



**2006 Third Quarter
Interim Management Discussion and Analysis
for the nine month period ended September 30, 2006**

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. These assets were acquired from Service Plus Hospitality Ltd., Will Inns Ltd. and Boomtown Casino Ltd. pursuant to a Plan of Arrangement (the "Plan of Arrangement") under the Business Corporations Act (Alberta) (the "ABCA"). 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 units ("A Units") and Class B Limited Partnership units ("B Units"). The A Units are held by, and can only be issued to, the Trust. All B Units are held by the remaining partners of the Limited Partnership. There are 3,591,051 A Units and 3,444,800 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.

Overview

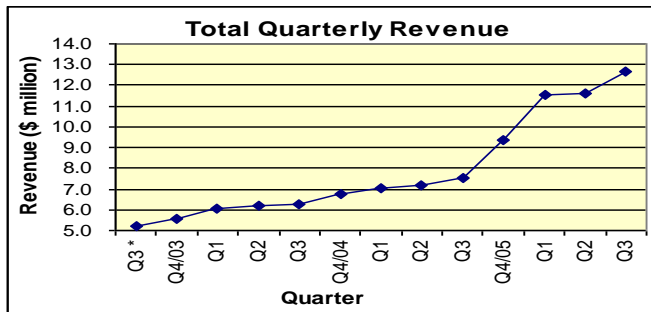
The Fund's activities are currently confined to the Province of Alberta, Canada. Operations include the Boomtown Casino in Ft. McMurray, the Great Northern Casino in Grande Prairie and Service Plus Inns & Suites ("Service Plus"), a limited service hotel, also located in Grande Prairie. As a complement to the hotel, the Fund owns a retail complex (the "Strip Mall") that leases space to separate liquor store, pub and full service restaurant operations. The Fund is also a 40% joint venture partner in Deerfoot Inn & Casino Inc., (the "Deerfoot Joint Venture"), that opened Deerfoot Inn & Casino in Calgary on November 21, 2005.

Management believes in a combined entertainment and hospitality model. The 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 unitholders by way of cash distributions on a monthly basis.

To our Unitholders

The Trustees and management of Gamehost Income Fund are pleased to present interim results for the nine months ended September, 2006 (the “Period”) and three months ended September, 2006 (the “Quarter”).



Revenue generated during the Quarter produced a twelfth consecutive quarter of growth for the Fund. Deerfoot Inn & Casino and the hotel segment in general exceeded management expectations driving these favourable results. Additional slot machines at Boomtown Casino also contributed to positive results.

Operating Results

Revenues for the Quarter of \$12.7 million are up \$1.0 million or 9.0% from Q2 2006 and \$5.2 million or 68.7% from Q3 2005. Adjusted to Same Store, revenue comparisons for the same time periods report increases of \$429 thousand or 5.2% versus the previous quarter and \$1.2 million or 16.4% versus the same quarter one year earlier.

EBITDA of \$6.2 million for the Quarter represents a record for the Fund as well. EBITDA in the Quarter increased \$634 thousand or 11.4% from Q2 2006 and \$1.9 million or 45.8% from Q3 2005. Adjusted to Same Store, EBITDA comparisons for the same time periods report increases of \$124 thousand or 2.7% versus the prior quarter and \$343 thousand or 7.9% versus the same quarter one year earlier.

EBITDA margins increased to 48.8% for the Quarter, a 1.1% rise from those in Q2 2006. Compared to Q3 2005 EBITDA margins are lower by 7.7% due to the dilutive effect of lower margins produced by the startup Deerfoot Joint Venture. Adjusting quarterly EBITDA margins to Same Store figures results in a Quarter over quarter reduction of 1.3% and a year over year reduction of 4.2% in quarterly margins. Same Store EBITDA margin reductions are a reflection of higher operating costs in general, but also some significant spending on refurbishment projects at our Grande Prairie, Alberta properties. Removing the effect of this refurbishment spending on Same Store properties results in Quarter over Quarter and year over year EBITDA margin reductions of 0.3% and 2.5% respectively.

Net earnings generated by the Fund totaled 74.8¢ per unit during the Quarter up 9.5¢ from the previous quarter results of 65.3¢ and up 17.8¢ from Q3 2005 results of 57.0¢. On a Same Store basis, net earnings per unit of 61.0¢ were 2.4¢ higher than Q2 2006 earnings per unit of 58.7¢ and 2.5¢ higher than Q3 2005 earnings per unit of 58.5¢.

Operations

Q3 results were buoyed by a very strong September which included five weekends of gaming operations at the Fund’s casinos. Hotel and casino properties benefited from strong tourist traffic throughout the summer months. With the exception of Great Northern Casino all operating divisions produced record revenues during the Quarter.

Occupancy levels held steady to higher at Service Plus Inns & Suites in Grande Prairie. This, combined with recent rate increases, produced the highest ever quarterly revenues produced by the property. Occupancy levels continued to rise steadily through the Quarter at Deerfoot Inn and are on pace to well surpass our expectation for the first year of operations. The strong Alberta economy has allowed for a

room rate increase at Deerfoot as well. The positive effects of this rate change will be realized slowly as existing corporate contracts are renewed.

A number of refurbishment projects on our Grande Prairie properties were undertaken during the Quarter to keep the properties fresh. Lower operating margins this Quarter reflect these refurbishments.

Cash Generated

For the Quarter, the Fund generated \$0.836 per unit in cash earnings compared to \$0.737 per unit during the previous quarter. This equates to an additional 9.9¢ per unit or 13.4% increase Quarter over quarter. Year over year, quarterly cash earnings per unit are up 23.3¢ or 31.6%.

The Fund paid out 54% of all cash generated during the Quarter and for the Period has paid out 54% of all cash generated. Regular monthly per unit distributions of 15.0¢ were made throughout the Quarter. Most recently, in October, Trustees declared a 15.0¢ distribution for the month of October 2006 payable in November 2006. Surplus cash was used to reduce revolving loan debt during the Quarter.

Coming Up

We are excited about heading into the final quarter of the year and in particular for the prospects of the Deerfoot Joint Venture. Q4 2006 includes the first full banquet season at the Deerfoot Joint Venture following a year of promoting the property to the community. Completion of Q4 will provide the missing piece of the puzzle to more fully understanding the Calgary market place and complete the baseline for ongoing measurement. We are also anticipating the expansion of the Boomtown Casino to begin to reveal its potential as the energy sector in the North moves into the traditionally high activity fall and winter months.

Weather wise we have enjoyed one of the finest Alberta summers of recollection. Business wise it has been much the same. To our patrons, staff and unit holders, thank you for your support.

October 27, 2006

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 nine month period ended September 30, 2006

This discussion should be read in conjunction with the reported financial results for Gamehost Income Fund (the "Fund") for the nine month period ended September 30, 2006 (the "Period") and three month period ended September 30, 2006 (the "Quarter"). Consolidated interim financial statements for the Period and Quarter have been prepared by management in accordance with Canadian generally accepted accounting principles (GAAP).

Discussion focuses on year over year comparative results for the Quarter and comparison of the Quarter to results in the immediately preceding quarter. Readers are directed to management discussion and analysis contained in earlier reports for specific results of previous quarters.

Caution to the Reader

Interim Period, Quarter and comparative figures contained in this management discussion and analysis have not been independently audited or reviewed by the Fund's external auditors except where indicated

This management discussion and analysis may make reference to earnings before interest, taxes, depreciation and amortization ("EBITDA"). EBITDA is a non-GAAP measure and is provided for information only. EBITDA calculations should not be relied upon as a sole measure of performance.

Distributable Cash is a non-GAAP measure and its application and interpretation vary widely. References to distributable cash may be found throughout this management discussion and analysis. The reader should be aware that any measurements of distributable cash found within may not be comparable to those made in management discussion and analysis of other companies.

This management discussion and analysis uses the term "Same Store" for the purpose of providing additional and separate comparative results which exclude the impact of the Fund's investment in Deerfoot Inn & Casino. Results from the start of operations of Deerfoot Inn & Casino (the "Deerfoot Joint Venture") have had a significant impact on over all operating results during the Period and Quarter for which there is no reasonably comparable data from the prior year.

This management discussion and analysis may contain forward-looking statements. Forward-looking statements may contain words such as "anticipates", "believes", "could", "expects", "indicates", "plans" or other similar expressions that suggest future outcomes or events. Use of these 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.

Disclosure Controls

Disclosure controls and procedures have been designed to provide the Manager with reasonable assurance that material information relating to the Fund, including its consolidated subsidiaries, is made known to the Manager by others within those entities, particularly during the period in which the annual filings are being prepared.

Certifying officers of the Manager have evaluated those controls and procedures and concluded that they are operating effectively. All material information relating to the Fund and its consolidated subsidiaries has been made known to the Manager during the preparation of the annual financial statements and that information has been included in the reported results for the Period.

Quarterly Performance Summary

Quarterly Performance	2006			2005				2004
	Q3	Q2	Q1	Q4 ³	Q3 ²	Q2	Q1	Q4
Total revenue	\$12,673	\$11,624	\$11,512	\$9,374	\$7,514	\$7,150	\$7,048	\$6,745
Expenses	\$6,486	\$6,071	\$5,930	\$5,063	\$3,270	\$3,092	\$3,163	\$3,216
EBITDA	\$6,186	\$5,553	\$5,581	\$4,311	\$4,244	\$4,059	\$3,885	\$3,529
EBITDA %	48.8%	47.8%	48.5%	46.0%	56.5%	56.8%	55.1%	52.3%
Net earnings	\$5,264	\$4,593	\$4,708	\$3,858	\$4,009	\$3,824	\$3,650	\$3,268
Net earnings per unit ¹	\$0.748	\$0.653	\$0.669	\$0.548	\$0.570	\$0.543	\$0.519	\$0.464
Adjusted to same store	2006			2005				2004
	Q3	Q2	Q1	Q4 ³	Q3 ²	Q2	Q1	Q4
Total revenue	\$8,748	\$8,319	\$8,541	\$7,984	\$7,514			
Expenses	\$4,054	\$3,749	\$3,703	\$3,542	\$3,162			
EBITDA	\$4,695	\$4,571	\$4,838	\$4,443	\$4,352			
EBITDA %	53.7%	54.9%	56.6%	55.6%	57.9%			
Net earnings	\$4,294	\$4,129	\$4,467	\$4,180	\$4,117			
earnings per unit ¹	\$0.610	\$0.587	\$0.635	\$0.594	\$0.585			

(in thousands of dollars unless stated otherwise)

¹ Basic and fully diluted

² Deerfoot Joint Venture begins incurring operational expenses

³ Deerfoot Joint Venture opens Nov 21, 2005

Revenues

Total Revenue

For the twelfth consecutive quarter the Fund achieved overall revenue growth. Year over year gains are dramatic due to the contribution made by the Fund's interest in the Deerfoot Joint Venture which began operations November 21, 2005. With the exception of Great Northern Casino all properties achieved record revenues.

Total Revenue	Q3 (nine months)			Q3 (three months)			vs. previous quarter	
	2006	2005	+(-)	2006	2005	+(-)	Q2 2006	+(-)
	35,808.5	21,711.6	64.9%	12,673.0	7,513.6	68.7%	11,624.0	9.0%

Adjusted to Same Store	Q3 (nine months)			Q3 (three months)			vs. previous quarter	
	2006	2005	+(-)	2006	2005	+(-)	Q2 2006	+(-)
	25,608.1	21,711.6	17.9%	8,748.3	7,513.6	16.4%	8,319.1	5.2%

(in thousands of dollars unless stated otherwise)

Hotel Rooming Revenue

Hotel Rooming includes both guest and meeting room sales at hotels. Occupancy and Average Daily Rate ("ADR") are calculated on guest room sales only.

Hotel - Rooming	Q3 (nine months)			Q3 (three months)			vs. previous quarter	
	2006	2005	+(-)	2006	2005	+(-)	Q2 2006	+(-)
Rooming	5,485.3	2,865.6	91.4%	2,116.0	1,012.0	109.1%	1,719.2	23.1%
Occupancy	80.1%	83.8%	(3.7%)	87.7%	88.2%	(0.5%)	76.4%	11.3%
Average Rate	\$124.22	\$102.53	21.2%	\$130.45	\$102.74	27.0%	\$121.90	7.0%

Adjusted to Same Store	Q3 (nine months)			Q3 (three months)			vs. previous quarter	
	2006	2005	+(-)	2006	2005	+(-)	Q2 2006	+(-)
Rooming	3,573.5	2,865.6	24.7%	1,268.7	1,012.0	25.4%	1,124.2	12.9%
Occupancy	91.4%	83.8%	7.6%	91.7%	88.2%	3.5%	87.8%	4.0%
Average Rate	\$115.73	\$102.53	12.9%	\$121.52	\$102.74	18.3%	\$113.65	6.9%

(in thousands of dollars unless stated otherwise)

Occupancy rates at the Deerfoot Joint Venture continued a steady climb through the summer months and pushed into the mid eighty percent range in September. The City of Calgary hosted the annual Stampede and Exhibition in July which also allowed for a temporary increase in room rates. Room rates were increased permanently in September on strong demand in the south Calgary area.

Occupancy levels remained in the 90% range throughout the Quarter at Service Plus. In anticipation of increased demand in the fall and winter months and to offset higher operating costs, rates were increased in August 2006.

Table Game Revenue

Table play and 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 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 25%/75% by the charity and casino operator respectively. Financial statements of the Fund report only the net table win being the operator's portion of the hold or rake.

Table Games	Q3 (nine months)			Q3 (three months)			vs. previous quarter	
	2006	2005	+(-)	2006	2005	+(-)	Q2 2006	+(-)
All Others	4,250.4	2,839.3	49.7%	1,365.3	927.4	47.2%	1,304.5	4.7%
Poker	664.1	250.9	164.7%	234.6	67.6	247.0%	222.9	5.2%
Caribbean Stud	180.2	164.1	9.8%	57.2	48.5	18.0%	61.0	(6.1%)
	5,094.7	3,254.3	56.6%	1,657.2	1,043.5	58.8%	1,588.4	4.3%

Adjusted to Same Store	Q3 (nine months)			Q3 (three months)			vs. previous quarter	
	2006	2005	+(-)	2006	2005	+(-)	Q2 2006	+(-)
All Others	2,746.5	2,839.3	(3.3%)	830.4	927.4	(10.5%)	795.5	4.4%
Poker	260.6	250.9	3.8%	87.2	67.6	29.0%	89.3	(2.4%)
Caribbean Stud	148.5	164.1	(9.5%)	44.9	48.5	(7.4%)	50.6	(11.2%)
	3,155.6	3,254.3	(3.0%)	962.5	1,043.5	(7.8%)	935.4	2.9%

(in thousands of dollars unless stated otherwise)

Table play has grown on average 5% per quarter at the Deerfoot Joint Venture. Combined hold and rake percentages maintained a favourable average in excess of 23% during the Quarter continuing a string of moderate quarterly gains over the Period.

Table results at Boomtown and Great Northern Casinos have been more erratic. Table activity at these Same Store properties show no clear pattern of improvement or decline over the Period. Combined hold and rake percentages have also experienced fluctuations, but maintaining levels always in excess of 20%. For the Quarter, table drop at Same Store properties was markedly higher than Q2 2006 by \$800 thousand offsetting a reduction in average combined hold/rake percentage of 2% to 20.2% over the Quarter. Instability in dealer staffing is a factor in fluctuating revenues.

Tables (# of)	at the end of Q3			at the end of Q3			vs. previous quarter	
	2006	2005	+(-)	2006	2005	+(-)	Q2 2006	+(-)
All Others	34.6	25.0	9.6	34.6	25.0	9.6	34.6	0.0
Poker	9.2	5.0	4.2	9.2	5.0	4.2	9.2	0.0
Caribbean Stud	2.4	2.0	0.4	2.4	2.0	0.4	2.4	0.0
	46.2	32.0	14.2	46.2	32.0	14.2	46.2	0.0

Adjusted to Same Store	at the end of Q3			at the end of Q3			vs. previous quarter	
	2006	2005	+(-)	2006	2005	+(-)	Q2 2006	+(-)
All Others	23.0	25.0	(2.0)	23.0	25.0	(2.0)	23.0	0.0
Poker	6.0	5.0	1.0	6.0	5.0	1.0	6.0	0.0
Caribbean Stud	2.0	2.0	0.0	2.0	2.0	0.0	2.0	0.0
	31.0	32.0	(1.0)	31.0	32.0	(1.0)	31.0	0.0

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 numbers of hours the machines operate and how much money is played on the machines (‘Drop’) during hours of operation.

Slot Machine	Q3 (nine months)			Q3 (three months)			vs. previous quarter	
	2006	2005	+(-)	2006	2005	+(-)	Q2 2006	+(-)
Revenue	15,071.0	10040.7	50.1%	5,302.2	3570.9	48.5%	5,046.1	5.1%
Machines ¹	1,035	594	441	1,035	594	441	1,031	4

Adjusted to Same Store	Q3 (nine months)			Q3 (three months)			vs. previous quarter	
	2006	2005	+(-)	2006	2005	+(-)	Q2 2006	+(-)
Revenue	12,230.0	10040.7	21.8%	4,207.9	3570.9	17.8%	4,107.9	2.4%
Machines ¹	795	594	201	795	594	201	791	4

(in thousands of dollars unless stated otherwise)

¹ At the end of the Period or Quarter

Slot activity and win statistics continued their steady climb though the Quarter at the Deerfoot Joint Venture. Since the beginning of the Period machine Drop and win statistics have averaged 4.5% growth monthly.

Same Store slot revenue increases 2.4% over the previous quarter on strength from Boomtown Casino. Great Northern Casino received 4 additional slot machines in September 2006 bringing their total to 396 just 3 short of the maximum allowed for a medium casino.

Food & Beverage (“F&B”) Revenue

The Fund earns F&B revenue under numerous arrangements. The Deerfoot Joint Venture is the Fund’s only property that owns and operates the entire F&B operations on premises. Each of our Same Store properties have individual operating arrangements that combine Fund owned and operated liquor sales and food sales with 3rd party arrangements for food and concession services.

F&B Revenue	Q3 (nine months)			Q3 (three months)			vs. previous quarter	
	2006	2005	+(-)	2006	2005	+(-)	Q2 2006	+(-)
Food & mix	2,203.9	568.2	287.9%	745.7	196.7	279.1%	729.6	2.2%
Liquor	4,862.6	2,995.8	62.3%	1,729.7	1,011.8	71.0%	1,528.3	13.2%
	7,066.5	3,564.0	98.3%	2,475.5	1,208.5	104.8%	2,257.9	9.6%

Adjusted to Same Store	Q3 (nine months)			Q3 (three months)			vs. previous quarter	
	2006	2005	+(-)	2006	2005	+(-)	Q2 2006	+(-)
Food & mix	687.4	568.2	21.0%	228.9	196.7	16.4%	218.9	4.6%
Liquor	3,721.9	2,995.8	24.2%	1,327.7	1,011.8	31.2%	1,177.8	12.7%
	4,409.3	3,564.0	23.7%	1,556.6	1,208.5	28.8%	1,396.7	11.4%

(in thousands of dollars unless stated otherwise)

Both the Deerfoot Joint Venture and Same Store properties posted strong revenue gains in F&B revenues during the Quarter. Price increases on many products have been received with little adverse reaction. Live entertainment offerings during the Quarter can be credited with the large gains in liquor

sales. Management continues to search for entertainment artists that have the largest influence on F&B and gaming revenues.

F&B Margins	Q3 (nine months)			Q3 (three months)			vs. previous quarter	
	2006	2005	+(-)	2006	2005	+(-)	Q2 2006	+(-)
Food & mix	46.0%	12.4%	33.6%	47.7%	13.1%	34.6%	47.4%	0.2%
Liquor	75.8%	72.2%	3.6%	77.0%	72.4%	4.6%	75.4%	1.6%
Total	66.5%	62.7%	3.8%	68.2%	62.7%	5.5%	66.4%	0.1%

Adjusted to Same Store	Q3 (nine months)			Q3 (three months)			vs. previous quarter	
	2006	2005	+(-)	2006	2005	+(-)	Q2 2006	+(-)
Food & mix	11.4%	12.4%	(1.0%)	11.2%	13.1%	(1.9%)	12.2%	(1.0%)
Liquor	75.2%	72.2%	3.0%	76.9%	72.4%	4.5%	74.8%	2.1%
Total	65.2%	62.7%	2.5%	67.2%	62.7%	4.5%	65.0%	0.3%

(in thousands of dollars unless stated otherwise)

The influence of recent price increases continues to improve margin comparatives year over year.

Lease and Rental Revenue

Lease and rental revenue includes three leases in the Strip Mall in Grande Prairie as well as lease and rental revenues generated within the casinos from 3rd party providers of on premises food services. Small amounts of audio visual equipment rentals for meeting rooms are also included.

Lease & Rental	Q3 (nine months)			Q3 (three months)			vs. previous quarter	
	2006	2005	+(-)	2006	2005	+(-)	Q2 2006	+(-)
Total	236.8	222.0	6.7%	83.8	73.5	13.9%	76.3	9.7%

Adjusted to Same Store	Q3 (nine months)			Q3 (three months)			vs. previous quarter	
	2006	2005	+(-)	2006	2005	+(-)	Q2 2006	+(-)
Total	230.4	222.0	3.8%	78.7	73.5	7.1%	75.8	3.9%

(in thousands of dollars unless stated otherwise)

Other Revenue

Other revenue includes automated teller machine (“ATM”) fees, lottery ticket sales, movie rentals, cigarette sales, ticket revenue, interest revenue and other miscellaneous service revenues at casinos and hotels.

Other	Q3 (nine months)			Q3 (three months)			vs. previous quarter	
	2006	2005	+(-)	2006	2005	+(-)	Q2 2006	+(-)
Total	2,854.3	1,764.9	61.7%	1,038.3	605.2	71.6%	936.0	10.9%

Adjusted to Same Store	Q3 (nine months)			Q3 (three months)			vs. previous quarter	
	2006	2005	+(-)	2006	2005	+(-)	Q2 2006	+(-)
Total	2,009.3	1,764.9	13.8%	673.8	605.2	11.3%	679.1	(0.8%)

(in thousands of dollars unless stated otherwise)

Retail banking agreements were renegotiated during the Quarter resulting in higher interest revenues on cash deposits for Deerfoot. Ticket sales, ATM fees and cigarette sales were other major contributors to revenue increases at Deerfoot during the Quarter.

Lower revenues compared to Q2 2006 at Same Store properties is due to repayments on the Limited Partnership term loan resulting in less interest earned on cash deposits.

Expenses

Total Expenses

Total Expenses	Q3 (nine months)			Q3 (three months)			vs. previous quarter	
	2006	2005	+(-)	2006	2005	+(-)	Q2 2006	+(-)
Total	21,243.3	10,229.0	107.7%	7,408.6	3,504.5	111.4%	7,031.2	5.4%
% of Revenues	59.3%	47.1%	12.2%	58.5%	46.6%	11.8%	60.5%	(2.0%)

Adjusted to Same Store	Q3 (nine months)			Q3 (three months)			vs. previous quarter	
	2006	2005	+(-)	2006	2005	+(-)	Q2 2006	+(-)
Total	12,718.0	10,229.0	24.3%	4,453.8	3,504.5	27.1%	4,190.2	6.3%
% of Revenues	49.7%	47.1%	2.6%	50.9%	46.6%	4.3%	50.4%	0.5%

(in thousands of dollars unless stated otherwise)

Economies of scale are beginning to manifest in lower expense ratios for Deerfoot. This is evidenced by reductions in this measurement from Q2 2006 on strong revenue gains over the Quarter.

Overall expense ratios for Same Store properties held relatively steady during the Quarter on solid revenue gains. Year over year, however, this ratio has slipped on higher utility costs, wage increases and property taxes. A number of capital maintenance projects also contributed to the higher expense ratios for the Quarter and Period.

Human Resources

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

Human Resources	Q3 (nine months)			Q3 (three months)			vs. previous quarter	
	2006	2005	+(-)	2006	2005	+(-)	Q2 2006	+(-)
Operations	8,309.1	3,920.0	112.0%	2,869.3	1,293.1	121.9%	2,786.2	3.0%
General admin	347.1	390.8	(11.2%)	140.7	178.0	(21.0%)	108.3	29.9%
Trustee fees	113.8	122.8	(7.4%)	41.8	32.0	30.5%	33.3	25.6%
Management fees	562.4	243.0	131.5%	179.1	93.0	92.6%	219.2	(18.3%)
Total	9,332.4	4,676.6	99.6%	3,230.8	1,596.1	102.4%	3,147.0	2.7%
% of Revenues	26.1%	21.5%	4.5%	25.5%	21.2%	4.3%	27.1%	(1.6%)

Adjusted to Same Store	Q3 (nine months)			Q3 (three months)			vs. previous quarter	
	2006	2005	+(-)	2006	2005	+(-)	Q2 2006	+(-)
Total	5,516.7	4,576.3	20.5%	1,904.8	1,511.1	26.1%	1,858.4	2.5%
% of Revenues	21.5%	21.1%	0.5%	21.8%	20.1%	1.7%	22.3%	(0.6%)

(in thousands of dollars unless stated otherwise)

The Deerfoot Joint Venture continues to manage labour costs to more efficient levels. As a result, overall labour costs as a percentage of revenue continue to fall.

Measured on a Same Store basis human resource costs remain relatively flat compared to the previous quarter with higher wages being offset by lower staffing levels. In some areas this is by design, in others it is a current condition of the tight labour market. Management staff step in when needed to fill

immediate staffing needs and existing part time workers continue to pick up extra shifts maintaining staffing at required levels.

Marketing and Promotions

Marketing and promotions include all donations, sponsorships and complementary services offered at facilities in addition to sales and advertising expenses.

Marketing	Q3 (nine months)			Q3 (three months)			vs. previous quarter	
	2006	2005	+(-)	2006	2005	+(-)	Q2 2006	+(-)
Total	1,059.1	516.0	105.2%	364.9	186.8	95.3%	397.3	(8.2%)
% of Revenues	3.0%	2.4%	0.6%	2.9%	2.5%	0.4%	3.4%	(0.5%)

Adjusted to Same Store	Q3 (nine months)			Q3 (three months)			vs. previous quarter	
	2006	2005	+(-)	2006	2005	+(-)	Q2 2006	+(-)
Total	508.8	501.3	1.5%	167.3	178.1	(6.1%)	198.2	(15.6%)
% of Revenues	2.0%	2.3%	(0.3%)	1.9%	2.4%	(0.5%)	2.4%	(0.5%)

(in thousands of dollars unless stated otherwise)

During the Quarter the Deerfoot Joint Venture introduced a loyalty program. Loyalty membership at Deerfoot has quickly surpassed 11,000 members. The high response rate has caused management to revise upward the potential for the program. Ultimately these loyalty programs will allow a more targeted approach to our marketing efforts resulting in a higher success ratio at lower cost.

Loyalty programs at our Same Store properties are also in various stages of roll out. Otherwise, strong general demand continues to provide opportunity at our Same Store Properties to scale back previously used mass marketing expenditures.

Operating Costs

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

Operating	Q3 (nine months)			Q3 (three months)			vs. previous quarter	
	2006	2005	+(-)	2006	2005	+(-)	Q2 2006	+(-)
Total	4,121.5	2,175.7	89.4%	1,550.9	763.5	103.1%	1,254.6	23.6%
% of Revenues	11.5%	10.0%	1.5%	12.2%	10.2%	2.1%	10.8%	1.4%

Adjusted to Same Store	Q3 (nine months)			Q3 (three months)			vs. previous quarter	
	2006	2005	+(-)	2006	2005	+(-)	Q2 2006	+(-)
Total	2,829.3	2,168.9	30.5%	1,082.4	758.9	42.6%	854.1	26.7%
% of Revenues	11.0%	10.0%	1.1%	12.4%	10.1%	2.3%	10.3%	2.1%

(in thousands of dollars unless stated otherwise)

Electricity costs, entertainment and custodial expenses were all substantially higher during the Quarter versus Q2 2006 for the Deerfoot Joint Venture. Electricity rates continue to be unpredictable with wide swings in metered rates. Also, bigger name entertainers were presented at the property during the Quarter especially throughout the ten days of the Calgary Exhibition & Stampede. Custodial costs have risen sharply due to arrangements made with contract cleaners to assist in-house cleaning staff during times of peak demand.

Same Store properties experienced the same spike in electricity rates during the Quarter. In addition, a combined \$353 thousand was spent by Great Northern Casino and Service Plus hotel in Grande Prairie to completed refurbishment projects during the Period. \$237 thousand of this spending occurred in the Quarter. Boomtown Casino crossed an annual revenue threshold during September requiring an additional lease payment based on percentage of revenue. Annual revenue is measured from November 1 to October 31 each year. As a result there will be one more month where the percentage rent is factored in before the measurement base is reset to zero.

General and Administrative

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

General & admin	Q3 (nine months)			Q3 (three months)			vs. previous quarter	
	2006	2005	+(-)	2006	2005	+(-)	Q2 2006	+(-)
Total	1,371.3	737.6	85.9%	463.4	241.8	91.6%	438.8	5.6%
% of Revenues	3.8%	3.4%	0.4%	3.7%	3.2%	0.4%	3.8%	(0.1%)

Adjusted to Same Store	Q3 (nine months)			Q3 (three months)			vs. previous quarter	
	2006	2005	+(-)	2006	2005	+(-)	Q2 2006	+(-)
Total	1,028.5	715.8	43.7%	355.8	232.3	53.1%	319.5	11.4%
% of Revenues	4.0%	3.3%	0.7%	4.1%	3.1%	1.0%	3.8%	0.2%

(in thousands of dollars unless stated otherwise)

Increased travel expenses during the Quarter and renewed insurance at higher replacement costs for constructed assets are the most significant explanations for increased general and administrative expenses.

Depreciation and Amortization

Depreciation and amortization based on working assets at scheduled depreciation rates is expensed evenly over the fiscal year for reporting purposes.

Amortizations	Q3 (nine months)			Q3 (three months)			vs. previous quarter	
	2006	2005	+(-)	2006	2005	+(-)	Q2 2006	+(-)
Total	1,807.3	705.1	156.3%	619.4	235.0	163.6%	594.4	4.2%
% of Revenues	5.0%	3.2%	1.8%	4.9%	3.1%	1.8%	5.1%	(0.2%)

Adjusted to Same Store	Q3 (nine months)			Q3 (three months)			vs. previous quarter	
	2006	2005	+(-)	2006	2005	+(-)	Q2 2006	+(-)
Total	740.4	705.1	5.0%	252.3	235.0	7.4%	244.0	3.4%
% of Revenues	2.9%	3.2%	(0.4%)	2.9%	3.1%	(0.2%)	2.9%	(0.0%)

(in thousands of dollars unless stated otherwise)

Quarterly depreciation on Deerfoot assets have been adjusted for small additions made in the prior quarter.

Interest

Interest includes amounts paid or accrued as expense on debt instruments for the purpose of financing working capital and expansion projects.

Interest	Q3 (nine months)			Q3 (three months)			vs. previous quarter	
	2006	2005	+(-)	2006	2005	+(-)	Q2 2006	+(-)
Total	947.8	0.0	100%	302.7	0.0	100%	365.4	(17.2%)
% of Revenues	3.7%	0.0%	3.7%	2.4%	0.0%	2.4%	3.1%	(0.8%)

(in thousands of dollars unless stated otherwise)

Total interest expense includes the Fund's Participating Interest of amounts on a \$24.0 million term loan used to finance construction of the Deerfoot Joint Venture assets. In addition to the Deerfoot Joint Venture loan, the Fund also incurs interest on a \$9.0 million term loan taken by the Limited Partnership for the purpose of financing its Contributing Interest in the capital costs and working capital of the Deerfoot Joint Venture.

During the Quarter the Deerfoot Loan was restructured to split off a \$2.0 million revolving portion. This revolving portion was paid down in full. Terms of the \$9.0 million Limited Partnership term loan allow for repayment without penalty and drawdown on any non-extended amounts. During the Quarter the Fund reduced the outstanding balance of this loan by \$2.48 million to \$5.52 million. Both actions served to lower interest expenses during the Quarter.

Facilities

Capital Expenditures	Q3 (nine months)			Q3 (three months)			vs. previous quarter	
	2006	2005	+(-)	2006	2005	+(-)	Q2 2006	+(-)
Maintenance	545.9	73.6	641.7%	210.8	15.1	1295.9%	122.9	71.5%
Expansion	1,210.8	7,646.1	(84.2%)	0.0	2,813.9	(100.0%)	478.4	(100.0%)
	1,756.7	7,719.7	(77.2%)	210.8	2,829.0	(92.5%)	601.3	(64.9%)

Adjusted to Same Store	Q3 (nine months)			Q3 (three months)			vs. previous quarter	
	2006	2005	+(-)	2006	2005	+(-)	Q2 2006	+(-)
Maintenance	508.2	73.6	590.5%	240.8	15.1	1494.6%	122.9	95.9%
Expansion	1,233.1	304.6	304.8%	0.0	219.4	-100.0%	643.8	(100.0%)
	1,741.3	378.2	360.4%	240.8	234.5	2.7%	766.7	(68.6%)

(in thousands of dollars unless stated otherwise)

Cost adjustments on the Deerfoot Joint Venture project resulted in an overall reduction to the total cost of the project. These adjustments were realized over the Period.

Capital maintenance spending for the Period includes approximately \$353 thousand in funds used to refurbish portions of the Service Plus and Great Northern Casino properties. These projects were completed during the Quarter.

Financial Condition

Liquidity and Capital Resources

Fund assets totaled \$92.9 million at the end of the Period, an increase of \$517 thousand from the start of the year. Cash and cash equivalents increased \$330 thousand during the Period. These minor increases reflect aggressive debt reduction and an increase in the regular monthly distribution from \$0.12 per unit to \$0.15 per unit at the end of Q1 2006.

\$5.52 million remains outstanding on the original \$9.0 million term loan taken by the Limited Partnership with Canadian Western Bank (“CWB”). During the Quarter the Fund paid down \$2.48 million on this debt instrument. The loan remains secured by the Fund’s casino and hotel assets in Grande Prairie. Interest on this revolving term loan floats at 1.5% above the CWB prime lending rate. The loan will mature in May of 2007.

The Deerfoot Joint Venture has a \$24.0 million loan facility from CWB originally placed to finance construction of the joint venture project. In March 2006 the debt was converted to a term loan bearing interest at 6.53%. Payments amortized over fifteen years commenced at the end of March 2006. During the Quarter the loan was restructured to allow up to \$2.0 million in revolving advance payments without penalty. Interest on this portion of the loan floats at CWB prime plus 1.0%. The full \$2.0 million on this revolving portion was paid down during the Quarter. The Fund is responsible for its 40% Participating Interest in this loan.

The Fund is required by the Alberta Gaming and Liquor Commission to maintain a Minimum Continuing Net Working Capital Position (“MCNWCP”) to support its gaming operations. Revolving loan amounts and lines of credit are considered working capital for MCNWCP.

Distributable Cash

The Fund's mandate is to make consistent monthly cash payments to unitholders based on management's projections of the year's distributable cash. Distributable cash is defined 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 in their discretion. 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.

Gamehost Income Fund paid monthly distributions of \$0.15 per unit for each month during the Quarter. Trustees also declared a regular monthly distribution of \$0.15 per unit for the month of October 2006. Declared monthly distributions are paid on or about the 15th of the month following declaration.

Summary of Distributable Cash	Q3 (nine months)		Q3 (three months)		previous quarter
	2006	2005	2006	2005	Q2 2006
Net earnings for the Period	\$ 14,565,218	\$ 11,482,599	\$ 5,264,344	\$ 4,009,067	\$ 4,592,738
Add:					
Amortization of property, plant and equipment	1,807,343	705,100	619,448	235,034	594,416
Cash generated	\$ 16,372,561	\$ 12,187,699	\$ 5,883,792	\$ 4,244,101	\$ 5,187,154
Cash generated/unit	\$ 2.327	\$ 1.732	\$ 0.836	\$ 0.603	\$ 0.737
Distributions declared	\$ 8,865,172	\$ 7,598,719	\$ 3,166,133	\$ 2,532,906	\$ 3,166,133
Distributions declared/unit	\$ 1.260	\$ 1.080	\$ 0.450	\$ 0.360	\$ 0.450
Payout ratio	54.1%	62.3%	53.8%	59.7%	61.0%
Cash generated in excess of distributions	\$ 7,507,388	\$ 4,588,980	\$ 2,717,659	\$ 1,711,195	\$ 2,021,021
Cash generated in excess of distributions/unit	\$ 1.067	\$ 0.652	\$ 0.386	\$ 0.243	\$ 0.287
Less:					
Capital expenditures from operating earnings ¹	1,756,717	529,660	210,782	289,722	690,502
Debt principal payments ²	222,917	-	97,572		92,945
Cash surplus for the Period	\$ 5,527,754	\$ 4,059,320	\$ 2,409,305	\$ 1,421,473	\$ 1,237,574
Cash surplus for the Period/unit	\$ 0.786	\$ 0.577	\$ 0.342	\$ 0.202	\$ 0.176

¹ The Fund defines capital maintenance as those amounts eligible as a capital expenditure under GAAP for the purpose of maintaining or enhancing existing facilities in their current form. Capital maintenance expenditures are normally, but not necessarily, paid for with cash generated by operations. Capital expansion expenditures, on the other hand, are defined by the Fund as amounts eligible as capital

expenditures as per GAAP for the purpose of adding new or expanding existing facilities. Normally, but not always, capital expansion expenditures will be financed by debt or other non-operating means. Management and/or Trustees of the Fund have in the past and may in future elect to use cash generated from operations for the purpose of capital expansion where this is in the best interest of the Fund. The table below illustrates the allocation of capital expenditure spending for 2006.

Capital Expenditure Spending	Q1 2006	Q2 2006	Q3 2006	YTD 2006
By method of funding				
Paid from operating cash flow	855,433	690,502	210,782	1,756,717
Financed by debt	-	-	-	-
Total capital expenditure	855,433	690,502	210,782	1,756,717
By type				
Maintenance	38,910	296,187	210,782	545,878
Expansion	816,523	394,315	-	1,210,839
Total capital expenditure	855,433	690,502	210,782	1,756,717

² Debt principal payments include only scheduled repayments on amortized loans. Repayments of any revolving loan amounts are excluded as these funds remain available for discretionary use. Repayments of any revolving loan amounts has been for the sole purpose of reducing short term interest costs and maximizing funds available for possible distribution or other such purposes at the discretion of management and/or Trustees.

Business Risks and Outlook

The Alberta economy is projected to out pace growth in the rest of the country for the balance of 2006 and through 2007. Gamehost properties are very well positioned to benefit from factors created by the strong economy such as increased business travel, immigration to the province and growth in disposable income.

The City of Calgary amended an earlier decision to implement a city wide new smoking bylaw January 1, 2007. As a result of the amendment casinos will be exempt from the new bylaw until January 2008.

Historical results for Q4 have typically seen an upswing in activity at Same Store casinos. We expect this to hold true for the Deerfoot Joint Venture as well. In addition, the Deerfoot Joint Venture should benefit from a strong Christmas banquet season.

We expect the Boomtown Casino to begin showing its true potential from the recent expansion. As we head into the fall and winter months energy sector activity typically experiences an upturn from the summer months. This should translate into higher activity at the casino as well.

Executive management is keeping watchful for any potential investments that would fit within the Funds hospitality/gaming mandate including investments to augment the potential of existing assets.

On October 31, 2006 the Hon. Jim Flaherty, Federal Finance Minister, announced details of a proposed Federal Conservative “Tax Fairness Plan”. The plan outlines changes to the way income trusts would be taxed. The plan is currently just a proposal and has not yet been passed by the House of Commons. Management and Trustees of the Fund are currently taking a wait and see approach to the proposal as fine details of the proposed plan have not been communicated. Once it is clear if and how enacted changes will affect the Fund management will explore all possible options in response.

November 7, 2006