



FOR IMMEDIATE RELEASE

November 8, 2016

Red Deer, Alberta, November 8, 2016 – Gamehost Inc. (TSX: GH)

## **GAMEHOST ANNOUNCES THIRD QUARTER 2016 FINANCIAL RESULTS AND NOVEMBER DIVIDEND**

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

### **Numerically Speaking**

Total operating revenues for the Quarter were down \$1.8 million or 9.6% to \$17.0 million compared to \$18.8 million in the same quarter of 2015. These results include a 14 day period at the start of July 2016 where Boomtown Casino remained closed for the completion of fire remediation work. An additional \$0.5 million in net insurance proceeds recovering lost profits from the Boomtown closure was recorded as other revenue during the Quarter. Earnings before interest, taxes, depreciation and amortization ("EBITDA") that is attributable to shareholders of the Company ("EBITDA to Shareholders") was down \$0.6 million or 7.5% to \$7.4 million compared to \$8.0 million in the same quarter of 2015. EBITDA to Shareholders margin declined 1.2 percentage points in the Quarter to 43.5% from 44.7% in year over year comparison.

### **Up and Running**

Boomtown Casino reopened for full operations on July 15, 2016 following area wildfires that forced the mass evacuation of the community and extensive remediation work to our property. Remediation and rebuilding efforts in the rest of the community will continue for years before the physical evidence of devastation is just a memory. To this end, work in the community is underway, and gaining momentum. Boomtown Casino is benefiting from higher foot traffic from a growing transient workforce arriving to rebuild the community. In the immediate months following reopening, Boomtown was the benefactor of competing businesses who faced challenges in gaining health authority approvals to reopen for business. Some area businesses continue to struggle with labour shortages due to staff not returned to the community forcing them to shorten their hours of operation. While benefits to us from our competitor's challenges are short term in nature, the medium term outlook is promising as rebuilding ramps up. Sadly ironic, since reopening Boomtown has performed better than pre-fire expectations.

### **Insurance Matters**

The Company settled claims with the insurer for all property damage and business profits lost during the period of the Boomtown Casino closure and has been paid for all claims submitted. The indemnity period for business profits extends to November 2017. The Company is monitoring performance of the property monthly and will submit further claims if warranted. To date, insurable losses incurred at Boomtown total approximately \$5.0 million.

## Feeling Better

The Company's dividend payout ratio has fallen back to a sustainable percentage following the announced dividend reduction effective June 2016. The current Quarter reports a dividend payout ratio of 93.5% which will continue to be monitored closely by management and the Board. Debt levels remain very low below \$30 million and at a healthy ratio of one times EBITDA.

## Still Smoke in the Air

For the general Alberta economy and specifically as it relates to the remaining operating assets of the Company forward visibility is still hazy. The Company's Grande Prairie and Calgary properties continue to be challenged, but management also continues to identify cost savings to maintain our high profitability. We are encouraged by some strengthening in drilling investment under the provinces Modernized Royalty Framework which goes into effect on January 1, 2017. Companies have been responding favourably since the government began allowing applications for early access to the new framework.

## What We Do Know

Despite the current challenges, we know we are nearly two years closer to a turnaround in fortunes. We have great assets in great and growing locations and we are well positioned and experienced to be successful in the economy we are in.

## Condensed Interim Consolidated Statements of Comprehensive Income

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

	<i>(unaudited)</i>		<i>(unaudited)</i>	
	nine months ended September 30		three months ended September 30	
	2016	2015	2016	2015
Operating revenue	\$ 49.9	\$ 57.9	\$ 17.0	\$ 18.8
Cost of sales				
Other	(27.5)	(30.6)	(9.3)	(9.7)
Depreciation	(1.5)	(1.6)	(0.5)	(0.6)
	(29.0)	(32.2)	(9.8)	(10.3)
<b>Gross profit</b>	<b>20.9</b>	<b>25.7</b>	<b>7.2</b>	<b>8.5</b>
Other income	1.8	0.1	0.6	-
Administrative expenses				
Other	(2.3)	(2.4)	(0.6)	(0.7)
Depreciation	(1.1)	(1.2)	(0.4)	(0.4)
	(3.4)	(3.6)	(1.0)	(1.1)
<b>Profit from operating activities</b>	<b>19.3</b>	<b>22.2</b>	<b>6.8</b>	<b>7.4</b>
<b>Net finance costs</b>	<b>(0.8)</b>	<b>(1.0)</b>	<b>(0.3)</b>	<b>(0.1)</b>
<b>Profit before income taxes</b>	<b>18.5</b>	<b>21.2</b>	<b>6.5</b>	<b>7.3</b>
Income tax expense	(5.8)	(5.3)	(2.0)	(1.0)

<b>Profit</b>	12.7	15.9	4.5	6.3
<b>Profit attributable to:</b>				
Shareholders	11.8	14.9	4.2	5.9
Non-controlling interest	0.9	1.0	0.3	0.4
	12.7	15.9	4.5	6.3
<b>Earnings per share</b>				
Basic	\$ 0.48	\$ 0.62	\$ 0.17	\$ 0.24
Fully diluted	\$ 0.48	\$ 0.62	\$ 0.17	\$ 0.24
<b>Weighted average number of common shares outstanding</b>				
Basic	24.7	24.0	24.7	24.5
Fully diluted	24.7	24.0	24.7	24.5
<b>EBITDA to Shareholders</b>	\$ 20.9	\$ 24.0	\$ 7.4	\$ 8.0
<b>EBITDA to Shareholders %</b>	41.8%	43.5%	43.5%	44.7%

Gamehost has also declared a cash dividend for the month of November 2016 of \$0.0575 per common share. The dividend will be paid on December 15, 2016 to shareholders of record on November 30, 2016. The ex-dividend date is November 28, 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 nine month period ended September 30, 2016. This report will be filed in its entirety, along with historical financial reports on the Company's website at [www.gamehost.ca](http://www.gamehost.ca) and on SEDAR at [www.sedar.com](http://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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