Fund. Transactions with the Wills include the following:

- The Fund recorded $910,434 ($922,582 - 2008) of management services expenses during the Year which are included in Human resources expenses. Management fees stipulated in management services agreements are based on a percentage of revenues and/or earnings before interest, taxes depreciation and amortization. At the end of the Year $87,956 ($nil - 2008) remained in Accounts payable and $nil ($16,469 – 2008) remained in Due to related party accounts. As Chief Executive Officer and Vice President, David Will and Darcy Will, respectively do not take any salary for their management of the Fund, but are compensated through management services agreements.

- The Fund recorded $30,678 ($54,533 – 2008) of charter aircraft rental expenses during the Year which are included in Operating expenses. At the end of the Year $11,548 ($nil – 2008) remained in accounts payable. Travel to the Fund's operational centers of Grande Prairie and Ft. McMurray is made more efficient via charter air services than can be accomplished through commercial carriers.

- The Fund recorded $47,500 ($49,000 – 2008) in Trustee fees during the Year which are included in Human resources expenses. At the end of the Year $5,000 ($1,525 – 2008) remained in accounts payable.

- The Fund recorded $43,089 ($nil – 2008) in interest charges during the Year which are included in Interest expense. At the end of the Year $11,044 ($nil – 2008) remained in accounts payable. Interest charges arose from receipt of $4,100,000 in loans during the Year. At the end of the Year $4,001,000 ($nil – 2008) remained in Demand loans. The loan is unsecured and has a fixed interest rate of 3.25%. Loan proceeds were used to honour obligations under a guarantee the Fund provided to the lender to the Stampede Joint Venture.

The Fund recorded $114,500 ($112,373 – 2008) in Trustee fees during the Year paid to other Trustees or companies controlled by other Trustees of the Fund which are included under Human resources expenses. At the end of the Year $29,000 ($8,972 – 2008) remained in accounts payable.

The Fund recorded $21,825 ($30,230 – 2008) in professional and administrative fees during the Year paid to companies controlled by other Trustees of the Fund. At the end of the Year $nil ($2,625 – 2008) remained in accounts payable.

The Fund recorded $210,400 ($210,138 – 2008) of management services expenses during the Year to other officers which are included under Human resources expenses. Management fees stipulated in management services agreements are based on a flat monthly amount.

Outstanding Share Data

Fund Units

The Fund is authorized to issue an unlimited number of Fund Units. 1,000,000 B Units of Gamehost Limited Partnership were exchanged into Fund Units during the Year. Otherwise, there were no changes in the number of issued or outstanding Fund Units during the Year. The weighted average of equivalent units outstanding for the Year is equal to the units issued. The Fund did not have any options, warrants, rights or convertible instruments that would be potentially dilutive during the Year.

Fund Unit holder Equity	December 31, 2009			December 31, 2008		
	Units		$'s	Units		$'s
Balance at beginning of Year	10,773,153	$	32,018,886	10,773,153		32,133,482
Unit class conversions	1,000,000		3,193,434	-		-
Net earnings			8,164,099			11,453,511
Net loss - discontinued operations			(2,581,120)			(503,003)
Distributions to Fund Unit holders			(10,355,664)			(11,065,104)
Balance at end of Year	11,773,153	$	30,439,635	10,773,153	$	32,018,886

Minority Interest Class B Partnership Units

The Limited Partnership is authorized to issue an unlimited number of Class B Limited Partnership Units. 1,000,000 B Units of Gamehost Limited Partnership were exchanged into Fund Units during the Year. Otherwise, there were no changes in the number of Class B Limited Partnership Units issued or outstanding during the Year.

Minority interest	December 31, 2009			December 31, 2008	
	Units		$'s	Units	$'s
Balance at beginning of Year	10,334,400	$	32,955,463	10,334,400	33,065,390
Unit class conversions	(1,000,000)		(3,193,434)	-	-
Minority interest earnings allocation			6,472,945		10,987,050
Net loss - discontinued operations			(2,046,454)		(482,516)
Distributions to minority interest			(8,210,540)		(10,614,461)
Balance at end of Year	9,334,400	$	25,977,980	10,334,400	32,955,463

Business Risks, Opportunities and Outlook

Economic Outlook

Over the final Quarter of the Year clear signs of the end of the current recession surfaced. Shrinking national and international GDP figures are being replaced by moderately improving GDP figures and general improvement in economic sentiment is taking hold. The Canadian job market has shifted from job loss to job creation. House prices are on the rise again and demand is growing. It will take some time for these positive economic indicators to filter down and into our own operating results. A bottom to the revenue trough is beginning to form, however, and a return to growth should begin to manifest in later 2010.

Announcements that a number of significant oil sands projects will go ahead is good news for Alberta and indeed for the Fort McMurray area. Construction startup for these projects will increase the number of camp workers in the area and foot traffic to our Boomtown Casino.

Oil and gas activity has improved in the Grande Prairie region resulting in significant increases in occupancy levels at Service Plus early in the New Year. Drilling and other contractors are optimistic in the near term through spring break up which should provide a better start to the year in comparison to 2009. As at February, 25, 2010, occupancy was running above the same point in 2009 on the strength of corporate spending. Consumer spending will follow with the improving job market. Better results at Service Plus should translate into better results at Great Northern Casino later in the year.

Calgary will remain a highly competitive market place in 2010 even with two failed casino ventures in the city during 2009. The first of those failures found a buyer and continues to operate. The second continues to operate under receivership. Management does not believe the second casino can continue to operate as a year round casino. All other operating casinos in the city will benefit to various extents if and when it closes or moves to seasonal operations.

Management has had success in reducing spending to the lowest levels possible. The Fund stands to see long term benefits from these cost cutting measures as significant portions of top line growth will add directly to the fund's bottom line. Any return to pre-recession level revenues should translate into even higher profit margins than were produced previously. We will continue to be the margin producing gaming operator in the industry.

The Alberta and Canadian gaming industry continues to present very high barriers to entry. Very few growth opportunities at attractive investment levels existed during the pre-recessionary period. Given the fall out from the recent recession, acquisition opportunities may exist where there were none previously.

Government Regulation

The Federal Government has jurisdiction over provincial governments 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.

The Alberta and Canadian gaming industries are highly regulated by provincial governments. 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 both their provincial counterparts and the competing Alberta First Nations operators.

Public Interest

Special interest groups routinely lobby government on a host of matters. Gaming is a subject of high public 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.

Alberta Charitable Casino Operators Association

The Fund continues to support the efforts of the Alberta Charitable Casino Operators Association ("ACCOA"). ACCOA is lobbying the Alberta government to consider eliminating the uneven playing field between traditional casino operators and First Nations casino operators. The Government has heard the concerns of ACCOA as well as those of charitable groups supported by traditional casino operators.

Competition

Informal surveys suggest that the Fund's Service Plus hotel in Grande Prairie continues to maintain a "Top 3" ranking in the market region of 16 competing properties. At current demand levels the market is over supplied. The Service Plus property, however, boasts a long serving management team delivering consistently superior service from a superior location.

The continued operation of one of Calgary's traditional casinos remains in doubt. It is currently being operated by court appointed receivers. Efforts to find new ownership continue. We believe there is a strong possibility this property will cease to operate as a year round casino. Calgary nevertheless will continue to be a highly competitive market place exacerbated by the near proximity of First Nations gaming that can offer smoking to an otherwise smoke free gaming environment.

Management is not aware of any further gaming applications that could have a material effect on the Fund's operations.

In April 2009 a limited service hotel opened one block to the north of the Fund's Deerfoot Joint Venture. The limited service hotel is owned an operated by related parties the Wills. The limited service property augments the services provided by the Deerfoot joint Venture by offering more budget conscious patrons with guest room options in the underserviced area. Over the long term the limited service hotel is expected to be a net benefit to the Deerfoot Joint Venture by allowing the Deerfoot Joint Venture to attract larger conventions and by increasing foot traffic through the facilities casino and eating establishments. During the current challenging rooming market its presence may be having a somewhat detrimental impact.

Located approximately 8 kilometres or 10 minutes north on Deerfoot Trail, construction of a new full service hotel at Deerfoot Meadows shopping Centre is expected to be completed in the spring of 2010. This property's impact is expected to be minimal.

Legislated Change to Tax Status of Income Trusts and Corporate Restructuring

On June 12, 2007 Bill C-52 formalizing the Government of Canada's proposal to tax the distributions of certain specified investment flow through entities ("SIFT"). The Fund meets the definition of a SIFT for the application of the new tax. Distributions, under SIFT rules, would first be taxed at the Fund level with amounts net of tax paid as dividends in the hands of the unit holders. Furthermore, the bill set certain limitations on the growth of existing trusts. Draft legislation to simplify conversion of a SIFT to a corporation was recently issued by the Federal Government. The draft legislation generally comes without consequence to a unit holder on a conversion transaction. Unit holders are encouraged to consult professional resources regarding potential implications for their own account.

In response to the new SIFT taxation rules, the Fund has announced its intention to convert from an income trust structure to a corporate structure pursuant to a Plan of Arrangement (the "Arrangement") under the *Business Corporations Act* (Alberta).

The Arrangement is subject to various commercial conditions including, but not limited to, the consent to the Arrangement of Gamehost's lenders and the receipt of regulatory approvals including, but not limited to, the approval of the Toronto Stock Exchange. The Arrangement is also subject to the approval of the Court of Queen's Bench of Alberta and the approval of 66⅔% of the votes cast by the holders of units of Gamehost (the "Gamehost Unit holders") and the holders of class B limited partnership units of Gamehost Limited Partnership (the "Gamehost LP Unit holders" and collectively with the Gamehost Unit holders the "Gamehost Security holders") voting together as a single class in person or by proxy at the security holder meeting called to approve the transaction (the "Gamehost Meeting"). The mailing of an information circular to the Gamehost Security holders providing further details on the Arrangement occured in early April 2010 with the Gamehost Meeting to be held on April 30, 2010. The effective date of the Arrangement is expected to occur shortly following the Gamehost Meeting.

Complete details of the terms and conditions of the Arrangement are set out in the management information circular of Gamehost dated March 30, 2010 which is filed on SEDAR (www.sedar.com).

International Financial Reporting Standards (IFRS)

All publically accountable enterprises will be required to report under IFRS for fiscal periods beginning on or after January 1, 2011. IFRS will replace guidance provided by Canadian generally accepted accounting principles ("GAAP") for financial reporting. A detailed IFRS conversion plan is being developed to achieve full compliance with the new reporting standards effective January 1, 2011.

The Fund's IFRS transition plan had been deferred during 2009 pending certain strategic initiatives that would have had a material impact on the transition plan. Management has now set certain corporate directions such that a detailed plan can now be designed. Management will endeavor to prepare readers of the Fund's disclosures for what may be in certain cases be significant changes in the reporting of the Funds financial results. Throughout interim reporting periods in 2010, MD&A will provide high level status reports outlining progress towards full conversion in the form outlined below. Furthermore, as decisions regarding policy change are made and their impact quantified, specifics will be disclosed in the body of the MD&A at those points in the MD&A where it is relevant. Effort will be made to provide the IFRS relevance to the presented Canadian GAAP beginning in Q1 2010 as is becomes known. The Fund will endeavor to provide comparative IFRS qualitative and quantitative information to the reported Canadian GAAP information as it is developed throughout 2010.

Any communications about the Funds' conversion plan for IFRS reflects the expectations of changeover decisions based on consideration and understanding of available information. Notwithstanding, circumstances may occur that require the Fund to change accounting policies between the time of communicating these expectations and the changeover date.

International Financial Reporting Standards (IFRS) - Conversion Plan

Plan Component	**Status**
Project Management	A project management team has been formed including members of management and the audit committee to ensure progress towards successful implementation is on track.
Training and development	IFRS training for the project management team, key accounting staff and Audit Committee members is ongoing.
Communication	Communication of project status will begin in earnest during Q1 2010. Plans include regular progress meetings by the project management team and approved relevant communication of the impact to financial reporting to external users via the MD&A.
Business impacts	An early assessment includes: project resourcing; ICFR; duel reporting obligations in 2010 when comparative IFRS and Canadian GAAP is required and debt facility financial covenants.
Accounting policy changes	Research is ongoing to determine and document the expected changes to accounting policies that are required to comply with the new standards. Our current understanding indicates that reporting for: property, plant and equipment; intangible assets; long lived asset impairment, business combinations and income taxes will be impacted most by implementation of the new standards.
Financial statement presentation	Audit Committee has been advised of the potential impacts to financial statement presentation. Reporting options and exemptions available are to be researched with recommendations presented as they are researched during 2010.
Information technology compliance	Initial assessments indicate that conversion can be accomplished through general ledger modification requiring no significant system changes.

Additional Information

All required public disclosures including material documents, press releases, annual information form and financial statements of the Fund can be found on SEDAR at www.sedar.com. Additional information about the Fund can be found at www.gamehost.ca.