



FOR IMMEDIATE RELEASE

August 14, 2016

Red Deer, Alberta, August 14, 2016 – Gamehost Inc. (TSX: GH)

GAMEHOST ANNOUNCES SECOND QUARTER 2016 FINANCIAL RESULTS AND AUGUST DIVIDEND

Management and Directors of Gamehost Inc. (the "Company") present results for the three and six months ended June 30, 2016 (the "Quarter" and "Period" respectively).

Backdrop

On May 3, 2016, devastating wildfires in Ft. McMurray, forced the closure of Boomtown Casino. The casino suffered extensive smoke and heat damage. Remediation work began on the casino on June 1, 2016. Intensive work in difficult conditions continued in cooperation with our insurer, contractors and key staff to whom we express our gratitude for a highly commendable effort. An occupancy permit to re-open was issued for July 15, 2016 and we have been in full operation at Boomtown Casino since. The Company carries property insurance which will cover 100% of the outlay costs for remediation of the facility which are being paid directly by our insurer. The Company also carries full business profits coverage for an indemnity period of 18 months intended to restore profits to pre-fire expected levels. Claims for business profits are being submitted on a monthly basis with substantial cash advances provided by our insurer until claims are finalized. In addition, the Company carries insurance for ordinary payroll costs as a component of the business interruption policy. Boomtown Casino staff continued to receive an average of their regular pay during the period of closure which has resulted in some very grateful employees and 100% employee retention. Reported financial results for the Quarter will show a drop in operational revenue being partially offset by net insurance proceeds reported as other income.

Paint by Numbers

Total operating revenues for the Quarter were down \$4.5 million or 23.3% to \$14.8 million compared to \$19.3 million in the same quarter of 2015. Other revenue of \$1.9 million includes \$1.8 million in advances and accrued claims to our insurer for business profits and recovery of continuing and extra costs. Earnings before interest, taxes, depreciation and amortization ("EBITDA") that is attributable to shareholders of the Company ("EBITDA to Shareholders") was down \$1.4 million or 17.7% to \$6.5 million compared to \$7.9 million in the same quarter of 2015. EBITDA to Shareholders margin declined 1.8 percentage points in the Quarter to 41.1% from 42.9% in year over year comparison.

Provincial Roundup

Lower commodity prices and reduced capital spending in the oil and gas sector around the province are continuing to have an adverse effect on year over year revenues and profits for the Company. Operating conditions for the Company will remain volatile until supply/demand fundamentals for oil and gas show clear and sustained movement towards a healthy balance globally. The impact of these realities varies by region in the province and operating segment of the Company. Food & beverage and hotel segments were the first to feel the impact of the oil price collapse followed by gaming. Regionally, our northern most operations were significantly affected with lesser impact as you move south in the province. Diversification of regional economies also improve as you move south in the province which explains why Calgary has been the least impacted. Comparative performance for the Quarter finds Calgary revenues off by 8.0% while cost reductions allowed profits to remain flat. Grande Prairie recorded larger reductions in both revenue and EBITDA of 15.4% and 21.8% respectively after holding up relatively well to the end of the first quarter of the year. Estimates for business profits insurance claims for Ft. McMurray were based on approximate year over year reductions in revenue of 16.0% during the Quarter. An initial read on Ft. McMurray following the re-opening of Boomtown Casino is that there appears, at least, to be some pent up demand for the gaming and entertainment in the region. An influx of contractors working on fire related cleanup and reconstruction will likely bring additional foot traffic to the casino offsetting some portion of the pre-fire decline in customer visits and spend.

Dividend Policy

The Company made an announcement in May 2016 reducing the regular monthly dividend from \$0.0733 per common share to \$0.0575 per common share. The Company's Board of Directors will continue to monitor the sustainability of the current dividend rate.

Bumper Stickers

'Alberta Strong' has been a phrase recited often in the aftermath of the Ft. McMurray fire and is testament to the cooperation and generosity of so many of the residents in our province. Alberta Strong describes the resolve and fortitude that makes this province great and will ensure that Ft. McMurray returns to its place of prominence. We also share the gratitude of our Ft. McMurray residents for the support and generosity offered by fellow Canadians and organizations around the world that came to the community's aid.

Condensed Interim Consolidated Statements of Comprehensive Income

*In Canadian dollars (millions except
per share figures)*

	<i>(unaudited)</i>		<i>(unaudited)</i>	
	six months ended June 30		three months ended June 30	
	2016	2015	2016	2015
Operating revenue	\$ 32.9	\$ 39.1	\$ 14.8	\$ 19.3
Cost of sales				
Other	(18.2)	(20.9)	(8.3)	(10.4)
Depreciation	(1.0)	(1.0)	(0.5)	(0.5)
	(19.2)	(21.9)	(8.8)	(10.9)
Gross profit	13.7	17.2	6.0	8.4
Other income	1.1	0.1	1.1	0.1
Administrative expenses				
Other	(1.6)	(1.7)	(0.7)	(0.8)
Depreciation	(0.7)	(0.8)	(0.4)	(0.4)
	(2.3)	(2.5)	(1.1)	(1.2)
Profit from operating activities	12.5	14.8	6.0	7.3

Net finance costs	(0.5)	(1.0)	(0.3)	(0.5)
Profit before income taxes	12.0	13.8	5.7	6.8
Income tax expense	(3.8)	(4.3)	(2.1)	(2.6)
Profit	8.2	9.5	3.6	4.2
Profit attributable to:				
Shareholders	7.6	8.9	3.3	3.9
Non-controlling interest	0.6	0.6	0.3	0.3
	8.2	9.5	3.6	4.2
Earnings per share				
Basic	\$ 0.31	\$ 0.38	\$ 0.13	\$ 0.16
Fully diluted	\$ 0.31	\$ 0.38	\$ 0.13	\$ 0.16
Weighted average number of common shares outstanding				
Basic	24.7	23.7	24.7	23.8
Fully diluted	24.7	24.5	24.7	24.6
EBITDA to Shareholders	\$ 13.6	\$ 16.0	\$ 6.5	\$ 7.9
EBITDA to Shareholders %	41.2%	42.9%	41.1%	42.9%

Gamehost has also declared a cash dividend for the month of August 2016 of \$0.0575 per common share. The dividend will be paid on September 15, 2016 to shareholders of record on August 31, 2016. The ex-dividend date is August 29, 2016.

This dividend is considered an "Eligible Dividend" and therefore, eligible for the enhanced gross-up and dividend tax credit available to shareholders.

This press release may contain certain "forward-looking information" or statements within the meaning of applicable securities legislation and may contain words such as "anticipates", "believes", "could", "expects", "indicates", "plans", "withstand", "further" or other similar expressions that suggest future outcomes or events. Forward-looking information is based on the Company's current expectations, estimates, projections and assumptions that were made by the Company in light of its historical trends and other factors. All information or statements, other than statements of historical fact, are forward-looking information including any statements that address expectations related to future economic outcomes or the Company's dividend. Forward-looking statements reflect reasonable assumptions made on the basis of management's current beliefs with information known by management at the time of writing. Many factors could cause actual results to differ from the results discussed in forward-looking statements. Actual results may not be consistent with these forward-looking statements.

Gamehost is a corporation established under the laws of the Province of Alberta. The Company's operations are all located in the Province of Alberta, Canada. Operations of the Company include the Boomtown Casino in Ft. McMurray, the Great Northern Casino, Service Plus Inns & Suites hotel and a strip mall all located in Grande Prairie. The Company also holds a 91% ownership position in Deerfoot Inn & Casino Inc. in Calgary.

These interim consolidated financial results include the accounts of Gamehost Inc. and its subsidiaries; however, they do not include all disclosures normally provided in annual consolidated financial

statements and should be read in conjunction with the 2015 annual consolidated financial statements. Further, while the financial figures included in this announcement have been computed in accordance with IFRS applicable to annual periods, this announcement does not contain sufficient information to constitute an interim or annual financial report. The company will file an interim financial report for the three and six month period ended June 30, 2016. This report will be filed in its entirety, along with historical financial reports on the Company's website at www.gamehost.ca and on SEDAR at www.sedar.com along with the Company's other continuous disclosure documents, when they are available.

Gamehost common shares trade on the Toronto Stock Exchange (TSX) under the symbol GH.

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